Miami-Dade Seaport Department

A Department of Miami-Dade County, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2011

Prepared by the Miami-Dade Seaport Department

Bill Johnson,
Port Director

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Chief Financial Officer

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Port Controller

MIAMI-DADE COUNTY, FLORIDA SEAPORT DEPARTMENT
A Department of Miami-Dade County, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

Table of Contents

Description **Page**

Introductory Section (Unaudited)

Elected and appointed officials 5
Letter of Transmittal 6
Certificate of Achievement for Excellence in Financial Reporting 15
Organizational Chart 16

Financial Section

Report of Independent Auditors 18
Management's Discussion and Analysis (Unaudited) 20
Statements of Net Assets 28
Statements of Revenues, Expenses and Changes in Net Assets 30
Statements of Cash Flows 31
Notes to Financial Statements 34

Required Supplementary Information (Unaudited)

Schedule of Funding Progress For the Retiree Health Plan 58

Statistical Section (Unaudited)

Statistical Section Narrative 60
Schedule of Changes in Net Assets (Last nine fiscal years) 61
Schedule of Revenues and Expenses (Last ten fiscal years) 62
Schedule of Revenue per Ton (Last ten fiscal years) 63
Schedule of Revenue per Passenger (Last ten fiscal years) 63
Schedule of Revenue Bonds Debt Service Coverage (Last ten fiscal years) 64
Schedule of General Obligation Bonds Debt Service Coverage (Last ten fiscal years) 65
Schedule of Combined Debt Service Coverage (Last ten fiscal years) 66
Schedule of Ratios of Outstanding Debt by Type (Last ten fiscal years) 67
Schedule of Annual Total Tonnage (Last ten fiscal years) 68
Schedule of Annual Total TEUs (Twenty Foot Equivalent Units) (Last ten fiscal years)68
Schedule of Historical Tonnage Analysis (Last ten fiscal years) 68
Schedule of Annual Total Passengers (Last ten fiscal years) 68
Schedule of Miami-Dade County Population 69
Schedule of Principal Employers (Current fiscal year and Nine years ago) 70
Schedule of Demographic and Economic Statistics (Last ten fiscal years). 70
Schedule of Insurance in Force 71
Schedule of Full-Time Seaport Employees by Function (Last ten fiscal years) 72
Schedule of Capital Asset Indicators (Last ten fiscal years) 73

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 A. GIMENEZ, *MAYOR*

BOARD OF COUNTY COMMISSIONERS
JOE A. MARTINEZ, CHAIRMAN
AUDREY M. EDMONSON, VICE-CHAIRWOMAN

BARBARA J. JORDAN
DISTRICT 1

JEAN MONESTIME
DISTRICT 2

AUDREY M. EDMONSON, VICE-CHAIRWOMAN
DISTRICT 3

SALLY A. HEYMAN
DISTRICT 4

BRUNO A. BARREIRO
DISTRICT 5

REBECA SOSA
DISTRICT 6

XAVIER L. SUAREZ
DISTRICT 7

LYNDA BELL
DISTRICT 8

DENNIS C. MOSS
DISTRICT 9

SENATOR JAVIER D. SOUTO
DISTRICT 10

JOE A. MARTINEZ, CHAIRMAN
DISTRICT 11

JOSÉ “PEPE” DIAZ
DISTRICT 12

ESTEBAN BOVO, JR.
DISTRICT 13

HARVEY RUVIN
CLERK OF COURTS

PEDRO J. GARCIA
PROPERTY APPRAISER

ALINA T. HUDAK
COUNTY MANAGER

ROBERT A. CUEVAS JR.
COUNTY ATTORNEY

PORTMIAMI

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March 31, 2012

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

Honorable Harvey Ruvin, Clerk of the Courts

Honorable Pedro J. Garcia, Property Appraiser

Ms. Alina T. Hudak, County Manager

Ladies and Gentlemen:

We are pleased to present the Miami-Dade County, Florida Seaport Department's (the "Seaport") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2011. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America 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

McGladrey & Pullen, LLP, 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. McGladrey & Pullen'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 11 container ports in the United States. The Port is an island port and occupies approximately 522 acres of land. For fiscal year 2011, the Seaport handled approximately 4.1 million passengers. During this same period, approximately 7.4 million tons of cargo and close to 0.9 million TEUs (twenty-foot equivalent units) were processed through the Seaport. The Port ranked first in the state in TEU volume for Fiscal Year 2011.

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, 2011, 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, cargo terminal operators and shipping lines; 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

One year ago, in the year-end outlook for the local economy, it was anticipated that the growth in fiscal year 2011 would be similar to the one experienced in 2010 continuing on a slow recovery path with low job creation for Miami-Dade County and its most vital industries. The basis for this forecast was due to the pace of employment and income growth and the nation's overall economic health. This outlook turned out to be an accurate assessment of the past year since most indicators improved and employment remained weak.

During fiscal year 2010, with the eighteen-month recession behind, at least in official terms, various economic indicators marginally rebounded from the declines of the previous fiscal year. Real gross domestic product (GDP) increased at an annual rate of 2.1% and inflation was approximately 0.8%. During fiscal year 2011, with the exception of unemployment, the area achieved better results in most of the indicators, on a year-over-year basis. In fiscal 2011, the nation's GDP rose at the same annual rate (2.1%) as in fiscal 2010. Considering the unsettled conditions in the labor market, it is noteworthy mentioning that 2011 was a slightly better year than expected.

Payroll employment increased for the first time in three years, recording an overall gain of approximately 9,400 jobs. Job growth gains were also evident in the household survey data. However, given the increase in the labor force, the unemployment rate continued to climb throughout the fiscal year. The annual average unemployment rate for the 2011 fiscal year was 12.7%, compared to 12.0% a year earlier.

Despite the consistent high level of unemployment, consumer activity has shown reasonable strength during fiscal year 2011. The indication that consumers remained resilient and acted in a sort of "defying logic" way to finance their spending is reflected in taxable sales which increased by 7.6% at about $37.7 billion. That was still below pre-recession peaks, but better than the previous fiscal year when taxable sales increased by only 1.5%.

During the past fiscal year, the performance of the real estate market was better than fiscal year 2010, especially in terms of home sales. Between these two periods, the value of construction, in the County, increased by 43.9%. Correspondingly, the number of building permits issued and the related housing units increased almost 100% from a year ago. Aided by a decline in the median sales price of 9.7%, sales of existing single-family homes increased 35.8% from a year ago. A much larger increase of 58.8% occurred in the sales of condominiums, aided by a 15.1% decline in the median sales price. At the same time, the number of foreclosure filings declined by almost two thirds. Despite this, the 2012 outlook on housing remained weak with low expectations for a turnaround in the housing market, since it will require continued improvement in the job market.

■ *International Trade and Commerce*

At the Port, cargo activity, measured in TEUs, increased by approximately 7.1% compared to an increase of approximately 5.0% in Fiscal Year 2010. The Seaport expects cargo activity to increase slightly in Fiscal Year 2012. The Seaport is optimistic regarding international commerce in Miami-Dade and anticipates higher volume levels in cargo activity movement through the Port. The optimism is based on the assumption that the, incentivized agreements, improving economy and 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 both throughput and revenues.

The Americas continue to represent a major share of the Seaport's total cargo. For fiscal year 2010, the Americas accounted for approximately 54% (Caribbean—16% South America—16%, Central America and Mexico—22%). This was followed by The Far East, Asia and the Pacific with 32%. The balance of approximately 14% consisted of Europe, North America, Middle East, Southwest Asia, and Africa.

■*Competition*

The economic upturn contributed to an increase of approximately 7.0%, when measured in TEUs. This increase as well as tariff adjustments caused the Seaport's cargo related revenues to increase by 11% from fiscal year 2010. The Seaport's commitment to expanding its cargo business, coupled with incentivized cargo contracts contributed to overall cargo activity increase. The Seaport is encouraged and anticipates continued cargo activity growth in fiscal year 2012.

International trade, the value of merchandise trade for the Miami Customs District, increased by 19.6% from last fiscal year. This increase was also reflected in the activity levels at MIA and the Seaport. Freight and cargo tonnage at these trade facilities displayed similar trends, albeit at a much smaller magnitude.

■*Tourism*

Passenger levels at Miami International Airport (MIA) increased approximately 7.4% from prior year, compared to an increase of approximately 3.5% in Fiscal Year 2010. The increase can be attributed to growth in both international and domestic activity of approximately 8.2% and 6.7%, respectively. Passenger traffic in fiscal year 2012 is expected to increase slightly. In conjunction with the increase in passenger traffic, Miami-Dade County hosted 7.3% more visitors in 2011 than the number recorded a year earlier. Along with this trend, hotel-booking activity registered notable improvements as hotel occupancy rates increased on a fiscal year-round basis moving in the same upward direction of a year ago. For 2012, as long as the U.S. or global economy remains free of shocks, it is expected that the numbers of visitors to Miami-Dade will increase. During Fiscal Year 2011, approximately 4.02 million passengers came through the Port of Miami. This represents a slight decrease, from Fiscal Year 2010. Despite the slight decrease, The Seaport remains encouraged. One of the amendments approved by the Board during the 2011 fiscal year is anticipated to yield a net passenger increase of approximately 250,000 passengers per year, beginning in fiscal year 2013.

■ ***Future Outlook***

Overall, the Seaport is encouraged with the results of its cruise and cargo activity. During Fiscal Year 2011, the Board of County Commissioners approved contract amendments with two of the Seaport's cruise partners. Under the terms of the amendments, one of the cruise partners guarantees approximately $72 million in revenue over the first ten years and the other guarantees homeporting a new ship in Fiscal Year 2013. The new ship that will be homeported is anticipated to yield a net increase of approximately 250,000 passengers per year. The Seaport anticipates that these amendments, along with the cruise agreement approved by the Board of County Commissioners during Fiscal Year 2009 will benefit the Port in the future. During Fiscal Year 2010, an F3 class cruise ship sailed from the Port of Miami for the first time. The F3 class ships are among the largest passenger cruise ships in the world. Recent cruise terminal facilities enhancements will allow the Port to accommodate the new larger ships as well as luxury vessels.

Overall, 2012 is expected to experience the same trends that have defined the local economy for much of the last fiscal year continuing on a slow recovery path with moderate job creation. On the plus side, the U.S. economy continues to fare well compared to other places in the world. At this time, the greatest risks to the outlook, including the local economy, are expected to emanate from outside the U.S., especially Europe and China. However, none of the negative trends that traditionally indicate a slowdown is present in the current U.S. economic environment, so another recession seems very unlikely.

A number of other factors would play out in the determination of the outlook for 2012. One positive factor is that inflationary pressures have continued to decline. This coupled with the extension of unemployment insurance benefits and cuts in payroll taxes, at least on a temporary basis, ensures a policy that should encourage business and consumer expenditures. As an additional support to the economy, the Federal Reserve, with interest rates near zero since December 2008, will monitor the current conditions. They appear ready to take action to stimulate growth, first through communications measures and then through increased bond buying.

Unfortunately, some negative factors could influence the outlook for 2012. For one thing, there is a possibility that consumers will pull back and be more cautious in their spending. This could occur for several reasons: consumers still have too much debt, incomes are not rising, and employment gains have not been strong. Not all these bode well for a pickup in spending. In addition, gas and oil prices could also spike for any number of reasons. Adding to that, increases in some commodities, especially for food at home, could bring a rise in inflation and this, in turn, could slow overall growth and prolong the economic recovery.

Long Term Financial Planning

MAJOR INITIATIVES

■ ***Construction Management***

The Seaport's proposed Capital Improvement Program for the period October 1, 2011 through September 30, 2016 is budgeted at $530.2 million. Of this amount, approximately $384.1 million, $24.5 million, $117.1 million and $4.5 million will be funded by debt proceeds, federal and state grants and tenant financing, respectively. Of the $530.2 million, approximately $247.2 million, $222.3 million, $21.3 million and $39.4 million will fund the port facility improvements, dredging, cargo facilities improvements and equipment acquisition, respectively.

