Miami-Dade Aviation Department

2012 Comprehensive Annual Financial Report

For fiscal year ended September 30, 2012

Miami-Dade Aviation Department

Miami, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2012

Miami-Dade County Aviation Department
A Department of Miami-Dade County, Florida

Prepared by:
Finance & Strategy Division

MIA MIAMI INTERNATIONAL AIRPORT MIAMI-DADE COUNTY

2012

Comprehensive Annual Financial Report

(This page intentionally left blank)

Miami-Dade Aviation Department
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2012

INDEX

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)

MIA MIAMI INTERNATIONAL AIRPORT

Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102
T 305-876-7000 F 305-876-0948
www.miami-airport.com

miamidade.gov

Commercial Airport:
Miami International Airport

General Aviation Airports:
Dade-Collier Training & Transition
Homestead General
Kendall-Tamiami Executive
Opa-locka Executive

March 22, 2013

Honorable Chairwoman Rebeca Sosa

Honorable Members of the Board of County Commissioners

Carlos A. Gimenez, Mayor

Harvey Ruvin, Clerk of Courts

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the Miami-Dade Aviation Department (the Aviation Department or MDAD) for the fiscal year ended September 30, 2012, is hereby submitted. Responsibility for both the accuracy and completeness and fairness of presentation, including all disclosures, rests with the Aviation Department. This report presents fairly, and discloses fully, in all material respects, the financial position and results of operations of the Aviation Department.

The Aviation Department is also required to be audited in accordance with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the Florida single audit requirement. Information related to the single audit, including the schedule of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and the certified public accountants' reports on the internal control structure and compliance with applicable laws and regulations, are reported under a separate cover.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the Financial Section of this report.

Profile Overview

The Aviation Department operates as an enterprise fund of Miami-Dade County (the County). An enterprise fund is used to account for the financing of services to the general public on a continuing basis with costs recovered primarily through user charges. The County owns Miami International Airport (MIA or the Airport), three general aviation airports, and one training airport (collectively - "the Airport System"), all of which are operated by the Aviation Department.

The County operates the Airport System through the Aviation Department with policy guidance from the Mayor, and the Board of County Commissioners of Miami-Dade County, Florida (the Board).

Economic Conditions and Outlook

MIA continues to be an economic engine for Miami-Dade County and the State of Florida. The most recent economic impact study (performed every three years), indicated that MIA has an annual financial impact on local tourism, cruise operations, international banking, trade and commerce of $32.8 billion. MIA and aviation-related industries contribute 272,395 jobs directly and indirectly to the South Florida economy, and are responsible for one out of every four jobs.

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flights covering nearly 150 cities on four continents. MIA's stronghold market, the Latin America/Caribbean region, was served by more passenger flights from the airport than from any other U.S. airport. MIA is a major transshipment point by air for the Americas. During calendar year 2011, the most recent year for which such information is available, the Airport handled 82% of all air imports and 81% of all air exports between the USA and the Latin American/Caribbean region. The Airport was also the nation's number one airport in international freight (excluding mail) and second in international passenger traffic during calendar year 2011.

The Airport stimulates a host of industries such as tourism, the cruise industry and international banking and commerce. The Airport's activities have significant statewide effects as well. For the 12 months ended July 2012, the most recent period for which such information is available, the Airport was the port of entry for 69.2% of all international passenger traffic arriving by air to the State. In terms of trade, Department of Commerce data for 2011 showed that the Airport handled 96% of the dollar value of the State's total air imports and exports, and 42% of the State's total air and sea trade domestically and international.

Passenger Activity

During fiscal year 2012, 39,564,476 passengers travelled through MIA, a 5.1% increase compared to fiscal year 2011. Domestic traffic increased by 3.6% to 20,350,594, or 51.4% of the total. International traffic accounted for 48.6% of the traffic or 19,213,882 passengers, an increase of 6.8% over the prior fiscal year. MIA is ranked second in the U.S. behind New York's John F. Kennedy Airport for international passengers.

The Airport is American Airline's largest international hub operation, both for international passengers and international cargo. American Airlines accounted for approximately 63% of the enplaned passengers at the Airport during fiscal year 2012, and together with its affiliate, American Eagle, approximately 68% of all enplaned passengers during such period. American combined with American Eagle increased 5.4% fiscal year over fiscal year. Delta Air Lines, which became the second largest carrier at MIA in fiscal year 2010 by surpassing American Eagle continuous to represent 6% of the enplaned passenger traffic, and continued to increase its service at MIA in fiscal year 2012.

Cargo Activity

Cargo (mail and freight) tonnage totaled 2,101,561 tons in fiscal year 2012, resulting in an increase of 4.7%. MIA remains the number one airport in the U.S. for international freight. Cargo activity generates different types of revenues for the Aviation Department including landing fees, cargo warehouse rentals, aircraft apron rentals, and ground rentals. Cargo carriers represented 22.1% of the landed weight in fiscal year 2012, which is an increase from the 21.4% in the prior fiscal year.

Airline Agreements

The County has entered into separate but identical Airline Use Agreements with the airlines using MIA. The Airline Use Agreement, which is a 15-year agreement expiring in 2017, provides that the County, acting through its Board of County Commissioners, has the right to calculate landing fees using an airport system residual cost methodology so that the revenues from landing fees, together with revenues from other sources, will be sufficient to meet the rate covenant and other requirements.

The County has entered into separate but substantially similar Terminal Building Lease Agreements with its airlines tenants. Under these agreements airlines have no obligations to make real property investments in tenant improvements to their premises and in personal property to support their operations.

Passenger Facility Charges (PFC)

The Federal Aviation Administration (FAA) authorized the Aviation Department to impose a Passenger Facility Charge (PFC) of $3 per passenger commencing November 1, 1994. Subsequently, on October 21, 2001, the FAA approved a revised PFC collection level of $4.50 with an effective date of January 1, 2002. In December 2002, the FAA approved a PFC application that enables the Aviation Department to use PFC revenues to pay debt service related to the bonds that were issued to finance the construction of the North and South Terminals at MIA.

Per FAA regulations, net receipts from PFCs are restricted to use only on these FAA approved capital projects and related financing costs. The Aviation Department has been authorized to collect PFCs in the estimated aggregate amount of $2.6 billion. The authorization is expected to expire October 1, 2035. The amount of PFC collections from inception through September 30, 2012 was $878.8 million and with interest was $949.9 million. Of this amount, the Aviation Department has expended $837 million. As of September 30, 2012, the Aviation Department had a cash balance of $113 million in the PFC account.

Capital Improvement Program (CIP)

In 2002, the Board of County Commissioners approved a $4.8 billion CIP through 2015, when enplanement levels were projected to reach 39 million annual passengers. Since that time the Board has approved a number of increases in the cost of the CIP, raising the total CIP budget to approximately $6.5 billion as of September 30, 2012. The increases were primarily due to schedule delays and increased construction estimates.

To finance certain projects (including financing costs), the Board has authorized the Department to issue up to $6.2 billion in Aviation Revenue Bonds under the Trust Agreement, of which $5.84 billion have been issued. The remaining Bond authorized amount of $355.5 million requires the approval by the Board in the form of specific bond series resolutions. Future authorizations will be required to issue bonds for capital projects not authorized by existing ordinances.

Tenant Financed Facilities

Because of the significant size of the CIP, the Department has decided, as a matter of policy, to permit tenants of airside facilities to construct some buildings with private financing. Accordingly, certain hangars and cargo facilities (including those for Federal Express, UPS, LAN Airlines, and United Airlines) have been constructed with private financing. These improvements are not County-owned properties until the debt that financed them has been paid. The change in ownership may be done either through buy-out or at the termination of the underlying ground lease. The terms of ground leases are long enough to allow tenants to fully amortize their investments in these facilities.

Major Initiatives and Long-Term Financial Planning

Of the $6.5 billion total CIP, approximately $6.205 billion has been spent as of September 30, 2012. Projects aggregating approximately $4.233 billion have been completed and are in use with the remaining $2.259 billion under construction or in design as of September 30, 2012.

The Terminal Building is divided into three areas: North, Central and South. Approximately 63.2% of the CIP is allocated to constructing and expanding the North and South Terminals. The CIP will increase the building's area from 4.8 million to approximately 7.8 million square feet.

A significant portion of the North Terminal Development (NTD) Program was completed in fiscal year 2011. During 2012, the outbound baggage handling system and the Federal Inspection Services area for the processing of international arriving passengers was completed. The completion of the remaining three gates is expected in fiscal year 2013.

The South Terminal Program is substantially complete. Its facilities have been operational since August 2007. It provides approximately 1.5 million square feet of new and 0.2 million square feet of renovated terminal and concourse space. The South Terminal has 28 gates of which 19 are international/domestic and one designated for Airbus A-380 jumbo aircraft operations. In addition the South Terminal includes a new Federal Inspection Services facility, a cruise and tour bus station, 50,000 square feet of new concession space and a gate control tower for aircraft traffic at Concourses H and J.

The MIA Mover, an APM linking MIA's Terminal with an off-airport rental car center and intermodal ground transportation hub, was completed in fiscal 2011 and continues to be fully functional as of September 2012.

The CIP is the critical path to success for MIA, as its completion will allow existing and prospective carriers to maintain and expand their domestic and international passenger operations out of MIA.

Independent Audit

The financial statements for fiscal year 2012 were audited by KPMG LLP, and the opinion resulting from their examination is included in this Comprehensive Annual Financial Report. Their audit was made in accordance with auditing standards generally accepted in the United States.

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 Department for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Department was required to publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This Comprehensive Annual Financial Report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Department has received a Certificate of Achievement for the last 20 consecutive fiscal years (1992-2011). It believes the current report continues to conform to the Certificate of Achievement program requirements, and as such it is being submitted to GFOA.

Acknowledgements

This report could not have been presented without the efforts of the Finance and Strategy Division staff. We sincerely appreciate their time and thank them for their valuable contributions. The Department also thanks the County Mayor and the Board of County Commissioners for providing continued support to the Department, enabling the successful operation of the Airport System.

Respectfully submitted,

José Abreu, P.E.
Aviation Director

Anne Syrcle Lee
Chief Financial Officer

2012

Comprehensive Annual Financial Report

(This page intentionally left blank)

Miami-Dade County Elected Officials

Carlos A. Gimenez
Mayor

Board of County Commissioners

Rebeca Sosa, *Chairwoman*

Lynda Bell, *Vice Chair*

Barbara J. Jordan, District 1

Jean Monestime, District 2

Audrey M. Edmonson, 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

Javier D. Souto, District 10

Juan C. Zapata, District 11

José “Pepe” Diaz, District 12

Esteban Bovo, Jr., District 13

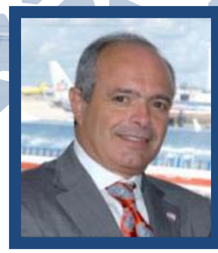
Harvey Ruvin
Clerk of the Circuit and County Courts

Robert A. Cuevas Jr.
County Attorney

Jennifer Moon
Director - Office of Management and Budget

www.miamidade.gov

Miami-Dade Aviation Department
Senior Staff



José Abreu
Aviation Director

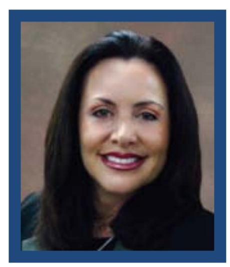
Miguel Southwell
Deputy Aviation Director
Business Retention & Development

Anne Syrcle Lee
Chief Financial Officer

Ken Pyatt
Deputy Aviation Director
Operations

Bobbie Jones-Wilfork
Assistant Director
Administration

Carlos Jose
Assistant Director
Facilities Management



Lauren Stover
Assistant Director
Public Safety & Security and Communications

Juan Carlos Arteaga
Program Director
North Terminal Program

Milton Collins
Associate Director
Minority Affairs

Tony Quintero
Associate Director
Governmental Affairs

Miami-Dade Aviation Department
Organizational Chart

Miami-Dade Aviation Department
Table of Organization

- **Director Miami-Dade Aviation Department**
  - **Senior Assistant to the Director**
  - Miami-Dade County Attorney
  - **Chief Financial Officer**
    - *Finance & Strategy*
    - *Accounting*
    - *Capital Finance*
    - *Program Controls*
    - *Professional Compliance*
    - *Financial Planning & Performance Analysis*
    - *Cash Management*
  - Assoc Aviation Dir Governmental Affairs / North Terminal Program Director
  - **Division Director Aviation Planning, Land-Use & Grants**
    - *Aviation Planning, Land-Use & Grants*
  - **Deputy Director Operations**
    - *Airside Operations*
    - *Terminal Operations*
    - *Landside Operations*
    - *GAA Operations*
    - *Noise Abatement*
    - *Protocol & International Affairs*
    - **Assistant Aviation Director Public Safety & Security**
      - *Police Services*
      - *Fire & Rescue*
      - *Security & Safety*
      - *Communications*
    - **Assistant Aviation Director Facilities Management**
      - *Facilities Management*
      - *Facilities Maintenance*
      - *Engineering & Construction*
      - *Terminal Maintenance*
      - *GAA Maintenance*
      - *Civil Environmental Engineering*
  - **Deputy Director Business Retention & Development**
    - **Assistant Aviation Director Administration**
      - *Administration*
      - *Human Resources*
      - *Contracts Administration*
      - *Information Systems*
      - *Minority Affairs*
      - *Commodities Management*
    - *Real Estate Management & Development*
    - *Fine Arts & Cultural Affairs*
    - *Marketing*
    - *Airport Concession Business Development*
    - *Communication, Hospitality, & Transportation Services*

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County Aviation Department Florida

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2011

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

President

Executive Director

Financial Section

Independent Auditor's Report

Management Discussion & Analysis

Financial Statements

(This page intentionally left blank)

KPMG

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Financial Statements and Required Supplementary Information

September 30, 2012 and 2011

(With Independent Auditors' Report Thereon)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Table of Contents

KPMG LLP
Suite 750
450 East Las Olas Boulevard
Fort Lauderdale, FL 33301

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department (the Aviation Department), an enterprise fund of Miami-Dade County, as of and for the years ended September 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Aviation Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in note 1(a), the financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida (the County), as of September 30, 2012 and 2011, and the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department, an enterprise fund of Miami-Dade County, as of September 30, 2012 and 2011, and the changes in financial position and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2013, on our consideration of the Aviation Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 11 and the schedule of funding progress for the retiree health plan on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Aviation Department's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

March 22, 2013
Certified Public Accountants

Introduction

The following discussion and analysis of the financial performance and activity of the Miami-Dade County Aviation Department (the Aviation Department) is to provide an introduction and understanding of the financial statements of the Aviation Department for the years ended September 30, 2012 and 2011. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Aviation Department operates an airport system consisting of Miami International Airport (MIA), three general aviation airports, Opa Locka Airport, Homestead General Airport, Kendall Tamiami Executive Airport, and two training airports, one of which has been closed.