The Seaport secured Congressional approval in the fall of 2007 for the Miami Harbor Project. The next 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—foot depth harbor will make the Port of Miami one of a few seaport's along the U.S. east coast capable of accommodating mega container vessels. Additionally, redevelopment of 80 acres of cargo terminal area will enhance cargo terminal operations and efficiencies will be achieved.

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 2013-2016.

CHART 1
CIP FUNDING SOURCES
($ IN THOUSANDS)

Revenue	**Fiscal Year 2012**	**Fiscal Year 2013 - Future**	**Total**
Debt Proceeds	$ 75,449	$ 308,630	$ 384,079
Federal Grants	10,672	13,778	24,450
State Grants	29,323	87,815	117,138
Tenant Financing	2,387	2,162	4,549
Total	$ 117,831	$ 412,385	$ 530,216

CIP PROJECT SUMMARY
($ IN THOUSANDS)

Expenditures	**Fiscal Year 2012**	**Fiscal Year 2013 - Future**	**Total**
Cargo facilities Improvements	$ 10,401	$ 10,880	$ 21,281
Equipment acquisition	10,490	28,927	39,417
Port facilities improvements	47,940	199,239	247,179
Dredging	49,000	173,339	222,339
	$ 117,831	$ 412,385	$ 530,216

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. The Seaport is currently working with the County's Bond Administration Division to refinance variable rate debt as well as high interest rate debt to take advantage of low interest rates.

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 Bonds. The coverage for the Sunshine State Loans and the Capital Acquisitions Bonds is performed at the County level. The combined coverage, for the Seaport's revenue and general obligation bonds, for the last five fiscal years is presented 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	$ 48,905	$ 14,704	4.00 -- 6.20%
General Obligation Revenue Bonds	$ 111,375	$ 43,813	4.40 -- 6.50%
Sunshine State Loans	$ 329,270	$ 74,419	1.41 - 2.0%
Capital Acquisition Bonds	$ 127,347	$ 110,961	3.00 -- 7.50%

Chart 3
Debt Service Coverage

Fiscal Year	Primary Coverage
2011	**1.96**
2010	1.63
2009	1.35
2008	1.50
2007	1.17

Security

Securing the Seaport and providing efficient commerce will present challenges for the foreseeable future. The Seaport has made significant progress over the last three years to curtail and maintain security costs. It has successfully done this by modifying its security plan and investing in its security infrastructure. Over the last several fiscal years, the Seaport has made a significant investment in its security infrastructure. The corresponding funding needs for security has increased dramatically. The Seaport is currently compliant.

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. Customs 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, 2010. This was the twelfth 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 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
Assistant Director for Finance

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, 2010

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.

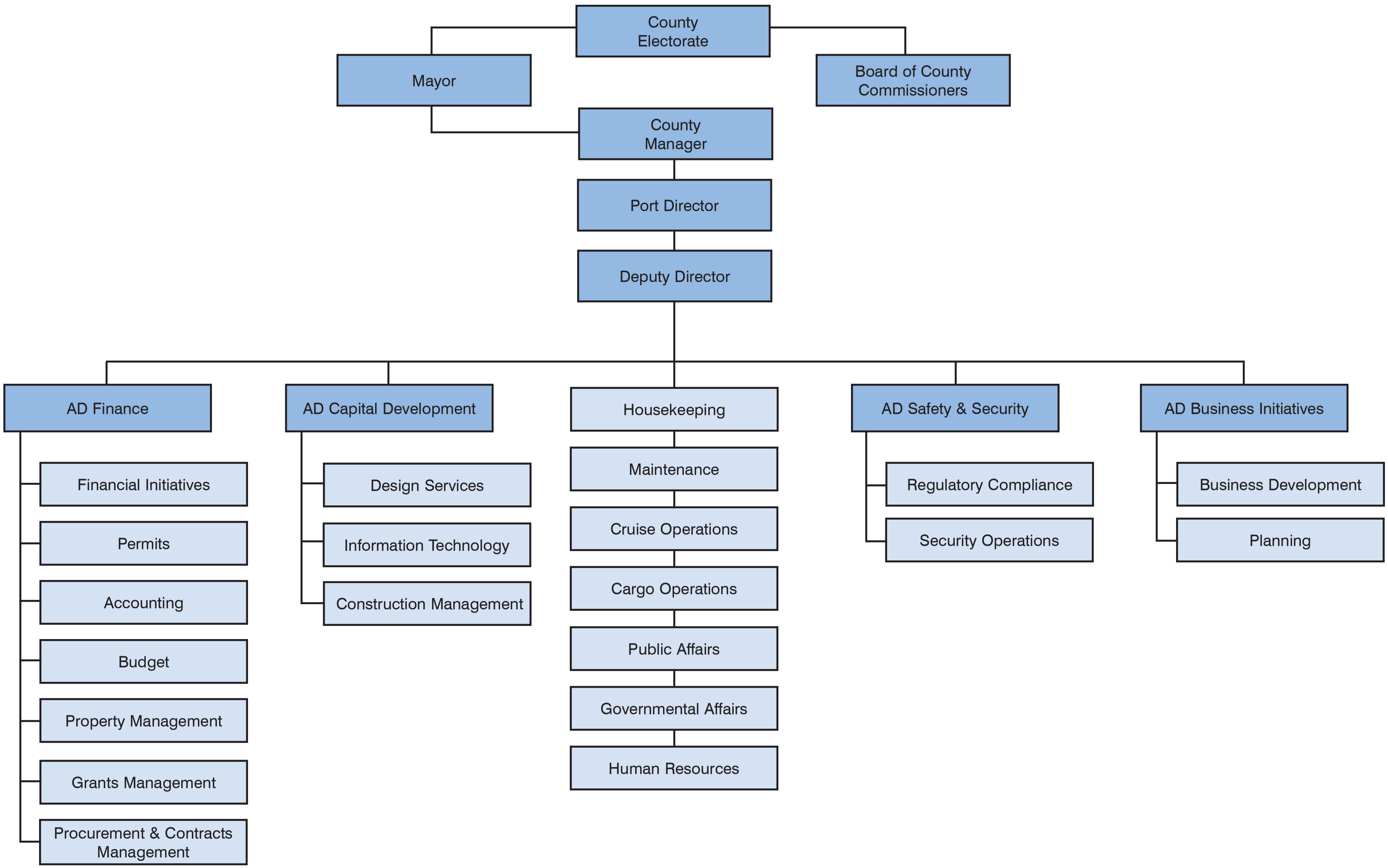
Linda C. Davison

President

Jeffrey R. Esser

Executive Director

Miami-Dade County Seaport Department Organizational Chart 2010-2011



FINANCIAL SECTION

McGladrey

Independent Auditor's 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 Department), an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Department, as of September 30, 2010, were audited by other auditors whose report dated April 18, 2011 expressed an unqualified opinion on those statements.

We conducted our audit 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 Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 1, the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2011 and 2010 and the changes in its financial position and where applicable its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the 2011 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 Seaport Department as of September 30, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2012 on our consideration of the Miami-Dade County Seaport Department's internal control over financial reporting and 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 and the schedules of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 2011 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The accompanying 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 by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Miami, Florida
February 21, 2012

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

The following narrative provides an overview of the Miami-Dade County, Florida Seaport Department's (the "Seaport") financial activities for the fiscal years ended September 30, 2011 and 2010. 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 major categories: operating, capital and related financing activities, 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**. Net assets may be used to assess the financial position of the Seaport. Total Seaport net assets as of September 30, 2011 were $225.6 million, comprising of approximately $201.5 million in invested in capital assets net of related debt; approximately $13.2 million in restricted for debt service and unrestricted net assets of approximately $10.9 million. Total Seaport net assets as of September 30, 2010 were $218.1 million, comprising of approximately $194.1 million in invested in capital assets net of related debt; approximately $15.2 million in restricted for debt service and construction and unrestricted net assets of approximately $8.8 million. Total Seaport net assets as of September 30, 2009 were $212.3 million, comprising of approximately $185.9 million in invested in capital assets net of related debt; approximately $19.1 million in restricted for debt service and construction and unrestricted net assets of approximately $7.3 million.

Table I

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

	Fiscal Year 2011	Change from Fiscal Year 2010	Fiscal Year 2010	Change from Fiscal Year 2009	Fiscal Year 2009
Capital assets, net	$ 760.9	$ (0.3)	$ 761.2	$ 14.3	$ 746.9
Current and other assets	108.2	46.3	61.9	(22.1)	84.0
Total assets	869.1	46.0	823.1	(7.8)	830.9
Long-term liabilities outstanding	605.2	39.5	565.7	(14.6)	580.3
Other liabilities	38.3	(1.0)	39.3	1.0	38.3
Total liabilities	643.5	38.5	605.0	(13.6)	618.6
Net assets:					
Invested in capital assets					
net of related debt	201.5	7.3	194.1	8.2	185.9
Restricted	13.2	(1.9)	15.2	(3.9)	19.1
Unrestricted	10.9	2.1	8.8	1.5	7.3
Total net assets.	$ 225.6	$ 7.4	$ 218.1	$ 5.8	$ 212.3

The increases in invested in capital assets net of related debt, from fiscal years 2010 to 2011 and 2009 to 2010 can be attributed to new construction projects and acquisition of assets. The increase in restricted net assets from fiscal year 2010 to 2011 can be attributed to new required reserves. The increase in unrestricted net assets from fiscal year 2010- to 2011 can be attributed to an increase in revenues coupled with a decrease in expense. In fiscal year 2010, the decrease in unrestricted net assets can primarily be attributed to a settlement of approximately $4.0 million and an increase in interest expense. The increase in restricted net assets from Fiscal Year 2009 to 2010 can be attributed to an increase in debt service reserves and requirements.

The Seaport worked closely with its consultants to finalize the Port's 2035 Master Plan, ("the Plan"). The Plan was unveiled in December 2011. The Plan will be a useful roadmap for the Seaport to ensure that it maintains its unique dual distinction as Cargo Gateway of the Americas and Cruise Capital of the World; meets the future demands and expectations of the cargo and cruise industries and that it maximizes the use of its resources.

Table II summarizes the change in the Seaport's net assets. Total net assets, as of September 30, 2011, were approximately $225.6 million, representing an increase of approximately $7.5 million from prior year. Total net assets, as of September 30, 2010, were approximately $218.1 million, representing an increase of approximately $5.8 million from prior year. 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 in Fiscal Year 2011 can be attributed to an increase in Invested in Capital Assets net of Related Debt and Unrestricted Net Assets partially offset by a decrease in Restricted Net Assets.

Table II

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

	Fiscal Year 2011	Change from Fiscal Year 2010	Fiscal Year 2010	Change from Fiscal Year 2009	Fiscal Year 2009
Operating revenues					
Cruise wharfage/dockage	$ 46.4	$ 4.4	$ 42.0	$ 1.8	$ 40.2
Cargo wharfage/dockage	23.8	1.9	21.9	2.7	19.2
Container crane user fees	9.9	1.4	8.5	0.3	8.2
Rentals	13.9	(0.9)	14.8	(0.1)	14.9
Ground transportation	1.9	0.4	1.5	0.1	1.4
Parking	9.2	(0.8)	10.0	(0.7)	10.7
Misc. charges and fees	4.1	(1.3)	5.4	(0.1)	5.5
Total operating revenues	109.2	5.1	104.1	4.0	100.1
Investment earnings	0.5	0.1	0.4	0.2	0.2
Other nonoperating	0.8	0.8	-	-	-
Total revenues	110.5	6.0	104.5	4.2	100.3
Operating expenses	65.8	(0.5)	66.3	(2.7)	69.0
Depreciation	23.5	0.5	23.0	2.2	20.8
Interest expense	18.9	1.9	17.0	(2.4)	19.4
Other nonoperating expenses	-	(4.2)	4.2	4.0	0.2
Total Expenses	108.2	(2.3)	110.5	1.1	109.4
Net Income (loss) before contributions and transfers	2.3	8.3	(6.0)	3.1	(9.1)
Capital contributions	6.3	(5.5)	11.8	(1.5)	13.3
Transfers out	(1.1)	(1.1)	-	-	-
Change in net assets	7.5	1.7	5.8	1.6	4.2
Net assets at beginning of year	218.1	5.8	212.3	4.2	208.1
Net assets at end of year	$ 225.6	$ 7.5	$ 218.1	$ 5.8	$ 212.3

Operating revenues for Fiscal years 2011 were approximately $109.2 million or $5.1 million higher than last fiscal year. The increase can be attributed to increases in cruise, cargo and related revenues, ground transportation, partially offset by decreases in Rentals, Parking and Miscellaneous Charges. The increase in Cargo and Related Revenues, including Container Crane User Fees can be attributed to an increase in activity and corresponding rate increases. The increase in Cruise and Related revenue can be attributed to an increase in the corresponding rates. Overall, passenger traffic was slightly down from the 2011 Fiscal Year. The increase in ground transportation revenue can be attributed to the implementation of the Ground Transportation System. The increases in Cargo and Cruise related revenues from the 2009 Fiscal Year to 2010 can be attributed to similar reasons as to the increases from the 2010 Fiscal Year to the 2011 Fiscal Year. The exception is that the increase in Cruise in FY 2010 was also attributed to passenger growth, while the increase in Fiscal Year 2011 was limited to corresponding rate increases.

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

Table III

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

	Fiscal Year 2011	Change from Fiscal Year 2010	Fiscal Year 2010	Change from Fiscal 2009	Fiscal Year 2009
Operating Revenues:					
Cruise wharfage/dockage	$ 46.4	$ 4.4	$ 42.0	$ 1.8	$ 40.2
Cargo wharfage/dockage	23.8	1.9	21.9	2.7	19.2
Container crane user fees	9.9	1.4	8.5	0.3	8.2
Rentals	13.9	(0.9)	14.8	(0.1)	14.9
Ground transportation	1.9	0.4	1.5	0.1	1.4
Parking	9.2	(0.8)	10.0	(0.7)	10.7
Miscellaneous fees and charges	4.1	(1.3)	5.4	(0.1)	5.5
Total revenues	$ 109.2	$ 5.1	$ 104.1	$ 4.0	$ 100.1

Operating expenses for fiscal year 2011 decreased approximately $0.5 million from fiscal year 2010. Consistent with prior years, the Port continues to streamline processes and increase efficiencies to reduce costs. Additionally, employee contributions and concessions, which became effective during fiscal year 2010, carried over into the 2011 fiscal year which yielded savings. Operating expenses for fiscal year 2010 decreased approximately $2.7 million from fiscal year 2009. This can be attributed to the Seaport's continued commitment to cost savings, streamlining processes, and increase efficiencies. Additionally, during the 2010 fiscal years County employees made several salary and other compensation related concessions that further contributed to reducing costs.

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 2011	Change from Fiscal Year 2010	Fiscal Year 2010	Change from Fiscal Year 2009	Fiscal Year 2009
Operating Expenses:					
Cruise Operations	$ 6.6	$ (0.4)	$ 7.0	$ 0.5	$ 6.5
Cargo Operations	1.3	0.2	1.1	(0.3)	1.4
Maintenance	6.7	0.2	6.5	0.3	6.2
Utilities	3.3	0.3	3.0	(2.1)	5.1
Marketing and Advertising	1.0	(0.3)	1.3	(0.4)	1.7
Gantry Cranes	6.9	0.1	6.8	(1.2)	8.0
Security	18.5	(1.1)	19.6	(1.5)	21.1
General and administration	21.5	0.5	21.0	2.0	19.0
Total Operating Expenses	$ 65.8	$ (0.5)	$ 66.3	$ (2.7)	$ 69.0

Capital assets and debt administration

Capital assets

The Seaport's total investment in capital assets, net of accumulated depreciation, at September 30, 2011, September 30, 2010 and September 30, 2009 was $760.9 million, $761.2 million and $746.9 million, respectively. This represents a slight decrease of $0.3 million, from fiscal year 2010 to 2011 and increase of $14.3 million, from fiscal year 2009 to 2010. The decrease from fiscal year 2010 to 2011 can be attributed to an increase in accumulated depreciation. The increase between the 2009 and 2010 fiscal year is attributed to the construction and/or acquisition of new assets in accordance with the Seaport's Master Plan and Multi-year Capital Budget. 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 (net of Depreciation)
As of September 30,
(in millions)

	Fiscal Year 2011	Change from Fiscal Year 2010	Fiscal Year 2010	Change from Fiscal Year 2009	Fiscal Year 2009
Land and related costs	$ 210.4	$ 2.0	$ 208.4	$ 9.8	$ 198.6
Buildings, transit sheds and terminals	279.4	(13.1)	292.5	20.4	272.1
Machinery and equipment	35.9	6.1	29.8	2.3	27.5
Improvements other than buildings	190.0	(6.7)	196.7	(6.0)	202.7
Construction in progress	45.2	11.4	33.8	(12.2)	46.0
Totals	$ 760.9	$ (0.3)	$ 761.2	$ 14.3	$ 746.9

During fiscal year 2011, several construction projects were completed. These projects include major access enhancements to certain cruise terminals, improvements to certain cargo terminals, and certain security projects. 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
- Cargo yard improvements
- Wharf strengthening
- Rail rehabilitation
- Acquisition, construction, and implementation of cruise terminal and gateway security enhancements
- Cranes electrification and related infrastructure improvements

Debt administration

At September 30, 2011, 2010 and 2009, the Seaport had $616.9 million, $583.4 million and $595.3 million, respectively, in bonds and loan agreements outstanding. The net increase from fiscal year fiscal year 2010 can be attributed to the issuance of the Series 2010 D and 2010 E Capital Acquisition Bonds, partially offset by reduction in principal balances of existing debt. The net decrease of $11.9 million from fiscal year 2009 was the result of annual principal repayments in accordance with the respective debt amortization schedule. Additional long-term debt detail can be found in Notes 5 and 9 to the financial statements.

During 2011 fiscal year, the County on behalf of the Seaport issued approximately $38.1 million and $21.3 million of Capital Acquisition Bonds to fund the construction and / or acquisition of port assets. Additionally, during this same period, the County, on behalf of the Seaport entered into an amended and restated loan agreement with the Sunshine State Governmental Financing Commission to consolidate approximately $334.8 million of the port's loans. Additional information can be found in Note 5 to the financial statements.

During fiscal year 2009, the County, on behalf of the Seaport issued approximately $68.6 of Capital Acquisition Bonds to fund the construction and / or acquisition of port assets. Additional information can be found in Note 5 to the financial statements.

Table VI

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

	Fiscal Year 2011	Change from Fiscal Year 2010	Fiscal Year 2010	Change from Fiscal Year 2009	Fiscal Year 2009
Seaport general obligation bonds	$ 111.4	$ (14.5)	$ 125.9	$ (4.5)	$ 130.4
Seaport revenue bonds	48.9	(5.5)	54.4	(3.6)	58.0
Sunshine state loans	329.3	(5.5)	334.8	(3.5)	338.3
Capital acquisition bonds	127.3	59.0	68.3	(0.3)	68.6
Totals	$ 616.9	$ 33.5	$ 583.4	$ (11.9)	$ 595.3

In June 2010 Moody's Investors Service assigned an underlying rating of A2 with a stable outlook to Miami-Dade County Seaport Department’s Revenue Bonds, based on relatively stable operations and improving market share financial trends. 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 Aa2 on the Seaport's outstanding General Obligation Bonds and Aa3 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

For the 2011 fiscal year, cargo activity, measured in Twenty Foot Equivalent Units (TEUS) increased approximately 7% from the prior year, compared to an increase of 5% in fiscal year 2010. Most of the cargo is exported to Latin America (South America, Central America, and the Caribbean), followed by the Far East, Asia, the Pacific, Europe and the Middle East. The majority of the imports are from Latin America followed by the Far East, Asia and the Pacific, and Europe.

Since the 2009 Fiscal Year the Seaport implemented new service incentive rates. The incentive rates have been successful in attracting new services from competitor ports. These new service incentive rates, a slight improvement in the economy, and other contractual incentives contributed to the increase in cargo activity throughput. The Port is optimistic that this will continue in the upcoming fiscal 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. Additionally, the new Free Trade Agreements with Colombia, Panama, and South Korea will offer new opportunities to expand international trade and commerce benefitting the Port of Miami and the State of Florida.

For 2012, as long as the U.S. or global economy remains free of shocks, it is expected that the numbers of visitors to Miami-Dade will increase. Passenger levels at Miami International Airport (MIA) increased approximately 7.4% from prior year, compared to an increase of approximately 3.5% in Fiscal Year 2010. During Fiscal Year 2011, approximately 4.02 million passengers came through the Port of Miami. This represents a slight decrease, from Fiscal Year 2010. Despite the slight decrease, The Seaport remains encouraged. One of the amendments approved by the Board during the 2011 fiscal year is anticipated to yield a net passenger increase of approximately 250,000 passengers per year, beginning in fiscal year 2013.

The Seaport is extremely optimistic and encouraged with the future of the Port. The Port is currently underway with three key projects—the Port Tunnel, the reengineering of the Port railroad, and the Deep Dredge. Collectively, these projects will allow the Port to increase throughput, become more efficient and position itself as a key player in the global marketplace. The new Port tunnel, scheduled to be operational in 2014, will direct traffic off Miami streets and re-route trucks and other vehicles directly into the heart of port operations. This major enhancement to the region's transportation infrastructure will provide new efficiencies with the goal of doubling cargo traffic over the next decade. Additionally, the Port's re-engineered rail line will be able to reach key distribution centers throughout the U.S. quickly and efficiently. The Deep Dredge will allow for Post Panamax cargo ships and will position the Port of Miami as a player in the global market place. Scheduled for completion to synchronize with the opening of the expanded Panama Canal in 2014, deepening the Port of Miami's waters to -50 feet will allow the largest cargo ships to call the Port home. In all, it's predicted that our trio of port enhancements will create thousands of new jobs; making South Florida a true powerhouse in international trade and commerce.

Annually the Seaport scrutinizes Terminal Tariff No. 010 to ensure the Seaport's ability to meet its budgetary obligations through Tariff revenues. The Adopted Budget for fiscal year 2011 includes the necessary increases in order for the Seaport to meets its budgetary obligations. The Seaport continually reviews the Tariff and its rate structure to ensure that it remains competitive, attracts new business, and maintains its existing customer base.