The Aviation Department operates as an enterprise fund of Miami-Dade County, Florida (the County). The Aviation Department is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenues from concessions to fund operating expenses. The Capital Improvement Program (CIP) is primarily funded by bonds, federal and state grants, and Passenger Facility Charges (PFCs).

Required Financial Statements

The Aviation Department's financial report includes three financial statements: the statements of net assets, statements of revenues, expenses, and changes in net assets, and statements of cash flows. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Aviation Department is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital asset costs, with the exception of land and construction in progress, are capitalized and depreciated over their estimated useful lives. Certain net asset balances are restricted for debt service, construction activities, and major maintenance-type activities.

The statements of net assets include all of the Aviation Department's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) as well as obligations to creditors and investors (liabilities). They also provide the basis for evaluating the capital structure of the Aviation Department and assessing liquidity and financial flexibility.

The statements of revenues, expenses, and changes in net assets report the operating revenues and expenses and nonoperating revenues and expenses of the Aviation Department for the fiscal year with the difference, net income or loss being combined with any capital contributions to arrive at the change in net assets for the fiscal year. These statements capture the amount of operating revenues that the Aviation Department earned for the fiscal year along with the amount of operating expenses that were incurred during the same period, thus determining whether the Aviation Department was able to cover its operating obligations with its operating income.

The statements of cash flows provide information about the Aviation Department's cash receipts and payments during the reporting period. The statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, and capital and noncapital financing activities and provide an insight regarding sources providing cash and activities using cash.

Activity Highlights

MIA experienced a 5.3% increase in enplaned passenger traffic in fiscal year 2012. There was a 7.4% increase in enplaned passenger traffic in fiscal year 2011 and an increase of 3.1% in fiscal year 2010. MIA experienced significant passenger growth in fiscal year 2012 due to the lesser impact of worldwide economic recession on the Latin American countries, which provide a strong feed of passenger traffic for MIA. Landed weight, which represents the total weight of the commercial aircraft that landed at MIA, increased by 3.2% in fiscal year 2012 reflecting the increase in heavier aircraft being used at MIA over the prior fiscal year. There was an increase in fiscal year 2011 of 4.4% and an increase of 3.2% in fiscal year 2010. Enplaned cargo increased by 2.2% and 0.9% in fiscal years 2012 and 2011, respectively. In fiscal year 2010, enplaned cargo increase by 23.1% from the previous fiscal year. Below is a comparative of these activities at MIA by fiscal year:

	2012	2011	2010
Enplanements	19,683,678	18,701,120	17,405,330
Landed weight (1,000 pounds)	33,548,186	32,516,532	31,147,760
Enplaned cargo (in tons)	988,999	967,610	959,014

Financial Highlights

- Buildings increased by a net of $990.0 million, or 21.0%, during fiscal year 2012. The increase primarily represents North Terminal Baggage Facility construction being completed and transferred from construction in progress to buildings and the conveyance of the Rental Car Facility (RCF) to the Aviation Department from the Florida Department of Transportation (FDOT).
- During fiscal year 2012, operating revenues were $736.7 million, an increase of $75.1 million, or 11.4%, as compared to fiscal year 2011. The increase in operating revenues is primarily attributable to an increase in passenger activity that resulted in higher concession revenue and aviation fees revenue, which primarily consists of fees for the use of passenger terminal facilities. Certain categories of nonairline revenue also experienced noteworthy increases in fiscal year 2012.
- During fiscal year 2012, operating expenses, excluding depreciation and amortization, were $376.5 million, a decrease of $27.7 million, or 6.8%, as compared to fiscal year 2011. The decrease in operating expenses is attributable to decreases in outside contractual services, repairs, maintenance, and electrical consumption in addition to the unexpected fuel farm fire resulting in increased operating expenses in fiscal year 2011.

(Continued)

The table below shows the composition of assets, liabilities, and net assets as of September 30, 2012, 2011, and 2010:

	2012	2011	2010
		(In thousands)	
Current assets:			
Unrestricted assets	$ 296,099	265,497	257,814
Restricted assets	278,495	335,716	386,850
Total current assets	574,594	601,213	644,664
Noncurrent assets:			
Restricted assets	573,576	683,738	997,742
Capital assets, net	6,901,704	6,508,844	6,337,922
Other assets	67,623	71,571	75,857
Total assets	8,117,497	7,865,366	8,056,185
Current liabilities	83,818	62,706	59,316
Current liabilities payable from restricted assets	265,498	313,667	367,001
Total current liabilities	349,316	376,373	426,317
Noncurrent liabilities	6,646,949	6,339,559	6,413,566
Total liabilities	6,996,265	6,715,932	6,839,883
Net assets:			
Invested in capital assets, net of debt	478,803	561,163	670,302
Restricted	460,530	418,747	383,999
Unrestricted	181,899	169,524	162,001
Total net assets	$ 1,121,232	1,149,434	1,216,302

Capital assets, net, as of September 30, 2012 were $6.90 billion, $392.9 million higher than at September 30, 2011. The increase was due primarily to the conveyance of the Car Rental Facility from the Florida Department of Transportation. Capital assets, net, as of September 30, 2011 were $6.51 billion, $171 million higher than at September 30, 2010. These increases were primarily in buildings and improvements due to the ongoing CIP.

Total net assets as of September 30, 2012 was approximately $1.1 billion, a decrease of approximately $28 million as compared to 2011. Total net assets as of September 30, 2011 were $1.2 billion, a decrease of approximately $67.0 million as compared to 2010.

(Continued)

Changes in net assets can be determined by reviewing the following summary of revenues, expenses, and changes in net assets for the years ended September 30, 2012, 2011, and 2010:

		2012	2011	2010
			(In thousands)	
Operating revenues:				
Aviation fees	$	345,491	320,790	280,872
Rentals		126,351	111,156	107,450
Commercial operations		250,288	222,534	179,603
Other operating		5,642	4,378	4,829
Other – environmental remediation		8,946	2,758	750
Nonoperating revenues:				
Investment income		4,823	3,610	5,678
Passenger facility charges		70,729	71,483	60,214
Other		17,541	25,361	17,271
Total revenues		829,811	762,070	656,667
Operating expenses:				
Operating expenses		254,066	269,047	237,718
Operating expenses – environmental remediation		6,130	3,090	8,091
Operating expenses – commercial operations		58,366	68,510	64,029
General and administrative expenses		57,924	63,496	64,867
Depreciation and amortization		220,180	206,907	167,693
Nonoperating expenses:				
Interest expense		289,012	276,585	161,542
Total expenses		885,678	887,635	703,940
Loss before capital contributions		(55,867)	(125,565)	(47,273)
Capital contributions		27,665	58,697	83,594
Change in net assets		(28,202)	(66,868)	36,321
Net assets at beginning of year		1,149,434	1,216,302	1,179,981
Net assets at end of year	$	1,121,232	1,149,434	1,216,302

Total revenues for fiscal year 2012 were $829.8 million, an increase of $67.7 million, or 8.9%, as compared to fiscal year 2011. The increase in total revenues is primarily attributable to an increase in passenger activity that resulted in higher concession revenue and aviation fees revenue, which primarily consists of fees for the use of passenger terminal facilities. Certain categories of nonairline revenue also experienced noteworthy increases in fiscal year 2012. For example, revenue from rental car companies increased from $37.9 million to $42.6 million (12.4%) and duty-free revenue increased from $24.0 million to $30.0 million (25.0%). Total revenues for fiscal year 2011 were $762.0 million, an increase of $105.4 million, or 16.0%, as compared to fiscal year 2010. The increase in total revenues is primarily attributed to increase passenger activity, which resulted in higher concession and aviation fee revenue. Operating revenues in fiscal year 2012 were $736.7 million, an increase of

(Continued)

$75.1 million, or 11.4%, as compared to fiscal year 2011. In fiscal year 2011, operating revenues were $661.6 million, an increase of $88.1 million or 15.4% to fiscal year 2010.

Total expenses, including depreciation and amortization, for fiscal year 2012 were $885.7 million, a decrease of $2.0 million, or 0.2%, as compared to fiscal year 2011. In fiscal year 2011, total expenses, including depreciation and amortization were $887.6 million, an increase of $183.7 million, or 26.1%, as compared to fiscal year 2010. The increase is primarily due to significant increase in interest expense related to debt service, as interest related to the construction of the North Terminal is no longer capitalized. Operating expenses, excluding depreciation and amortization, were $376.5 million, a decrease of $27.7 million, or 6.8%, as compared to fiscal year 2011. The decrease in operating expenses is primarily attributable to decreases in operating costs in fiscal year 2012 as compared to fiscal year 2011.

In accordance with the amended and restated Trust Agreement (the Trust Agreement), the Aviation Department is required to meet its rate covenant, which means the Aviation Department is required to maintain, charge, and collect rates and charges for the use of and for the services and facilities provided to all users of these facilities. In addition, these rates and charges are to provide revenues sufficient to pay current expenses: to make the required Reserve Maintenance Fund annual deposits as recommended by the Consulting Engineers; and to make deposits to the Sinking Fund, which comprises the Bond Service Account, the Reserve Account, and the Redemption Account, of not less than 120% of the Principal and Interest Requirements of the Outstanding bonds, as defined in the Trust Agreement (all capitalized terms referenced in the last few sentences are defined terms in the Trust Agreement). The Aviation Department uses an airport system residual cost recovery methodology to set its landing fee rate. The manner in which the residual landing fee is calculated enables the Aviation Department to establish rates to meet its rate covenant.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2012, 2011, and 2010, the Aviation Department had $6.9 billion, $6.5 billion, and $6.3 billion, respectively, invested in capital assets, net of accumulated depreciation.

The following table summarizes the composition of capital assets, net of accumulated depreciation as of September 30, 2012, 2011, and 2010:

		2012	2011	2010
			(In thousands)	
Land	$	130,836	88,836	88,836
Buildings, improvements, and systems		5,700,482	4,710,491	4,477,364
Infrastructure		896,261	863,270	774,144
Furniture, machinery, and equipment		129,683	124,425	132,809
		6,857,262	5,787,022	5,473,153
Construction in progress		44,442	721,822	864,769
Total capital assets, net	$	6,901,704	6,508,844	6,337,922

Buildings increased by a net $990.0 million, or 21.0%, during 2012, primarily due to the completion of the North Terminal Baggage Facility and the conveyance of the RCF to the Aviation Department from the FDOT. Buildings increased by a net of $233.1 million or 5.2% during 2011, primarily due to the completion of the MIA Mover.

The Aviation Department's ongoing CIP consists of 352 projects with a budgeted cost of approximately $6.49 billion for capital projects through fiscal year 2015. As of September 30, 2012, the status of these projects can be described as follows:

- 297 projects completed $4.233 billion
- The completed projects include most of the South Terminal, the Northside Runway (9/27), portions of Concourse "A" Terminal Expansion, the Central Collection Plaza, the Park 7 Garage, the Central Chiller Plant, Mid-field and Runway 9/27 rehabilitation, security projects, the MIA Mover, and the entire Westside Cargo Development Program.
- 43 projects under construction $2.245 billion
- These projects primarily consist of the North Terminal, which will add terminal, concourse, administrative, and concessions space to MIA. It also includes central terminal life safety upgrades, signage projects in the terminal buildings, Westside booster pump station, concourse G improvements, and development of concession space.
- 12 projects in design and planning $0.001 billion
- These projects include Kendall-Tamiami Executive Airport demolition and replacement of buildings 102 and 109, MIA waster distribution system, MIA hotel lobby renovation, concourse D roof rehabilitation, and drainage improvement projects on the north side of MIA.

Additional information on the Aviation's Department's capital assets can be found in note 5 to the financial statements of this report.

Debt Administration

As of September 30, 2012, 2011, and 2010, the Aviation Department had a total of $6.2 billion, $6.3 billion, and $6.4 billion, respectively, in long-term revenue bonds outstanding. The long-term debt consists of Aviation Revenue Bonds issued under the Trust Agreement. Maturity dates range from 2012 to 2042, and the interest rates range from 2% to 6%. Both principal and interest are payable solely from net revenues generated from the airport facilities constructed under the provisions of the Trust Agreement. These Aviation Revenue Bonds do not constitute debt of the County or a pledge of the full faith and credit of the County. In addition to net revenues, the Aviation Department used $85 million of PFC revenue to pay principal and interest due in fiscal year 2012.

In January 2010, the County issued $600,000,000 of Series 2010A all of which remains outstanding at September 30, 2012. The Series 2010A were issued to refund outstanding Commercial Paper notes and to provide funds for the payment of costs of certain airport improvements. The Series 2010A bonds bear stated interest ranging from 3.00% to 5.50%, with $172,925,000 serial bonds due October 1, 2012 to 2030 and $427,075,000 term bonds due October 1, 2029 to 2041.

In August 2010, the County issued $503,020,000 of Series 2010B all of which remains outstanding at September 30, 2012. Series 2010B were issued as part of a contingency program to finance certain airport capital projects under the Aviation Department's CIP. The Series 2010B bonds bear stated interest ranging from 2.25% to 5.00%, with $228,795,000 serial bonds due October 1, 2013 to 2030 and $274,225,000 term bonds due October 1, 2035 to 2041.

Additionally, on March 4, 2010, the County issued its Double-Barreled Aviation Bond (General Obligation), Series 2010, in the aggregate principal amount of $239,775,000 of which, $235,810,000 remains outstanding at September 30, 2012. The Series 2010 bonds are a general obligation of the County, secured by the full faith, credit, and taxing power of the County. The Series 2010 bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt services on the Series 2010 bonds. "Net Available Airport Revenues" is defined to mean any unencumbered funds held for the credit of the Improvement Fund created under the Trust Agreement after the payment of all obligations of the County pertaining to the County airports, which are payable pursuant to, and subject to the restrictions of (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect, or (iii) any other indenture, trust agreement, or contract. Series 2010 was issued to provide long-term financing for certain capital improvement comprising a part of the CIP for the County's Aviation Department. Proceeds of the Series 2010 bonds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement, and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program. The Series 2010 bonds bear stated interest ranging from 2.00% to 5.00%, with $126,050,000 serial bonds due July 1, 2013 to 2032 and $109,760,000 term bonds due July 1, 2034 to 2041.