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, 2011 and September 30, 2010

Assets	**2011**	2010
Current assets:		
Pooled cash and cash equivalents	**$ 1,818,705**	$ 4,252,368
Pooled investments	**16,132,348**	8,558,287
Accounts receivable, less allowance for doubtful accounts of $853,800 and $3,621,819 at September 30, 2011 and September 30, 2010, respectively	**9,590,880**	7,497,823
Due from other governments	**—**	542,945
Prepaid expenses, deferred costs and other current assets	**5,028,313**	4,610,046
Total current unrestricted assets	**32,570,246**	25,461,469
Restricted assets:		
Current restricted assets:		
Pooled cash and cash equivalents	**7,265,171**	12,360,992
Pooled investments	**8,008,001**	11,293,262
Due from other governments	**747,975**	2,634,893
Total current restricted assets	**16,021,147**	26,289,147
Total current assets	**48,591,393**	51,750,616
Noncurrent assets:		
Noncurrent restricted assets		
Pooled investments	**55,043,379**	7,055,974
Total noncurrent restricted assets	**55,043,379**	7,055,974
Capital Assets:		
Land and related costs	**210,414,883**	208,405,062
Buildings, transit sheds, and terminals	**456,481,991**	455,928,241
Improvements other than buildings	**280,305,939**	280,305,940
Machinery and equipment	**58,269,684**	48,932,727
Construction in progress	**45,207,945**	33,847,008
Capital assets, gross	**1,050,680,442**	1,027,418,978
Less accumulated depreciation	**(289,739,747)**	(266,191,867)
Capital assets, net	**760,940,695**	761,227,111
Deferred charges:		
Deferred bond issuance costs, net	**4,494,574**	3,044,818
Total noncurrent assets	**820,478,648**	771,327,903
Total assets	**$ 869,070,041**	$ 823,078,519

(Continued)

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Net Assets (continued)
As of September 30, 2011 and September 30, 2010

Liabilities and Net Assets		**2011**		2010
Current liabilities payable from unrestricted assets:				
Accounts payable and accrued expenses	**$**	**4,208,804**	$	2,956,986
Accrued payroll and related expenses		**767,663**		776,443
Compensated absences		**1,592,543**		1,687,262
Accrued interest payable		**4,176,974**		2,102,392
Current portion of loans payable		**3,710,000**		4,000,000
Current portion of capital acquisition bonds payable		**1,670,000**		310,000
Current portion of master lease agreement		**—**		1,092,488
Unearned revenue		**103,322**		311,602
Settlement liability		**3,984,199**		3,984,199
Due to other Miami-Dade County funds		**1,151,324**		861,636
Total current liabilities payable from unrestricted assets		**21,364,829**		18,083,008
Current liabilities payable from restricted assets:				
Current portion of revenue and general obligation bonds payable		**11,500,000**		10,230,000
Accrued interest payable		**3,070,273**		4,800,308
Accounts payable and accrued expenses		**463,550**		2,663,154
Contracts and retainage payable		**1,924,268**		3,496,249
Total current liabilities payable from restricted assets		**16,958,091**		21,189,711
Total current liabilities payable from unrestricted and restricted assets		**38,322,920**		39,272,719
Long-term liabilities:				
Bonds payable, less net unamortized discount and deferred loss of $285,766 at September 30, 2011 and $7,388,186 September 30, 2010		**148,494,234**		162,661,814
Loans payable, less unamortized deferred loss of $288,583 at September 30, 2011 and $1,973,390 September 30, 2010		**325,271,417**		328,831,610
Capital acquisition bonds payable, plus unamortized premium of $593,419 at September 30, 2011 and $312,271 September 30, 2010		**126,270,502**		68,332,274
Compensated absences		**4,570,549**		5,026,872
Other post employment benefit		**565,000**		820,560
Total long-term liabilities		**605,171,702**		565,673,130
Total liabilities		**643,494,622**		604,945,849
Net Assets				
Invested in capital assets, net of related debt		**201,468,657**		194,133,745
Restricted for debt service and reserve		**13,228,047**		13,258,534
Restricted for construction and other		**—**		1,913,786
Unrestricted net assets		**10,878,715**		8,826,605
Total Net Assets	**$**	**225,575,419**	$	218,132,670

(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
Years ended September 30, 2011 and September 30, 2010

	2011	2010
Operating revenue:		
Cruise wharfage/dockage	$ 46,423,582	$ 41,963,447
Cargo wharfage/dockage	23,752,406	21,957,460
Container crane user fees	9,910,270	8,470,505
Rentals	13,906,189	14,825,652
Ground transportation	1,880,256	1,464,034
Parking	9,183,811	10,042,434
Miscellaneous charges and fees	4,090,116	5,361,187
Total operating revenues	109,146,630	104,084,719
Operating expenses:		
Cruise operations	6,589,850	7,046,791
Cargo operations	1,338,219	1,087,348
Maintenance	6,730,972	6,453,069
Utilities	3,256,055	2,950,042
Marketing and advertising	1,015,409	1,321,269
Gantry cranes	6,925,900	6,810,605
Security	18,509,472	19,635,746
General and administrative	21,470,194	21,030,309
Total operating expenses before depreciation	65,836,071	66,335,179
Operating income before depreciation	43,310,559	37,749,540
Depreciation expense	23,547,880	22,994,577
Operating income	19,762,679	14,754,963
Nonoperating revenues (expenses):		
Investment earnings	511,961	414,396
Interest expense, net of capitalized interest	(18,900,822)	(16,961,524)
Interest subsidy	570,492	—
Other, net	239,018	(4,193,503)
Total nonoperating revenues (expenses)	(17,579,351)	(20,740,631)
Income (Loss) before capital contributions and transfers	2,183,328	(5,985,668)
Capital contributions	6,331,421	11,796,440
Transfers out	(1,072,000)	—
Change in net assets	7,442,749	5,810,772
Total net assets - Beginning	218,132,670	212,321,898
Total net assets - Ending	$ 225,575,419	$ 218,132,670

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

MIAMI-DADE COUNTY, FLORIDA
SEAPORT DEPARTMENT
Statements of Cash Flows
Years ended September 30, 2011 and September 30, 2010

	2011	2010
Cash flows from operating activities:		
Cash received from customers and tenants	**$ 105,752,802**	$ 102,750,392
Cash paid to suppliers	**(34,464,847)**	(36,786,761)
Cash paid to employees for services	**(30,435,744)**	(30,821,198)
Net cash provided by operating activities	**40,852,211**	35,142,433
Cash flows from noncapital financing activities:		
Transfers out	**(1,072,000)**	—
Cash flows from capital and related financing activities:		
Capital grants received	**8,218,338**	14,233,675
Principal payments:		
Bonds	**(13,187,500)**	(8,090,000)
Notes and loans	**(3,735,000)**	(3,500,000)
Capital Acquisition Bonds	**(310,000)**	(300,000)
Interest paid	**(19,402,908)**	(16,018,866)
Purchase of capital assets	**(25,808,043)**	(40,585,877)
Proceeds from issuance of long term debt	**58,679,660**	—
Net cash (used for) provided by capital and related financing activities	**4,454,547**	(54,261,068)
Cash flows from investing activities:		
Investments purchased	**(79,183,728)**	(26,907,523)
Proceeds from sale and maturities of investments	**26,907,523**	48,733,548
Interest and dividends from investments	**511,963**	414,396
Net cash provided by (used for) investing activities	**(51,764,242)**	22,240,421
Net increase (decrease) in cash and cash equivalents	**(7,529,484)**	3,121,786
Cash and cash equivalents (including restricted assets) at beginning of year	**16,613,360**	13,491,574
Cash and cash equivalents (including restricted assets) at end of year	**$ 9,083,876**	$ 16,613,360

(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 (continued)
Years ended September 30, 2011 and September 30, 2010

		2011		2010
Reconciliation of operating income to net cash provided by operating activities				
Operating income	$	**19,762,679**	$	14,754,963
Adjustments to reconcile operating income to net cash				
Depreciation		**23,547,880**		22,994,577
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net		**(2,093,057)**		996,444
Decrease (increase) in due from other government		**542,945**		(542,945)
(Increase) decrease in prepaid expenses and other current assets		**(333,591)**		432,847
Increase (decrease) in accounts payable, accrued expenses and due to other Miami-Dade County Funds		**1,541,506**		(1,694,967)
Increase (decrease) in accrued payroll and related expenses and compensated absences		**(103,499)**		122,234
Decrease in master lease agreement liability		**(1,092,488)**		(1,728,631)
Decrease in unearned revenue		**(208,280)**		(602,142)
Increase (decrease) in other liabilities		**(711,884)**		410,053
Net cash provided by operating activities	**$**	**40,852,211**	$	35,142,433

Supplemental disclosure for noncash investing, capital and financing activities:

During fiscal year 2011, the Seaport had a change in construction and related liabilities of $3,771,585 which impacted the cash uses for capital and related financing activities. Additionally, the Seaport capitalized $1,225,006 of interest during the same year.

During fiscal year 2010, the Seaport had a change in construction and related liabilities of $3,654,771, which impacted the cash uses for capital and related financing activities. Additionally, the Seaport capitalized $815,920 of interest during the same year.

For fiscal years 2011 and 2010, the Seaport did not record or receive any noncash capital contributions. Capital grants receivable was $747,975 and $2,634,893 at fiscal year 2011 and 2010, respectively

Due to the immaterial amount of the unrealized gains, the Seaport did not record any changes in fair value of investments for fiscal years 2011 and 2010.

(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, Florida Seaport Department (thereafter "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 constructed 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

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

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.

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

(d) Accounts Receivable and Allowance for Doubtful Accounts
Receivables include amounts due from customers for services provided by Seaport and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon historical trends and periodic aging of receivables. The Seaport fully reserves for all receivables greater than 90 days with the exception of accounts that are in the collection process. The allowance balance was $0.85 million and $3.6 million for fiscal years 2011 and 2010, respectively. During fiscal years 2011 and 2010, pursuant to Administrative Order 3.9 *Writeoff Accounts Receivable Arising from User Charges,* the Seaport wrote-off $3,026,466 and $242,136 respectively of uncollectible accounts. The Seaport recorded adjustments to the allowance of $258,447 and $105,525 for fiscal year 2011 and 2010, respectively, with an offset to revenue 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, dredging, and certain individual items or collections with historical or artistic value). The dredging costs associated with excavating to reach a certain depth are capitalized. Conversely, the costs associated with maintaining the channel to the designed depths are expensed as incurred. 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:

Asset	Useful Life
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 the amount of interest that is capitalized which is determined by applying the Seaport's weighted average interest rate to the average amount of accumulated expenditure for capital construction during the period and for interest related to tax-exempt borrowings used for construction projects, net of interest earned on those construction funds borrowed, which are capitalized. In fiscal years 2011 and 2010, the Seaport

incurred interest expense of approximately $18.9 million and $16.96 million net of capitalized interest of approximately $1.2 million and $0.8 million, respectively.

(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
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, 2011 and 2010, long-term liabilities for compensated absences were $4.6 million and $5.0 million, respectively and short-term liabilities for compensated absences were $1.6 million and $1.7 million, respectively.

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

(m) Revenue and Expense Classifications
Items of income and expense relating to Seaport property and operations including wharfage, dockage, rental, 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 against 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

Rentals — rentals of land, buildings, machinery and equipment.

Approximately 71% of the Port's operating revenues and corresponding receivables are generated from five operators. The Table below summarizes it between cruise and cargo operators. Amounts are in thousands.

Cruise Operator	Revenue	Receivable
Company A	$ 26,429	$ 1,250
Company B	14,738	744
Company C	10,877	3,408
Total	$ 52,043	$ 5,402

Cargo Operator	Revenue	Receivable
Company A	$ 12,859	$ 927
Company B	12,692	316
Total	$ 25,551	$ 1,243

(n) 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.

(o) Pension Plan and Postemployment Benefits

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 based on contractually required contributions. 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 post employment 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.

(p) 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.

(q) 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.

(r) Reclassification

Certain prior year amounts have been reclassified to conform with the current year’s presentation.

(s) Net assets

Equity in the Seaport’s statement of net assets is displayed in four categories: 1) invested in capital assets, net of related debt, (2) restricted for debt service and reserve (3) restricted for construction and other and (4) unrestricted. Net assets invested in capital assets, net of related debt consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Net assets are reported as restricted when there are third party limitations (statutory, contractual or bond covenant) on their use. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other three components.

(t) Unearned revenues
Unearned revenue consists of unapplied payments received from customers. Such amounts are recognized as revenue in subsequent periods as they are earned.