Some issues of General Aviation Revenue Bonds are insured by various original monoline insurance companies whose credit ratings reflect the financial capacity of these companies. The purchase of insurance at the time the debt was issued elevated bond ratings by Standard and Poor's, Moody's Investor Service, and Fitch Ratings, respectively, to AAA, Aaa, and AAA and lowered the interest rate on the related debt. The Trust Agreement requires that insurers have certain minimum ratings in order to insure County bonds. The policies provide that insurers will make debt service payments in the unlikely event that the County is unable to do so. Since the insured bonds were issued, the ratings of the various monoline insurers have been lowered or withdrawn by the rating agencies. The rating downgrades do not necessarily affect the insurance companies' ability to pay claims, and the various insurance policies remain in effect. However, the Reserve Account was affected by the rating downgrades of the Surety policies that were purchased in lieu of cash funding the Debt Service Reserve Requirement. The Aviation Department funded the reserve requirement shortfall by funding the difference over a specified time period. As a result, the Aviation Department has a fully funded cash reserve along with potentially viable but unusable Surety policies unless the ratings of the Reserve Surety Providers are upgraded to "AA/Aa" or higher. The County's cash flow and its ability to pay its debt service obligation have not been affected.

As of September 30, 2012, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A- with a stable outlook, A2 with a stable outlook, and A with a stable outlook per Standard and Poor's, Moody's Investors Service, and Fitch Ratings, respectively.

Additional information of the Aviation Department's debt administration can be found in note 6 of this report.

Economic Factors and Outlook

Airline rates and charges at MIA continue to increase primarily due to the high amount of debt service costs that are attributable to the large amount of outstanding Aviation Revenue Bonds. However, the landing fee rate has been kept relatively low the past few years because of the higher than anticipated surplus revenues (i.e., realizing higher than budgeted revenue and lower than budgeted expenses) that is used to offset the landing fee related costs in the subsequent fiscal years. In fact, the landing fee was reduced in fiscal year 2013 due to the highest ever amount of surplus annual revenue realized in fiscal year 2012. The higher than anticipated nonairline revenues in these past few years have offset the airline costs, which has allowed the Aviation Department to keep the overall airline costs significantly less than forecasted. Another reason that the airline costs at MIA have not grown as expected is that the Aviation Department has controlled its operating expenses as shown by the decrease in operating expenses in fiscal year 2012.

MIA principally serves the metropolitan area of Miami-Dade County. The local residents in Miami-Dade County serve as a portion of the MIA passenger traffic, which means that the local economy somewhat affects the airport's revenues. During fiscal year 2012, Miami-Dade County began to show signs of improvement economically; the unemployment rate decreased from 10.7% to 8.9% using October 2011 and October 2012 as the comparative time periods and the home prices increased 8.5% during the same period according to the S&P/Case-Shiller Home Price Index. Visitors' statistics continue to grow over fiscal year 2011, mostly due to increases in international visitors, albeit at a lesser rate in fiscal year 2012 per VISIT FLORIDA statistics.

MIA passenger numbers benefitted from the increase in visitors, especially when compared to the nation; the nation's enplaned passenger traffic grew 0.9% during fiscal year 2012 as compared to MIA's growth of 5.3% during the same time period. For a number of reasons, MIA passenger traffic has not experienced the same decline as the nation, most of which has to do with the strong Latin American traffic that passes through or visits MIA. In addition, with the completion of most of the gates in Concourse D and the opening of the Federal Inspection Services area and the startup of its outbound baggage makeup system, American Airlines along with its regional airline, American Eagle, has significantly increased service to MIA, which is represented by its 5.4% enplaned passenger growth rate in fiscal year 2012.

Thus far in this economic cycle, Latin American economies have been more resilient than the U.S. economy, thus allowing MIA to avoid some of the negative effects that other U.S. airports have faced and continue to face during this time of financial strain. MIA has benefitted from this link with Latin American economies because it dominates the Latin American/Caribbean region both in passenger numbers and cargo volume over most U.S. airports. The financial strength and stability of the airlines serving MIA may affect future airline traffic. While passenger demand at the airport remained strong in fiscal year 2012, there can be no assurance given as to the levels of aviation activity that will be achieved at the airport in the future. Any financial or operational difficulties incurred by American Airlines or any other major air carriers at the airport could have a material adverse effect on the airport, although the Aviation Department would take measures to mitigate the effect.

Air cargo tonnage at MIA rebounded in fiscal year 2012 after flattening out in fiscal year 2011 as noted by the 4.7% increase in cargo tonnage for fiscal year 2012 and 0.8% for fiscal year 2011. MIA benefits from its geographic location because MIA acts as a transshipment location with a major portion of the goods being shipped beyond MIA. During 2011, the Airport handled 82% of all air imports and 81% of all air exports between the U.S. and the Latin American/Caribbean region.

(Continued)

Request for Information

This financial report is designed to provide customers, creditors, and other interested parties with a general overview of the Aviation Department's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed in writing to the Finance Manager, Miami-Dade County Aviation Department, 4200 N.W. 36th Street, Suite 300, Miami, Florida 33122.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2012 and 2011

(In thousands)

Assets	2012	2011
Current assets:		
Cash and cash equivalents	$ 162,243	148,330
Investments, including interest receivable	62,804	58,869
Accounts receivable, net of allowance for doubtful accounts of $13,907 in 2012 and $12,663 in 2011	49,049	36,920
Inventories, prepaid expenses, and deferred charges	7,292	6,605
Due from County Agencies	14,711	14,773
Total current unrestricted assets	296,099	265,497
Restricted assets:		
Current restricted assets:		
Cash and cash equivalents	14,911	56,404
Investments, including interest receivable	250,587	257,263
Government grants receivable	2,587	11,113
Passenger facility charges receivable	10,410	10,936
Total current restricted assets	278,495	335,716
Total current assets	574,594	601,213
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	573,576	683,315
Cash held in escrow by agent	—	423
Total noncurrent restricted assets	573,576	683,738
Capital assets:		
Land	130,836	88,836
Construction in progress	44,442	721,822
Buildings, improvement, and systems	7,391,667	6,214,432
Infrastructure	1,358,758	1,315,427
Furniture, equipment, and machinery	379,201	358,638
Less accumulated depreciation	(2,403,200)	(2,190,311)
Capital assets, net	6,901,704	6,508,844
Other noncurrent assets	67,623	71,571
Total noncurrent assets	7,542,903	7,264,153
Total assets	$ 8,117,497	7,865,366

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2012 and 2011

(In thousands)

Liabilities and Net Assets		2012	2011
Current liabilities payable from unrestricted assets:			
Accounts payable and accrued expenses	$	27,316	24,322
Security deposits		10,250	10,577
Environmental remediation liability		17,445	12,272
Compensated absences		5,365	5,388
Deferred revenues		14,763	2,380
Due to County Agencies		8,679	7,767
Total current liabilities payable from unrestricted assets		83,818	62,706
Current liabilities payable from restricted assets:			
Accounts and contracts payable and accrued expenses		41,014	92,287
Bonds payable within one year:			
Trust Agreement Aviation Revenue Bonds		67,020	63,465
Interest payable		157,464	157,915
Total current liabilities payable from restricted assets		265,498	313,667
Total current liabilities payable		349,316	376,373
Noncurrent liabilities:			
Trust Agreement Aviation Revenue Bonds payable after one year		6,164,624	6,234,721
Deferred revenues		383,891	12,645
Compensated absences, net of current portion		13,966	14,191
Environmental remediation liability, net of current portion		59,696	73,815
Other noncurrent liabilities		24,772	4,187
Total noncurrent liabilities		6,646,949	6,339,559
Total liabilities		6,996,265	6,715,932
Net assets:			
Invested in capital assets, net of related debt		478,803	561,163
Restricted:			
Restricted for debt service		232,364	229,515
Restricted for reserve maintenance		46,672	47,373
Restricted for construction		181,494	141,859
Unrestricted		181,899	169,524
Total net assets	$	1,121,232	1,149,434

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended September 30, 2012 and 2011

(In thousands)