(3) Cash, Cash Equivalents, and Investments
The County is responsible for all treasury functions, and pools all cash and investments, except for separate cash and investment accounts which are maintained under legal restrictions. Seaport's equity share of the total pooled cash and investments is included in the accompanying Statement of Net Assets under the current and restricted captions "Pooled cash and cash equivalents" or "Pooled investments". The carrying amounts of Seaport's cash on hand is $9.1 million, pooled current and noncurrent investments held by the County are $67.4 million and $11.8 million, respectively, which represents less than 5% of the County's pooled cash, cash equivalent and investments as of September 30, 2011. (See the County's Comprehensive Annual Financial Report for disclosures relating to its interest rate risk, credit risk, custodial credit risk and concentration of credit risk).

During fiscal year 2011, 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, 2011 and 2010, are as follows (in thousands):

	Balance at 9/30/09	Additions	Deletions	Balance at 9/30/10	Additions	Deletions	Balance at 9/30/11
Capital assets, not being depreciated:							
Land and related costs	$ 198,596	$ 9,809	$ -	$ 208,405	$ 2,010	$ -	$ 210,415
Construction in progress	45,926	33,703	(45,782)	33,847	21,086	(9,725)	45,208
Total capital assets, not being depreciated	244,522	43,512	(45,782)	242,252	23,096	(9,725)	255,623
Capital assets being depreciated:							
Buildings, transit sheds and terminals	422,035	33,893	-	455,928	553	-	456,481
Improvements other than buildings	279,647	659	-	280,306	-	-	280,306
Machinery and equipment	43,869	5,064	-	48,933	9,337	-	58,270
Total capital assets being depreciated	745,551	39,616	-	785,167	9,890	-	795,057
Less accumulated depreciation for:							
Buildings, transit sheds and terminals	(149,972)	(13,436)	-	(163,408)	(13,655)	-	(177,063)
Improvements other than buildings	(76,902)	(6,720)	-	(83,622)	(6,720)	-	(90,342)
Machinery and equipment	(16,323)	(2,839)	-	(19,162)	(3,172)	-	(22,334)
Total accumulated depreciation	(243,197)	(22,995)	-	(266,192)	(23,547)	-	(289,739)
Total capital assets, being depreciated, net	502,354	16,621	-	518,975	(13,657)	-	505,318
Total capital assets, net	$ 746,876	$ 60,133	$ (45,782)	$ 761,227	$ 9,439	$ (9,725)	$ 760,941

In fiscal years 2011 and 2010, Seaport transferred approximately $2.0 million and $9.6 million, respectively in completed projects that were related to land, transferring these costs from construction in progress to land and related costs. For fiscal years 2011 and 2010, the Seaport expensed construction in progress projects totaling $501,177 and $972,646, respectively, due to reprioritizing of capital projects based on capital needs. These operating expenses were recorded in the statements of revenues, expenses and changes in net assets.

(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 required transfers to pay for the respective annual debt service requirements. The net revenue requirements for maximum principal and interest applicable to Revenue Bonds and General Obligation Bonds were met in fiscal year 2011.

(b) Seaport Revenue Bonds

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 then outstanding $17.3 million Seaport Revenue Refunding Bonds Series 1988A; (2) prepay $13.3 million of the $13.6 million Seaport Revenue Refunding Bonds Series 1988B; (3) prepay $15.6 million of the then outstanding $27.3 million 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 certain capital improvements costs for 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 were 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 were additionally a general obligation of the County, and, to the extent that the revenue of the Seaport was insufficient to pay debt service on the Series 1996 G.O. Refunding Bonds, were 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 were refunded in 2011 with proceeds from the Miami-Dade County, Florida Seaport General Obligation Refunding Bonds, Series 2011C (the Series 2011C Bonds).

On May 26, 2011, the County issued $111.4 million the “Series 2011C Bonds” for the primary purpose of refunding, defeasing and redeeming together with other available funds, all or the County issued $149.9 million Seaport General Obligation Refunding Bonds, Series 1996. The net proceeds of $119.6 million together with $3.5 million of other funds from the County totaling $123.1 million of which $122.6 million was deposited by the County with the escrow agent and $458,644 was used for the Series 2011C issuance costs. As a result of refunding the Series 1996

G.O. Refunding Bonds with the issuing of the Series 2011C Bonds, the Seaport had a net present value economic gain of $13.7 million. The debt service for the refunded Series 1996 G.O. Bonds was $177.3 million, while the debt service of the refunding Series 2011C Bonds was $155.2 million, a difference of $22.1 million. The series 2011C 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 (thereafter the “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.

The following Sunshine State Loans have been consolidated into the current Series 2010 and 2011 Sunshine State Loans presented in Note 5(h).

Sunshine State Loans Series:	Original Proceeds	Use of Original Proceeds
1987	$ 50.0 million	Capital improvements; acquiring certain gantry cranes
1995	41.4 million	Capital improvements; acquiring certain gantry cranes
1998	20.6 million	Capital improvements
1999	36.0 million	Capital improvements
2001	150.0 million	Capital improvements; refunding certain loan obligations
2005	75.0 million	Capital improvements

As of September 30, 2010, the County had eight loans with the Commission. In July 1986, the Commission issued $300 million of variable rate demand bonds with interest being reset weekly (the “1986 Program Bonds”). The Sunshine State Commission lent a portion of the bond proceeds to the County (the “County’s 1986 Loans”) pursuant to four loan agreements (the “1986 Loan Agreements”). The balance of the County’s 1986 Loans on September 30, 2010 was $35,990,739. The Sunshine State Commission used a Dexia Credit Locale (“Dexia”) letter of credit (the "Dexia 1986 LOC") to provide liquidity and credit support of the 1986 Program Bonds. The Dexia 1986 LOC expired August 1, 2011.

In February 1994, the Commission created a new separate program, using commercial paper to supply the proceeds to fund loans to the Sunshine State Commission's participants. The County had several loans under the commercial paper program. In 2008, when the Dexia became the LOC provider, the Commission restructured all of the County's commercial paper loans under a separate commercial paper program (the "Series L Program"). The Series L Program was a commercial paper program issued solely for the benefit of the County. The proceeds from the issuance of the commercial paper were lent to the County (the "County's Series L Loans"), pursuant to four loan agreements (the "Series L Loan Agreements"). The balance of the County's Series L Loans on September 30, 2010 was $510.2 million. The Commission used a Dexia letter of credit (the "Dexia Series L LOC" and together with the Dexia 1986 LOC, the "Dexia LOCs") to provide liquidity and credit support of the Series L Program. The Dexia Series L LOC expired on June 2, 2011.

In June 2010, Dexia notified the Commission that they were going to be exiting the LOC provider market and they would not be extending the Dexia LOCs. The County and the Commission solicited the LOC provider market in October 2010 with a request for proposal to provide a replacement LOC for the Dexia LOCs. The Commission received three responses. The Commission selected JPMorgan as the replacement LOC provider, established a new program (the "Multimodal Program") and on December 30, 2010, issued bonds on the County's behalf as multimodal bonds in a variable rate mode with a weekly interest rate reset (the "Series 2010A&B Bonds"). The proceeds of the bonds were lent to the County pursuant to a loan agreement (the "2010 Loan Agreement") and used to replace $226 million of the Series L Loans. The Commission and JPMorgan have entered into a Letter of Credit Reimbursement Agreement to provide a LOC to secure the Series 2010A&B Bonds in the amount of $226 million, plus interest, for a term of three years to expire December 30, 2013.

On March 30, 2011, the Commission priced a new series of bonds under the Multimodal Program in the amount of $248 million (the "Series 2011A Bonds"). The Series 2011A Bonds are fixed rate bonds with a final maturity of September 1, 2021. The proceeds of $248 million and the original issue premium in the amount of approximately $8.2 million were lent to the County pursuant to a loan agreement (the "Series 2011A Loan Agreement") on April 14, 2011 and was used to replace $227 million of the outstanding County's Series L Loans and $28 million of the outstanding County's 1986 Loans. The Series 2011A Bonds closed on April 14, 2011.

Prior to April 14, 2011, the Commission entered into a new Letter of Credit Reimbursement Agreement with JPMorgan to provide a new LOC in the amount of $58 million plus interest for a term of three years to expire on April 14, 2014. The Commission issued additional Multimodal Program bonds in the amount of $57 million (the "Series 2011B&C Bonds") to replace County's Series L Loans in the amount of $57 million. The Series 2011B&C Bonds were issued as multimodal variable rate bonds, with interest to be reset weekly. The new JPMorgan letter of credit will provide liquidity and credit enhancement pursuant to the new Letter of Credit and Reimbursement Agreement with JPMorgan. The Series 2011B&C Bonds closed on April 14, 2011, concurrently with the Series 2011A Bonds. See Note 5 (h) for a listing of the Sunshine State Loan balances that have been presented as a long-term liability of Seaport at September 30, 2011. As of September 30, 2011, no draw had been made against the LOC.

In the event that the LOC is not renewed, and a replacement LOC is not provided, the Seaport shall prepay the Loan in full by paying the then applicable optional prepayment price on or before a date 60 days prior to the expiration date, in the amount of approximately $57 million.

(f) Capital Asset Acquisition Bonds

Capital Asset Acquisition Bonds, Series 2009A —On September 3, 2009, the County issued $69 million of Capital Asset Acquisition Special Obligation Bonds, Series 2009A (Series 2009A Bonds). The total proceeds of approximately $69 million were used to: (1) pay certain capital improvements costs for 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 Bonds. Net proceeds received by the Seaport Department after funding required reserves and paying issuance costs were approximately $67.5 million. The Series 2009A Bonds are scheduled for payment through the year 2039.

Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010D - On December 15, 2010, the County, on behalf of the Seaport issued $40.3 million of Capital Asset Acquisition Taxable Special Obligation Bonds, Series 2010D ("Series 2010D Bonds"). Of the $40.3 million, $21.3 million was allocated to the Seaport. The purposes for issuing the Series 2010D Bonds are to (1) pay the costs of construction, improvement and renovation of certain capital assets of the Port; (2) fund the Reserve Account for the Series 2010D Bonds; and (3) pay the costs of issuance relating to the Series 2010D Bonds, including paying the premium for a municipal bond insurance policy securing the Series 2010D Bonds. The Series 2010D Bonds are scheduled for payment through the year 2040.

Capital Asset Acquisition Special Obligation Bonds, Series 2010E - On December 2, 2010, the County, on behalf of the Seaport issued $38.1 million of Capital Asset Acquisition Special Obligation Bonds, Series 2010E ("Series 2010E Bonds"). The purposes for issuing the Series 2010E Bonds are to (1) pay the costs of construction, improvement and renovation of certain capital assets of the Port; (2) fund the Reserve Account for the Series 2010E Bonds; and (3) pay the costs of issuance relating to the Series 2010E Bonds. The Series 2010E are scheduled for payment through the year 2030.

(g) Letter of Credit (Port Tunnel)

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 Seaport'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 Seaport's share of the Geotechnical and Relief Contingency Reserve is $75 million. The Geotechnical and Relief Contingency Reserve are 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.

On September 25, 2009, the County entered into a Reimbursement Agreement with Wells Fargo Bank, National Association (the Bank) in the amount of $75 million for the County's (Seaport) share of the Geotechnical and Relief Contingency Reserve. The LOC automatically extended 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 will 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 through February 25, 2014 and on 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 balance of the term loan shall bear interest at 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, 2011 and 2010, the Seaport had not drawn down on the letter of credit.