		2012	2011
Operating revenue:			
Aviation fees	$	345,491	320,790
Rentals		126,351	111,156
Commercial operations:			
Management agreements		82,692	72,717
Concessions		167,596	149,817
Other		5,642	4,378
Other – environmental remediation		8,946	2,758
Total operating revenue		736,718	661,616
Operating expenses:			
Operating expenses		254,066	269,047
Operating expenses – environmental remediation		6,130	3,090
Operating expenses under management agreements		22,200	35,223
Operating expenses under operating agreements		36,166	33,287
General and administrative expenses		57,924	63,496
Total operating expenses before depreciation and amortization		376,486	404,143
Operating income before depreciation and amortization		360,232	257,473
Depreciation and amortization		220,180	206,907
Operating income		140,052	50,566
Nonoperating revenues (expenses):			
Environmental cost recovery		22	3,406
Passenger facility charges		70,729	71,483
Interest expense		(289,012)	(276,585)
Investment income		4,823	3,610
Other revenue		17,519	21,955
Total nonoperating expenses		(195,919)	(176,131)
Loss before capital contributions		(55,867)	(125,565)
Capital contributions		27,665	58,697
Change in net assets		(28,202)	(66,868)
Net assets, beginning of year		1,149,434	1,216,302
Net assets, end of year	$	1,121,232	1,149,434

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2012 and 2011

(In thousands)

	2012	2011
Cash flows from operating activities:		
Cash received from customers and tenants	$ 735,272	669,930
Cash paid to suppliers for goods and services	(303,037)	(326,362)
Cash paid to employees for services	(97,304)	(106,170)
Net cash provided by operating activities	334,931	237,398
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds and commercial paper	(67,803)	(68,587)
Interest paid on revenue bonds	(322,073)	(270,028)
Purchase and construction of capital assets	(205,918)	(394,495)
Capital contributed by federal and state governments	27,184	60,327
Passenger facility charges	71,255	67,653
Proceeds from environmental reimbursements	22	3,406
Proceeds from North Terminal Program Claims	10,000	10,000
Net cash used in capital and related financing activities	(487,333)	(591,724)
Cash flows from noncapital financing activity:		
Operating reimbursements received	7,519	11,955
Net cash provided by noncapital financing activity	7,519	11,955
Cash flows from investing activities:		
Purchase of investments	(1,053,297)	(1,466,359)
Proceeds from sales and maturities of investments	1,056,038	1,421,312
Interest and dividends on investments	4,823	3,610
Net cash provided by (used in) investing activities	7,564	(41,437)
Net decrease in cash and cash equivalents	(137,319)	(383,808)
Cash and cash equivalents, beginning of year	888,049	1,271,857
Cash and cash equivalents, end of year	$ 750,730	888,049
Cash and cash equivalents reconciliation:		
Unrestricted assets	$ 162,243	148,330
Restricted assets	588,487	739,719
Cash and cash equivalents	$ 750,730	888,049

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2012 and 2011

(In thousands)

	2012	2011
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 140,052	50,566
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	220,180	206,907
Provision for uncollectible accounts	1,244	(55)
Changes in operating assets and liabilities:		
Accounts receivable	(13,373)	(805)
Inventories, prepaid expenses, and deferred charges	(687)	343
Due from County Agencies	62	7,897
Accounts and contracts payable and accrued expenses	(23,832)	(19,529)
Security deposits	(327)	669
Due to County Agencies	912	(100)
Deferred revenues and rental credits	(691)	3,516
Other liabilities	11,391	(12,011)
Total adjustments	194,879	186,832
Net cash provided by operating activities	$ 334,931	237,398
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	$ 672	1,522
Decrease in construction in progress accrual	(24,447)	(30,180)
Decrease in cash held in escrow by agent	(423)	(13,514)
Increase in contributed capital assets	393,327	—
Increase in deferred capital contribution	384,320	—

See accompanying notes to financial statements.

(1) General

(a) Description

Miami-Dade County, Florida (the County) is a chartered political subdivision of the State of Florida and is granted home rule county powers by the Constitution of the State of Florida and Florida Statutes. The Board of County Commissioners (the Board or the BCC) is the legislative and governing body of the County. The Miami-Dade County Aviation Department (the Aviation Department), established on February 6, 1973, is included as an enterprise fund in the County's comprehensive annual financial report as part of the County's reporting entity.

These financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of the County as of September 30, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Pursuant to the general laws of Florida, the County owns Miami International Airport (MIA), three general aviation airports, and two training airports, one of which has been closed (collectively, the Airports), all of which are operated by the Aviation Department.

(b) Basis of Presentation

The Aviation Department operates as an enterprise fund of the County. An enterprise fund is used to account for the financing of services to the general public, since substantially all of the costs involved are paid in the form of charges by users of such services. Accordingly, the Aviation Department's financial statements have been prepared using the economic resources measurement focus and 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.

(c) Authority to Fix Rates

Under the provisions of the Trust Agreement, amended and restated dated December 15, 2002 by the County, The Bank of New York, successor in interest to JP Morgan Chase Bank, New York, New York, as trustee (the Trustee), and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association, Miami, Florida) as co-trustee (the Co-Trustee) (the Trust Agreement), which amended and restated the Trust Agreement dated as of October 1, 1954 with the Chase Manhattan Bank (predecessor-in-interest to the Trustee) and First Union National Bank of Miami (predecessor-in-interest to the Co-Trustee), as amended and supplemented (the Original Trust Agreement), the Aviation Department is required to maintain, charge, and collect rates and charges for the use and services provided, which will provide revenues sufficient to:

- Pay current expenses, as defined in the Trust Agreement;
- Make the Reserve Maintenance Fund (the Reserve Maintenance Account) deposits recommended by the Consulting Engineers; and

- Make deposits to the Interest and Sinking Fund (the Sinking Fund Account) comprising the Bond Service Account, the Reserve Account, and the Redemption Account of not less than 120% of the principal and interest requirements of the Trust Agreement Aviation Revenue Bonds, as defined in the Trust Agreement.

Any remaining balance in the Revenue Fund, after meeting the requirements noted above, is deposited to the Improvement Fund (the Improvement Account), as defined in the Trust Agreement.

(d) Agreements with Airlines

An Airline Use Agreement, which became effective in May 2002, establishes an airport system residual landing fee such that all costs not recovered through other revenues will be recovered from the landing fee revenue. Pursuant to the requirements of the Airlines Use Agreement, remaining money residing in the Improvement Fund at the end of the fiscal year in excess of $5 million, adjusted annually by the Consumer Price Index (CPI), is to be transferred to the Revenue Fund in the subsequent fiscal year thus reducing the amounts otherwise to be paid by the MIA air carriers in that fiscal year. The $5 million annual contribution is deposited into a separate account that has a cumulative cap of $15 million also subject to a CPI adjustment and can be used for any discretionary airport-related purpose. As of September 30, 2012 and 2011, these excess deposits, which are supposed to be transferred to the Revenue Fund annually by the following March, were approximately $80,366,000 and $69,098,000, respectively.

(e) Relationship with County Departments

The Aviation Department reimburses the General Fund of the County for its portion of the direct administrative service cost, such as Audit and Management Services, the Board, Clerk of the Courts, Computer Services and Information Systems, County Manager, Fire, Police, Personnel, and others. In 1996, an internal study was conducted by the County to determine the appropriate method as a basis to establish the indirect administrative services cost reimbursement for the year ended September 30, 1996 and subsequent years. This study was updated in 2003, which has recommended a cost allocation basis in accordance with the Office of Management and Budget Circular A-87. For the years ended September 30, 2012 and 2011, the Aviation Department recorded an expense in the amount of $6,520,000 and $7,133,000, respectively, for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

As of September 30, 2012 and 2011, the Aviation Department owes the County approximately $8,679,000 and $7,767,000, respectively, for various services. For these same periods, the Aviation Department has receivables due from the County in the amount of $14,711,000 and $14,773,000, respectively.