(h) Long-Term Debt Summary

A summary of the Seaport's long-term debt outstanding as of September 30, 2011 and 2010 is presented in the following table (dollars in thousands):

Description	Date of Issuance	Interest Rate	Amount Issued	Year of Maturity	Outstanding Balance 2011	Outstanding Balance 2010
Revenue Bonds:						
Series 1995 (Refunding Bonds)	1995	4.60%-6.20%	44,950	2015	**$ 27,745**	$ 32,400
Series 1996	1996	4.00%-5.50%	29,270	2026	**21,160**	21,980
Less: Unamortized discount					**(470)**	(531)
Less: Current portion					**(5,815)**	(5,475)
Total Long-term Seaport Revenue Bonds					**42,620**	48,374
General Obligation Bonds:						
Series 1996 (Refunding Bonds) Refunded	1996	4.40%-6.50%	149,950	2026	**-**	125,900
Series 2011C (Refunding Bonds)	2011	2.00%-5.00%	111,375	2026	**111,375**	-
Less: Unamortized net deferred amounts					**184**	(6,857)
Less: Current portion					**(5,685)**	(4,755)
Total Long-term Seaport General Obligation Bonds					**105,874**	114,288
Sunshine State Loans:						
Series 2010A	2010	1.41%	112,950	2035	**112,950**	112,950
Series 2010B	2010	1.41%	112,950	2035	**112,950**	112,950
Series 2011A (fixed rate)	2011	2.00%	50,105	2027	**46,370**	51,905
Series 2011B	2011	1.41%	28,500	2032	**28,500**	28,500
Series 2011C	2011	1.41%	28,500	2032	**28,500**	28,500
Less: Unamortized net deferred amounts					**(289)**	(1,973)
Less: Current portion					**(3,710)**	(4,000)
Total Long-term Sunshine State Loans					**325,271**	328,832
Capital Asset Acquisition Bonds:						
Series 2009A	2009	3.00%-5.13%	68,630	2039	**68,020**	68,330
Series 2010D	2010	7.50%	21,277	2040	**21,277**	-
Series 2010E	2010	3.50%-5.00%	38,050	2030	**38,050**	-
Plus: Unamortized premium amount					**594**	312
Less: Current portion					**(1,670)**	(310)
Total Capital Asset Acquisition Bonds					**126,271**	68,332
Total long-term debt, net					**$ 600,036**	$ 559,826

(i) Debt Service Requirements

The Seaport's debt service requirements to maturity by type, assuming the bonds are remarketed and the LOC is renewed and is extended through fiscal year 2032, including the current portion, at September 30, 2011, are as follows (in thousands):

Year Ending September 30,	Revenue Bonds	G.O. Bonds	Sunshine State Loans	Cap. Acq. Bonds	Total
Principal					
2012	$ 5,815	$ 5,685	$ 3,710	$ 1,670	$ 16,880
2013	6,140	5,115	4,235	3,900	19,390
2014	6,490	5,370	5,370	3,965	21,195
2015	6,860	5,610	5,360	4,025	21,855
2016	7,250	5,830	15,015	4,085	32,180
2017-2021	6,270	33,030	60,590	21,540	121,430
2022-2026	8,170	41,320	63,900	24,000	137,390
2027-2031	1,910	9,415	121,910	25,161	158,396
2032-2036	-	-	49,180	22,205	71,385
2037-2039	-	-	-	16,796	16,796
Total	48,905	111,375	329,270	127,347	616,897
Interest					
2012	2,584	1,695	6,198	6,682	17,159
2013	2,243	4,769	6,013	6,622	19,647
2014	1,882	4,514	5,801	6,460	18,657
2015	1,501	4,245	5,586	6,284	17,616
2016	1,099	4,021	5,310	6,117	16,547
2017-2021	3,647	16,231	21,033	27,828	68,739
2022-2026	1,695	7,938	14,672	22,576	46,881
2027-2031	53	400	8,493	16,279	25,225
2032-2036	-	-	1,313	9,568	10,881
2037-2039	-	-	-	2,545	2,545
Total	14,704	43,813	74,419	110,961	243,897
Principal and Interest					
2012	8,399	7,380	9,908	8,352	34,039
2013	8,383	9,884	10,248	10,522	39,037
2014	8,372	9,884	11,171	10,425	39,852
2015	8,361	9,855	10,946	10,309	39,471
2016	8,349	9,851	20,325	10,202	48,727
2017-2021	9,917	49,261	81,623	49,368	190,169
2022-2026	9,865	49,258	78,572	46,576	184,271
2027-2031	1,963	9,815	130,403	41,440	183,621
2032-2036	-	-	50,493	31,773	82,266
2037-2039	-	-	-	19,341	19,341
Total	$ 63,609	$ 155,188	$ 403,689	$ 238,308	$ 860,794

State loans are variable rate debt with interest calculated on the basis of the interest paid at the end of the fiscal year. The table of debt service requirements to maturity above is prepared using designated maturities reflecting the Seaport’s intended amortization to maturity. At each stated maturity the Seaport can retire the maturing amount in whole or in part, or refund the maturing bonds and loans as a part of its annual capital borrowing into another stated maturity, variable rate debt, or fixed rate debt amortized to maturity as determined by then market conditions. The table does not reflect any accelerated amortizations that may result under the term out provisions as discussed in Note 5(e) for the Sunshine State Loans.

(6) Defeasance of Debt

At September 30, 2011 and 2010, there were no defeased bonds outstanding.

(7) Master Lease Agreement

In July 2011, the Seaport entered into an amended Office Space Building Lease Agreement as lessor, with a cruise ship company ("the Company"). The initial term of the amended lease is 10 years through March 31, 2021, with additional five year renewal terms at the Company's option.

(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 15 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, 2011 are summarized in the table below

(in thousands):

Year ending September 30,	**Operating Leases**
2012	$ 17,714
2013	17,538
2014	17,078
2015	14,864
2016	14,401
2017-2021	70,264
2022-2026	43,954
2027-2031	15,613
Total rental income	$ 211,426

Rental income was $13,906,189 in fiscal year 2011 and $14,825,652 in fiscal year 2010. The net book values of assets being leased by Seaport as lessor are as follows:

Asset	Asset Cost	Accumulated Depreciation	Net Book value
Land	$ 85,305,431	$ -	$ 85,305,431
Buildings	38,476,416	32,903,555	5,572,861
Total	$ 123,781,847	$ 32,903,555	$ 90,878,292

(9) Long-term Obligation Activity

Changes in long-term obligations for the year ending September 30, 2010 are as follows (in thousands):

	Balance at 9/30/09	Increase	Decrease	Balance at 9/30/10	Due within One year
Bonds and loans payable:					
Revenue bonds	$ 58,000	$ -	$ 3,620	$ 54,380	$ 5,475
General obligation bonds	130,370	-	4,470	125,900	4,755
Sunshine State loans	338,305	-	3,500	334,805	4,000
Capital acquisition bond	68,630	-	300	68,330	310
Unamortized discounts and premium and deferred amounts, net	(9,625)		(576)	(9,049)	-
Total	585,680	-	11,314	574,366	14,540
Other liabilities:					
Master lease agreement	2,820	-	1,728	1,092	1,092
Compensated absences	6,367	2,664	2,317	6,714	1,687
Mitigation liability-consent order	401	-	401	-	-
Other Post-employment benefits	691	130	-	821	-
Total	10,279	2,794	4,446	8,627	2,779
Total long-term liabilities	$ 595,959	$ 2,794	$ 15,760	$ 582,993	$ 17,319

Changes in long-term obligations for the year ending September 30, 2011 are as follows (in thousands):

	Balance at 9/30/10	Increase	Decrease	Balance at 9/30/11	Due within One year
Bonds and loans payable:					
Revenue bonds	$ 54,380	$ -	$ 5,475	$ 48,905	$ 5,815
General obligation bonds	125,900	111,375	125,900	111,375	5,685
Sunshine State loans	334,805	329,270	334,805	329,270	3,710
Capital acquisition bond	68,330	59,327	310	127,347	1,670
Unamortized discounts and premium and deferred amounts, net	(9,049)	(19,946)	10,878	19	-
Total	574,366	480,026	477,368	616,916	16,880
Other liabilities:					
Master lease agreement	1,092	-	1,092	-	-
Compensated absences	6,714	1,718	2,269	6,163	1,592
Other Post-employment benefits	821	134	390	565	-
Total	8,627	1,852	3,751	6,728	1,592
Total long-term liabilities	$ 582,993	$ 481,878	$ 481,119	$ 623,644	$ 18,472

(10) Restricted Assets

Restricted assets represent bond proceeds and other cash, cash equivalents, and investments 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):

	2011	2010
Debt service	**$ 32,240**	$ 27,217
Capital grants receivable	**748**	2,635
Improvement and construction	**38,077**	3,493
Total	**$ 71,065**	$ 33,345

(11) Employment Benefits

(a) Pension Plan

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, which 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 4.91% to 14.10%, 10.77% to 23.25% and 9.85% to 20.92% of gross salaries for fiscal years 2011, 2010 and 2009, respectively. For the fiscal years ended September 30, 2011, 2010 and 2009, the County contributed 100 percent of the annual required contributions. These contributions aggregated $265 million, $282 million, and $284 million, respectively, which represents 13.0%, 13.4% and 13.0% of covered payroll, respectively, and 7.2%, 11.5% and 11.2% of the total contributions required of all participating agencies for fiscal years 2011, 2010 and 2009. 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, 2011, 2010, and 2009, as required and defined by the System were $2.7 million, $2.6 million, and $2.4 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

In accordance with the requirements of Governmental Accounting Standards Board Statement 45 (GASB 45) for other post-employment benefits (OPEB), the County accrues the cost of 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 this statement is reflected in the accompanying financial statements.

Plan Description. The County, for which the Seaport participates, 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
- 6 years of service (no age requirement)

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	37,516
Retirees under age 65	2,329
Eligible spouses under age 65	681
Retirees age 65 and over	548
Eligible spouses age 65 and over	112
Total	41,186

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 Seaport 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 Seaport contributing an average of 28% of the entire plan cost. For fiscal years 2011 and 2010, the Seaport contributed $272,000 and $264,000 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 methodology used to determine the Seaport's Annual OPEB and Net OPEB Obligation was based on its number of employees proportionate to the County's total eligible employees. A summary of these amounts for the Seaport can be found below.

The Seaport's annual OPEB costs for the fiscal years 2011 and 2010, and the related information for the plan are as follows (dollar amounts in thousands):

	Fiscal year 2011	Fiscal year 2010
Annual required contribution	**$ 428**	$ 401
Interest on net OPEB obligation	**20**	10
Adjustment to annual required contribution	**(20)**	(10)
Annual OPEB cost	**428**	401
Contributions made	**(294)**	(272)
Increase in net OPEB obligation	**134**	129
Net OPEB obligation-beginning of year	**431**	302
Net OPEB obligation-end of year	**$ 565**	$ 431

The Seaport's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011 and 2010 were as follows (dollar amounts in thousands):

Fiscal Year Ended	**Annual OPEB Cost**	**Percentage of Annual OPEB Cost Contributed**	**Net OPEB Obligation**
09/30/2011	**$ 428**	**66.6%**	**$ 565**
09/30/2010	$ 401	66.4%	$ 431
09/30/2009	$ 351	75.8%	$ 301

Funded Status and Funding Progress. The schedule below shows the County's balance of the actuarial accrued liability (AAL) as of October 1, 2010, the most recent actuarial valuation date. The funding status and funding progress was not determined separately for Seaport. The AAL was unfunded as of September 30, 2011 (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 (c)**	**UAAL as % of Covered Payroll ([b-a]/c)**
10/01/2010	**$ -**	**$ 297,218**	**$ 297,218**	**0%**	**$ 1,620,593**	**18%**

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 (RSI) following the notes to the financial statements, 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	10/01/2010
Amortization method	Level percentage of payroll, closed
Remaining amortization periods	27 years
Actuarial assumptions:	
Discount rate	4.00% - 4.75%
Payroll growth assumption	3.00%
Health care cost trend period	Grades down over seven years
Health care cost trend rates	11% initial to 5.25% ultimate
Mortality table	RP 2000 Projected to 2010

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 $134,000 and $129,000 expense for fiscal years 2011 and 2010, respectively in operating expenses of the statements of revenues, expenses and changes in net assets. Additionally, the Seaport recorded $565,000 and $431,000 in Net OPEB liability in fiscal years 2011 and 2010, 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. There has been no significant reduction in coverage for the last 3 years.