In addition, the Aviation Department pays other County departments directly for most services provided such as Fire, Police, Legal, and General Services Administration. The total cost to the Aviation Department for these services was approximately $68,322,000 and $73,656,000 for the years ended September 30, 2012 and 2011, respectively.

On March 20, 2003, the U.S. Department of Transportation and Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenues in connection with their audit of amounts paid to the County by the Aviation Department. The OIG reported that the County diverted Aviation Department revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from the Aviation Department, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. The County repaid the Aviation Department $1,450,720 and $2,257,006 in fiscal years 2012 and 2011, respectively.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

(b) Cash and Cash Equivalents

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.

(c) Investments

Investments consist primarily of U.S. government securities and are carried at fair value based on quoted market prices.

(d) Inventories

Inventories consisting of building materials/supplies and spare parts are valued at cost using the first-in, first-out method.

(e) Capital Assets and Depreciation

Capital assets are recorded at cost, except for contributions by third parties, which are recorded at fair value at the date of contribution. Expenditures for maintenance, repairs, minor renewals, and betterments are expensed as incurred. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts, and any gain or loss is reflected in the statements of revenues, expenses, and changes in net assets.

The Aviation Department depreciates assets using the straight-line method of depreciation over the assets' estimated useful lives as follows:

	Years
Hangars and buildings	40
Runways, aprons and taxiways, and field improvements	30
Paved roads and parking areas	20
Automotive, field and building equipment, and furniture and fixtures	5 – 16
Buildings, improvements, and systems	40

(f) Interest on Indebtedness

Interest is charged to expense as incurred, except for interest related to borrowings used for construction projects. The Aviation Department capitalizes interest costs as part of the cost of constructing specified qualifying assets. In situations involving qualifying assets financed with the proceeds of tax-exempt debt, the amount of interest capitalized is reduced by any interest income earned on the temporary investment of such moneys. Interest is capitalized throughout the construction period.

(g) Restricted Assets

Assets required to be reserved for airport maintenance and debt service pursuant to the Trust Agreement are classified as restricted assets and are not available for payment of current expenses. In accordance with the terms of the Trust Agreement, assets of the Reserve Maintenance Account are restricted for unusual or extraordinary maintenance or repairs, renewals, and replacements, the cost of replacing equipment, and premiums on insurance required to be carried under the provisions of the Trust Agreement and are not available for the payment of current expenses.

Unexpended Passenger Facility Charges (PFC) revenue and accumulated interest earnings are restricted to be used on Federal Aviation Administration (FAA)-approved capital projects and are classified as restricted assets.

When both restricted and unrestricted resources are available for use, it is the Aviation Department's policy to use restricted resources first, then unrestricted resources as needed.

(h) Compensated Absences

The Aviation Department accounts for compensated absences by accruing a liability for employees' compensation of future absences in accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*. The Aviation Department's policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. The Aviation Department recognizes a liability and expense in

(Continued)

the period vacation and sick pay benefits are earned. As of September 30, 2012 and 2011, liabilities related to compensated absences were approximately $19,331,000 and $19,579,000, respectively.

(i) Environmental Remediation

Environmental remediation expenses that relate to current operations are expensed. Assets acquired for environmental remediation are capitalized as appropriate. Environmental remediation expenses that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed.

(j) Deferred Capital Contribution

The Aviation Department has deferred the capital contribution related to the conveyance of the rental car center over the period in which the TIFIA loan remains outstanding as denoted in the reverter clause in the Quitclaim deed. The remaining unamortized balance is approximately $384,320,000.

(k) Refundings Resulting in the Defeasance of Debt

For current and advance refundings 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 using the weighted average method since the results are not significantly different from the effective-interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. The difference in these amounts, to the extent unamortized, is accounted for as an element of the carrying cost of the related debt.

(l) Bond Discount/Premium and Issuance Costs

Discount/premium 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 interest method of amortization.

(m) Pension Plan

The Aviation Department contributes to the Florida Retirement System (FRS or the System), a cost-sharing multiemployer plan. Under GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, employers that participate in multiemployer defined-benefit plans are required to measure and disclose an amount for annual pension costs on the accrual basis of accounting.

(n) Net Asset Classifications

Net assets are classified and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(o) Revenue Classifications

The Aviation Department defines operating revenue as those revenues earned from aviation operations and charged to customers and tenants. Nonoperating revenues include interest earnings, certain grants, and PFC collections.

The components of the major revenue captions are as follows:

Aviation fees – landing fees, concourse use charges, loading bridge use charges, baggage claim use charges, screening fees, airplane parking fees, and other similar facilities and service use fees and charges.

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

Management agreements – revenues from the sale of publications, automotive parking fees, pharmacy facilities, baggage services, special services lounges, the Airport Hotel, Fuel Farm, and the Top of the Port Restaurant.

Concessions – revenues from the sale of duty-free merchandise, rental car companies, and various services provided by terminal complex concessionaires.

(p) Grants from Government Agencies

Grants received for the acquisition or construction of capital assets are recorded as capital contributions, when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal years 2012 and 2011, the Aviation Department recorded approximately $18,658,000 and $58,697,000, respectively, in contributions consisting of federal and state grants in aid of construction.

(q) Passenger Facility Charges

The FAA authorized the Aviation Department to impose PFC of $3.00 per passenger commencing November 1, 1994. In October 2001, with an effective date of January 1, 2002, the FAA approved an increase in the PFC at MIA to $4.50. The net receipts from PFCs are restricted to be used for funding FAA-approved capital projects and debt service attributable to such approved capital projects.

PFC revenue is reported as nonoperating revenue. The Aviation Department has been authorized to collect PFCs on eligible enplaning revenue-generating passengers in the aggregate amount not to exceed $2,757,441,000 including interest, of which $956,371,000 has been earned through September 30, 2012.

(r) 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 Aviation Department elected not to apply FASB statements and interpretations issued subsequent to November 30, 1989.

(s) Use of Estimates

The preparation of the financial statements requires management of the Aviation Department to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation allowances for receivables, self-insurance, and environmental liabilities. Actual results could differ from those estimates.

(t) Implementation of New Accounting Standards

In December 2010, the GASB issued GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The statement addresses the recognition, measurement, and disclosure requirements for Service Concession Agreements (SCAs) for both transferors and governmental operators. It requires governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. Common examples of SCAs include long-term arrangements in which a government (the transferor) engages a company or another government (the operator) to operate a major capital asset – such as toll roads, hospitals, and student housing – in return for the right to collect fees from users of the capital asset. In these SCAs, the operator generally makes a large up-front payment to the transferor. Alternatively, the operator may build a new capital asset for the transferor and operate it on the transferor's behalf. The requirements for GASB Statement No. 60 are effective for financial statements for periods beginning after December 15, 2011. The Aviation Department expects to comply with the provisions of this statement.

(3) Cash and Cash Equivalents and Investments

The County is authorized through *Florida Statutes* §218.415, Ordinance No. 84-47, Resolution R-31-09 and its Investment Policy to make certain investments. The Investment Policy was updated and adopted on January 22, 2009 in response to current and possible uncertainties in the domestic and international financial markets. The County's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds, and maximizing investment income.