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 per occurrence provided by this program is $350 million (inclusive of deductibles). Property overage 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 2011 and 2010 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 and anticipated losses. For the years ended September 30, 2011 and 2010, the Seaport incurred approximately $1.8 million and $2.0 million in insurance premium 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 estimates of incurred, but not reported losses are based on historical experience and are performed by an independent actuary.

(*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, 2011 and 2010, total receivables were $0.75 million and $2.6 million, respectively. State grant receivables as of September 30, 2011 and 2010, totaled $0.27 million and $2.5 million, respectively, and are invoiced to the granting agency upon payment by the Seaport to the contractor. Federal grant receivables as of September 30, 2011 and 2010 were $0.48 million and $0.1 million, respectively, and are invoiced to the granting agency upon payment by the Seaport to the contractor. The receivables are recorded under Due from other governments in the Statements of Net Assets.

(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 $19.2 million and $18.9 million for the years ended September 30, 2011 and 2010, respectively.

The following table presents a list of providers of services and respective charges for the years ended September 30, 2011 and 2010 (in thousands):

	2011	2010
Audit and Management Services	**$ 330**	$ 110
Fire Services	**2,750**	2,578
Fleet Management	**788**	863
General Fund Charges	**2,192**	3,070
Information Technology	**1,852**	990
Police Services	**8,038**	7,967
Public Works Services	**38**	73
Miami-Dade Water and Sewer	**2,334**	2,432
Other	**845**	828
Total	**$ 19,167**	$ 18,911

Amounts due to the County for the years ended September 30, 2011 and 2010 were $1,151,324 and $861,636, respectively. General Fund Charges above represents the Seaport’s pro-rata share of expenses incurred by certain General Fund departments (i.e. General Services Administration, County Attorney’s Office, Office of Management and Budget, Information Technology Department, Finance Department), on behalf of the Seaport.

(15) Commitments, Contingencies and Guarantees

(a) Cruise and Cargo 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 agreement also provides for container yard improvements and reduced reefer rates.

The terminal usage agreements are 15-year contracts with five-year renewal options wherein each line guarantees to pay minimum annual 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. During fiscal year 2010, the Board approved a five year extension to one of the agreements. The new agreement, guarantees revenue of approximately $181 million, over the next five fiscal years. The required annual minimum guarantee deficit payment to the Port in future fiscal years may be reduced by surpluses in prior fiscal years.

During fiscal years 2008 and 2009, the Board approved various resolutions authorizing the County Manager to execute a terminal agreement with a major cruise line and cargo terminal agreements with two major cargo terminal operators. The agreements provide certain incentive discounts from the published Tariff in return for annual revenue guarantees and preferential berthing arrangements at certain terminal facilities. Additionally, the cargo terminal agreements establish open ground rent that increase annually. In exchange for the guaranteed revenues, the Port is required to make certain improvements to the respective cargo terminals and other Port-wide improvements and enhancements.

During fiscal year 2011, the Board approved a resolution authorizing a second amendment with one of the Port's cruise lines, extending the initial term through September 30, 2021 and providing for two five year extensions. The second amendment guarantees a revenue stream of approximately $72.5 million throughout the initial ten year term.

During fiscal year 2011, the Board approved a resolution approving an amendment to the agreement with one of the Port's cruise lines providing incentives for home porting a new vessel at the Port. The new vessel will bring an anticipated net increase of approximately 250,000 new passengers annually to the Port beginning in fiscal year 2013.

(b) Consent Order

During fiscal year 2002, the Miami-Dade County Board of County Commissioners authorized the County Manager to execute a Consent Order between the State of Florida Department of Environmental Protection ("FDEP") and Miami-Dade County for settlement of Miami Harbor dredging permit violations committed by the Seaport's former dredging contractor. Accordingly, the Seaport recognized an expense and related liability in 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. As of September 30, 2010 all required mitigation was completed and there is no liability. The Seaport continues to monitor the mitigation work already done. The Seaport is in year two of a five year mitigation monitoring program.

(c) 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. During fiscal year 2010, the Port accrued a litigation settlement claim of $3,984,199 and included such liability in the statements of net assets and recorded a loss as other, net, under Nonoperating expenses, in the statements of revenues, expenses and changes in net assets. This liability remains in the statements of net assets. The County has timely initiated an appeal of the portion of the Final Judgment entered against the County to the Eleventh Circuit Court of appeals, and Plaintiff has initiated a cross-appeal as to two years of claims (2006 and 2007) for which Final Judgment was entered in the County's favor. Oral argument has been requested, but not yet granted or set.

(1) Port Tunnel

In connection with the Florida Department of Transportation (FDOT) administered Port Tunnel Project, FDOT advises that the Tunnel Concessionaire (contractor) has asserted approximately $97 million in Relief Events to FDOT for consideration, including, without limitation, claims that the subsurface geologic conditions encountered, or anticipated to be encountered, in the project area differ materially from the subsurface conditions previously disclosed or described by FDOT, and that such alleged subsurface conditions were not reasonably foreseeable. Under the terms of the Concessionaire's construction agreement with FDOT, the Concessionaire may challenge FDOT's denial decision before an administrative board (the "DRB"). The Concessionaire has protested FDOT's denials of Concessionaire claimed Relief Events 6 & 7 to the DRB. The DRB will hear and determine the merits, if any, of the Concessionaire's protests. As FDOT counsel, not the Office of the County Attorney, will defend the FDOT Relief Event denial decisions before the DRB, the County expresses no opinion as to the likelihood of the ultimate result of the upcoming DRB protest process. Should this process result in an increase in project costs determined to be the responsibility of the FDOT, the Seaport will likely be responsible for 50% of such additional costs up to $75 million. The Seaport previously obtained a $75 million LOC as security for such potential additional financial obligations to FDOT in support of the project (see Note 5g).

(2) Gantry Crane Settlement

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.

Prior to fiscal year 2011 and 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. The Seaport had received approximately $500,000 (cumulatively) from the Operating Company for excess usage fees.

The County settled with the Operating Company (Fiscal Operations, Inc.), its parent and shareholder on May 3, 2011, effective May 13, 2011. Under the Settlement, funds from third parties held in escrow were divided, with the County receiving approximately $45,000. The County did not pay any of its own funds to settle this matter. Subsequently, the County settled the remaining claim in relation to this matter against the former Seaport Director on or about June 7, 2011, effective June 17, 2011, with the Seaport Director obligated to pay $50,000 to the County in two equal payments of $25,000 each, due on November 1, 2011 and November 1, 2012. As a result of these two settlements, all parties stipulated to the dismissal of all action in its entirety with prejudice, and the case is now closed with no further exposure to the County.

(d) 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.

(e) 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 2011 and 2010, 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, when such liabilities exist.

(f) Construction

The Department had contractual commitments of $38.1 million and $16.0 million in construction commitments, which include cruise and cargo improvements and other port-wide infrastructure improvements and new construction at September 30, 2011 and 2010, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

Miami-Dade County, Florida Seaport Department
Required Supplmentary Information
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 (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/01/2010	**$ -**	**$ 297,218**	**$ 297,218**	**0%**	**$ 1,620,593**	**18%**
10/01/2009	$ -	$ 281,470	$ 281,470	0%	$ 1,573,391	18%
10/01/2008	$ -	$ 300,847	$ 300,847	0%	$ 2,109,822	14%

For information regarding plan contributions, rates, assumptions and amortization method, see Note 11.

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.

Contents

Financial Trends

These schedules contain information to assist readers assess how the Department's financial position has changed over time. (Pages 61-62)

Revenue Capacity

These schedules contain information to assist readers assess the variables affecting the Department's revenue capabilities. (Page 63)

Debt Capacity

These schedules contain information to assist readers assess the Department's debt burden and its ability to issue new debt. (Pages 64-67)

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 68-71)

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 72-73)

Sources: Unless otherwise noted, 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, Florida Seaport Department
Schedule of Changes in Net Assets (Unaudited)
Last nine fiscal years (in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating revenues	$ 78,511	$ 74,576	$ 80,360	$ 82,113	$ 84,568	$ 94,698	$ 100,057	$ 104,085	$ 109,146
Investment earnings	2,463	2,407	2,350	3,815	3,100	960	247	414	512
Other nonoperating	1,554	1,640	-	21,350	-	2,734	-	-	810
Total revenues	82,528	78,623	82,710	107,278	87,668	98,392	100,304	104,499	110,468
Operating expenses	44,429	49,011	53,180	61,210	64,021	61,579	68,999	66,335	65,836
Depreciation	15,974	15,188	14,872	16,132	17,927	19,863	20,790	22,995	23,548
Interest expense	22,770	18,516	19,113	23,938	25,280	22,409	19,448	16,961	18,901
Other nonoperating expenses	3,283	1,643	1,474	289	12,359	-	166	4,193	1,072
Total expenses	86,456	84,358	88,639	101,569	119,587	103,851	109,403	110,484	109,357
Net income (loss) before contributions	(3,928)	(5,735)	(5,929)	5,709	(31,919)	(5,459)	(9,099)	(5,985)	1,111
Contributions	14,604	30,438	15,315	7,343	27,730	7,212	13,315	11,796	6,331
Change in net assets	10,676	24,703	9,386	13,052	(4,189)	1,753	4,216	5,811	7,442
Net assets at beginning of year	152,726	163,402	188,105	197,491	210,542	206,353	208,106	212,322	218,133
Net Assets at end of year	163,402	188,105	197,491	210,543	206,353	208,106	212,322	218,133	225,575
Net assets, end of year classified as:									
Invested in capital assets, net of related debt	131,032	153,190	163,676	183,185	191,448	204,261	185,871	194,133	201,468
Restricted for debt service	24,457	23,117	29,720	23,901	21,257	19,078	19,125	13,259	13,228
Restricted for construction and other								1,914	0
Unrestricted and other	7,913	11,798	4,095	3,456	(6,352)	(15,233)	7,326	8,827	10,879
Net assets at end of year	$ 163,402	$ 188,105	$ 197,491	$ 210,542	$ 206,353	$ 208,106	$ 212,322	$ 218,133	$ 225,575

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

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

Description	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
OPERATING REVENUES:										
Cruise Wharfage	$ 30,972	$ 30,009	$ 31,231	$ 33,927	$ 32,653	$ 29,025	$ 27,004	$ 27,356	$ 30,428	$ 33,662
Cargo Wharfage	17,069	21,856	18,079	19,183	21,769	24,568	31,570	32,015	33,493	36,514
Container Crane Fees	11,054	9,634	10,120	11,068	10,299	8,525	7,922	8,180	8,471	9,910
Rentals	7,258	6,720	6,455	6,628	6,884	7,213	9,106	14,856	14,826	13,906
Ground Transportation	797	1,085	419	611	783	1,012	1,267	1,425	1,464	1,880
Parking	5,173	5,751	5,239	5,252	6,123	7,778	9,792	10,686	10,042	9,184
Miscellaneous	3,965	3,456	3,033	3,691	3,602	6,447	8,037	5,539	5,361	4,090
	76,288	78,511	74,576	80,360	82,113	84,568	94,698	100,057	104,085	109,146
OPERATING EXPENSES:										
Cruise Operations	2,739	3,281	3,491	3,600	4,138	4,766	5,799	6,502	7,047	6,590
Cargo Operations	2,899	2,093	1,744	1,840	1,806	1,618	1,409	1,389	1,087	1,338
Maintenance	6,935	7,651	6,154	7,711	5,949	6,954	6,304	6,269	6,453	6,731
Utilities	719	277	1,510	1,482	3,274	2,791	2,110	5,102	2,950	3,256
Marketing & Advertising	1,076	1,019	1,120	1,762	1,824	1,307	1,293	1,680	1,321	1,015
Gantry Cranes	8,570	8,186	9,723	9,535	10,533	10,018	7,641	8,042	6,811	6,926
Security	6,591	9,931	10,921	15,152	18,408	20,345	20,975	21,096	19,636	18,510
General & Administration	13,275	11,991	14,348	12,098	15,278	16,222	16,048	18,919	21,030	21,470
Total Operating Expenses	42,804	44,429	49,011	53,180	61,210	64,021	61,579	68,999	66,335	65,836
Operating income before depreciation	33,484	34,082	25,565	27,180	20,903	20,547	33,119	31,058	37,750	43,310
DEPRECIATION	14,943	15,974	15,188	14,872	16,132	17,927	19,863	20,790	22,995	23,548
Operating Income	18,541	18,108	10,377	12,308	4,771	2,620	13,256	10,268	14,755	19,762
NON-OPERATING REVENUES (EXPENSES):										
Interest Income, net	5,221	2,463	2,407	2,350	3,815	3,100	960	247	414	512
Interest expense, net	(20,133)	(22,770)	(18,516)	(19,113)	(23,938)	(25,280)	(22,409)	(19,448)	(16,961)	(18,901)
Operating grants	1,023	1,554	1,640	-	-	-	-	-	-	-
Operating transfers	(773)	(1,624)	(219)	(222)	(289)	-	-	-	-	(1,072)
Transfer in	-	-	-	-	-	-	-	-	-	-
Other income (expense)	(1,321)	(1,659)	(1,424)	(1,252)	21,350	(12,359)	2,734	(166)	(4,193)	810
Income (loss) before Capital Contributions	2,558	(3,928)	(5,735)	(5,929)	5,709	(31,919)	(5,459)	(9,099)	(5,985)	1,111
External Capital Contributions (1)	8,299	14,604	30,438	15,315	7,343	27,730	7,212	13,315	11,796	6,331
Net income (loss)	$ 10,857	$ 10,676	$ 24,703	$ 9,386	$ 13,052	$ (4,189)	$ 1,753	$ 4,216	$ 5,811	$ 7,442

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

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

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cargo revenue	$ 30,972	$ 30,009	$ 31,231	$ 33,927	$ 32,653	$ 29,025	$ 27,004	$ 27,356	$ 30,428	$ 33,662
Tonnage	8,682	9,002	9,230	9,474	8,654	7,835	7,430	6,831	7,389	8,222
Revenue per ton	$ 3.57	$ 3.33	$ 3.38	$ 3.58	$ 3.77	$ 3.70	$ 3.63	$ 4.00	$ 4.12	$ 4.09
TEU	981	1,041	1,010	1,054	977	885	828	807	847	907
Revenue per TEU	$ 31.57	$ 28.83	$ 30.92	$ 32.19	$ 33.42	$ 32.80	$ 32.61	$ 33.90	$ 35.92	$ 37.11

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

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cruise Revenue	$ 28,123	$ 31,490	$ 28,199	$ 30,251	$ 32,067	$ 33,094	$ 39,492	$ 40,195	$ 41,963	$ 46,424
Passengers	3,643	3,961	3,500	3,605	$ 3,731	3,787	4,138	4,110	4,145	4,018
Revenue per passenger	$ 7.72	$ 7.95	$ 8.06	$ 8.39	$ 8.59	$ 8.74	$ 9.54	$ 9.78	$ 10.12	$ 11.55

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

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Debt Coverage										
Net Operating Revenues	$ 33,484	$ 34,082	$ 25,565	$ 27,180	$ 20,903	$ 20,547	$ 33,119	$ 31,058	$ 37,750	$ 43,310
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,130)
Other Income					22,500	2,696	-	-	-	-
Non-Cash Items	1,107	901	464	19	787	4,269	2,786	1,661	1,238	(293)
Unrestricted Interest	661	42	175	120	101	968	175	40	11	4
Revenues Available	$ 33,315	$ 33,088	$ 24,267	$ 25,382	$ 42,354	$ 26,543	$ 34,143	$ 30,822	$ 37,062	$ 41,891
Revenue Bonds Maximum Debt Service Required	9,020	8,399	8,399	8,399	8,399	8,399	8,399	8,399	8,399	8,399
Coverage Required 125%	11,275	10,499	10,499	10,499	10,499	10,499	10,499	10,499	10,499	10,499
Net Revenue Coverage	295%	315%	231%	242%	403%	253%	325%	294%	353%	399%

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

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

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Debt Coverage										
Net Operating Revenues	$ 33,484	$ 34,082	$ 25,565	$ 27,180	$ 20,903	$ 20,547	$ 33,119	$ 31,058	$ 37,750	$ 43,310
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,130)
Other Income					22,500	2,696	-	-	-	-
Non-Cash Items	1,107	901	464	19	787	4,269	2,786	1,661	1,238	(293)
Unrestricted Interest	661	42	175	120	101	968	175	40	11	4
Revenues Available	$ 33,315	$ 33,088	$ 24,267	$ 25,382	$ 42,354	$ 26,543	$ 34,143	$ 30,822	$ 37,062	$ 41,891
G O Bonds Maximum Debt Service Required	11,282	11,282	11,282	11,149	11,149	11,149	11,149	11,149	11,149	9,884
Coverage Required 110%	12,410	12,410	12,410	12,264	12,264	12,264	12,264	12,264	12,264	10,872
Net Revenue Coverage	268%	267%	196%	207%	345%	216%	278%	251%	302%	385%

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

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

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Debt Coverage										
Net Operating Revenues	$ 33,484	$ 34,082	$ 25,565	$ 27,180	$ 20,903	$ 20,547	$ 33,119	$ 31,058	$ 37,750	$ 43,310
Coverage Adjustments										
Pledged Rent Revenue	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,937)	(1,130)
Other Income					22,500	2,696	-	-	-	-
Non-Cash Items	1,107	901	464	19	787	4,269	2,786	1,661	1,238	(293)
Unrestricted Interest	661	42	175	120	101	968	175	40	11	4
Revenues Available	$ 33,315	$ 33,088	$ 24,267	$ 25,382	$ 42,354	$ 26,543	$ 34,143	$ 30,822	$ 37,062	$ 41,891
Revenue Bonds Maximum Debt Service Required	9,020	8,399	8,399	8,399	8,399	8,399	8,399	8,399	8,399	8,399
Coverage Required 125%	11,275	10,499	10,499	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	11,149	11,149	11,149	11,149	11,149	11,149	9,884
Coverage Required 110%	12,410	12,410	12,410	12,264	12,264	12,264	12,264	12,264	12,264	10,872
Excess coverage required greater (less) than maximum coverage	3,383	3,228	3,228	3,215	3,215	3,215	3,215	3,215	3,215	3,088
Needed to Meet Coverage	23,685	22,909	22,909	22,763	22,763	22,763	22,763	22,763	22,763	21,371
Net Revenues Coverage	141%	144%	106%	112%	186%	117%	150%	135%	163%	196%

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, Florida 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
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
2010	125,900	54,380	334,805	68,330	583,415	689	141
2011	111,375	48,905	329,270	127,347	616,897	680	154

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

Year	Total	Difference	% Change
2002	8,682	-	0.0%
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%
2010	7,389	558	8.2%
2011	8,222	833	11.3%

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

Year	TEU's	Difference	% Change
2002	981	-	0.0%
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%
2010	847	40	5.0%
2011	907	60	7.1%

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
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
2010	3,865	52%	3,524	48%	7,389
2011	4,376	53%	3,846	47%	8,222

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

Year	Total	Difference	% Change
2002	3,643	-	0.0%
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%
2010	4,145	35	0.8%
2011	4,018	(127)	-3.1%

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

Years	Resident Population	Change
1900	4,955	-
1910	11,933	6,978
1920	42,752	30,819
1930	142,955	100,203
1940	267,739	124,784
1950	495,084	227,345
1960	935,047	439,963
1970	1,267,792	332,745
1980	1,625,781	357,989
1990	1,937,000	311,219
1991	1,968,000	31,000
1992	1,986,000	18,000
1993	1,943,000	-43,000
1994	2,010,000	67,000
1995	2,056,588	46,588
1996	2,087,000	30,412
1997	2,117,000	30,000
1998	2,140,000	23,000
1999	2,179,000	39,000
2000	2,253,362	74,362
2001	2,284,000	30,638
2002	2,313,000	29,000
2003	2,343,000	30,000
2004	2,372,000	29,000
2005	2,422,000	50,000
2006	2,437,000	15,000
2007	2,402,208	-34,792
2008	2,387,170	-15,038
2009	2,398,245	11,075
2010	2,500,625	102,380

DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO

	2010			2001		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Sch	48,571	1	3.81%	37,500	1	3.41%
Miami-Dade County	29,000	2	2.28%	30,000	2	2.73%
U.S. Federal Government	19,500	3	1.53%	18,276	3	1.66%
Florida State Government	17,100	4	1.34%	18,100	4	1.65%
Publix Super Markets	16,000	5	1.26%	8,000	7	0.73%
Baptist Health South Florida	13,376	6	1.05%	7,500	8	0.68%
Jackson Health System	12,571	7	0.99%	10,000	5	0.91%
University of Miami	10,800	8	0.85%	4,000	10	0.36%
American Airlines	9,000	9	0.71%	9,000	6	0.82%
Miami-Dade College	8,000	10	0.63%	2,591	13	0.24%
Precision Response Corporatic	6,200	11	0.49%	2,400	14	0.22%
Bellsouth / ATT	5,000	12	0.39%	4,360	9	0.40%
Winn-Dixie Stores	4,309	13	0.34%	3,400	12	0.31%
City of Miami	3,840	14	0.30%	3,823	11	0.35%
Florida Power & Light Compan	3,500	15	0.27%	2,000	15	0.18%
	206,767		16.24%	160,950		14.66%

Source: The Beacon Council, Miami, Florida, Miami Business Profile
Miami-Dade County, Florida 2001 Comprehensive Annual Financial Repor

DEMOGRAPHIC AND ECONOMIC STATISTICS
(Unaudited)
LAST TEN FISCAL YEARS

Year	Population	Total Personal (in thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
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	88,954,732	37,264	5.3%	1,205,913	39
2009	2,398,245	(1)	(1)	8.9%	1,218,871	39
2010	2,500,625	(1)	(1)	12.1%	1,273,408	38

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, 2009 Population Estimates and 2009 American Community Survey.
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 County, Florida Seaport Department
Schedule of Insurance in Force
(Unaudited)

Coverage And Insurance Company	Policy Period	Details of Coverage	Limits of Coverage
Crime Policy			
Fidelity & Deposit Co. of Maryland	08/19/11 - 08/19/12	Employee Theft	$1,000,000
		Theft of Money and Securities	$500,000
Accidental Death:			
Hartford Life Insurance Co.	08/29/11 - 08/29/12	Accidental death and dismemberment	$25,000
Property Insurance:			
Various companies	04/15/11 - 04/15/12	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	Self-insured	$100,000 per/person $200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation	Continuous	Self-insured	Statutory coverage

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

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cruise & Housekeeping	60	59	59	62	67	67	69	64	63	62
Cargo Operations	19	22	22	20	26	26	18	15	15	15
Port Security	58	95	95	94	108	112	126	135	135	142
Maintenance	67	75	75	75	96	97	116	84	77	78
Marketing & Advertising	11	8	8	14	15	14	11	10	10	7
Administration & Engineering	68	79	79	73	72	71	71	102	110	113
Total	283	338	338	338	384	387	411	410	410	417

Miami-Dade County, Florida Seaport Department
Schedule of Capital Asset Indicators (Unaudited)
Last ten fiscal years

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of gantry cranes	10	10	10	12	12	9	9	9	9	9
Number of passenger terminals	11	10	10	10	10	12	12	12	12	12

During FY 2003, three terminals were consolidated into two, in order to accommodate larger vessels