(In thousands)

As of September 30, 2012 and 2011, total unrestricted and restricted cash and cash equivalents and investments comprise the following:

		2012	2011
Cash and cash equivalents	$	750,730	888,049
Investments, including interest receivable		313,391	316,132
	$	1,064,121	1,204,181

The carrying amounts of the Aviation Department's local deposits were $10.1 million and $11.6 million as of September 30, 2012 and 2011, respectively. All deposits are fully insured by Federal Depository Insurance and are held in qualified public depositories pursuant to *Florida Statutes* Chapter 280, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the Aviation Department intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs.

Cash held in escrow by agent of $0 million and $0.4 million as of September 30, 2012 and 2011, respectively, represents the proceeds held by the Florida Department of Transportation (FDOT) State Infrastructure Bank to fund construction projects. See note 6.

Cash, cash equivalents, and investments as of September 30, 2012 and 2011 are summarized as follows:

		2012	2011
Cash deposits	$	10,100	11,592
U.S. government securities		1,009,968	1,103,610
Money market		43,953	88,879
Interest bearing deposits		100	100
Total cash equivalents and investments		1,054,021	1,192,589
	$	1,064,121	1,204,181

(In thousands)

At September 30, 2012 and 2011, the carrying value of cash equivalents and investments included the following:

Investment type		Fair value 2012	Fair value 2011
Federal Home Loan Mortgage Company	$	231,120	330,324
Federal Home Loan Bank		261,948	275,295
Federal Farm Credit Bank		164,719	183,993
Federal National Mortgage Association		242,420	313,998
Treasury notes		109,761	—
Money market		43,953	88,879
Interest bearing deposits		100	100
	$	1,054,021	1,192,589

(a) Credit Risk

The Aviation Department's Investment Policy (the Policy) minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to *Florida Statutes* §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the U.S. Treasury; federal agencies and instrumentalities; securities of, or other interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Banker acceptances that have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and that are eligible for purchase by the Federal Reserve Bank; and investments in Repurchase Agreements (Repos) collateralized by securities authorized by this policy.

All Repos shall be governed by a standard SIFMA Master Repurchase Agreement; municipal securities issued by U.S. state or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term credit rating of A1/P1 or equivalent from one or more recognized credit rating agencies.

(In thousands)

The table below summarizes the investments by type and credit ratings as of September 30, 2012:

Investment type	Credit rating S&P	Credit rating Moody's	Credit rating Fitch
Federal Home Loan Mortgage Corporation	AA+/A-1+	Aaa/P-1	AAA/F-1+
Federal Home Loan Bank	AA+/A-1+	Aaa/P-1	N/A
Federal Farm Credit Bank	AA+/A-1+	Aaa/P-1	Aaa/F-1+
Federal National Mortgage Association	AA+/A-1+	Aaa/P-1	Aaa/F-1+
U.S. Treasury	AA+/A-1+	Aaa/P-1	Aaa/F-1+
Money market	AAAm	AAA-mf	N/A
Interest bearing	AAAm	Aaa-MF	AAAmmf

(b) Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, *Florida Statutes*. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2012 and 2011, all of the County's bank deposits were in qualified public depositories.

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

(c) Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the Pool); however, bond proceeds may be temporarily deposited in the Pool until other investments have been purchased. Prior to any investment in the Pool, approval must be received from the Board. A maximum of 30% of the portfolio may be invested in SEC-registered money market funds with no more than 10% to any single money market fund. A maximum of 20% of the portfolio may be invested in interest-bearing time deposits or demand accounts with no more than 5% deposited with any one issuer.

There is no limit on the percentage of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies and instrumentalities, with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). A maximum of 5% of the portfolio may be invested in open-end or closed-end funds. A maximum of 50% of the portfolio may be in prime commercial paper with a maximum of 5% with any one issuer. A maximum of 25% of the portfolio may be invested in bankers' acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers' acceptances. A maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreement, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreement. Investments in derivative products shall be prohibited by the County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

(In thousands)

As of September 30, 2012 and 2011, the following issuers held 5% or more of the investment portfolio:

Issuer	2012	2011
Federal Farm Credit Bank	15.63%	15.43%
Federal Home Loan Bank	24.85	23.08
Federal Home Loan Mortgage Corporation	21.93	27.70
Federal National Mortgage Association	23.00	26.33
Treasury notes	10.41	—
Money market	4.17	7.45

(d) *Interest Rate Risk*

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

As of September 30, 2012 and 2011, the County had the following investments with the respective weighted average maturity in years:

Investment type	2012	2011
Federal Home Loan Mortgage Corporation (Freddie Mac)	0.32	0.34
Federal Home Loan Bank	0.18	0.45
Federal Farm Credit Bank	0.44	0.84
Federal National Mortgage Association (Fannie Mae)	0.55	0.92
Treasury notes	0.08	—
Money market	0.01	—
Interest bearing	0.02	—

(e) Foreign Currency Risk

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

(4) Disaggregation of Receivables and Payables

(a) Receivables

As of September 30, 2012, accounts receivable, net of the allowance for doubtful accounts, in the amount of $49,049,000 comprise accounts from customers (tenants, carriers, and business partners) representing 96% and government agencies representing 4%. As of September 30, 2011, accounts receivable, net of the allowance for doubtful accounts, in the amount of $36,920,000 comprise accounts from customers (tenants, carriers, and business partners) representing 93% and government agencies representing 7%.

(b) Payables

As of September 30, 2012, accounts payable and accrued expenses and contracts payables totaled $68,330,000. This amount comprised 93% for amounts payable to vendors, 6% due to employees, and 1% due to government agencies. As of September 30, 2011, accounts payable and accrued expenses and contracts payables totaled $116,609,000. This amount comprised 96% for amounts payable to vendors, 3% due to employees, and 1% due to government agencies.

(In thousands)

(5) Capital Assets and Depreciation

A summary of capital asset activity and changes in accumulated depreciation for the years ended September 30, 2012 and 2011 is as follows:

	Balance at September 30, 2011	Additions/ transfers	Deletions/ transfers and retirements	Balance at September 30, 2012
Capital assets not being depreciated:				
Land	$ 88,836	42,000	—	130,836
Construction in progress	721,822	213,470	(890,850)	44,442
Total capital assets not being depreciated	810,658	255,470	(890,850)	175,278
Capital assets being depreciated:				
Buildings, improvements, and systems	6,214,432	1,184,026	(6,791)	7,391,667
Infrastructure	1,315,427	43,331	—	1,358,758
Furniture, machinery, and equipment	358,638	21,065	(502)	379,201
Total capital assets being depreciated	7,888,497	1,248,422	(7,293)	9,129,626
Less accumulated depreciation for:				
Buildings, improvements, and systems	(1,503,941)	(194,035)	6,791	(1,691,185)
Infrastructure	(452,157)	(10,340)	—	(462,497)
Furniture, machinery, and equipment	(234,213)	(15,805)	500	(249,518)
Total accumulated depreciation	(2,190,311)	(220,180)	7,291	(2,403,200)
Depreciable capital assets, net	5,698,186	1,028,242	(2)	6,726,426
Net capital assets	$ 6,508,844	1,283,712	(890,852)	6,901,704

(In thousands)

		Balance at September 30, 2010	Additions/ transfers	Deletions/ transfers and retirements	Balance at September 30, 2011
Capital assets not being depreciated:					
Land	$	88,836	—	—	88,836
Construction in progress		864,769	391,516	(534,463)	721,822
Total capital assets not being depreciated		953,605	391,516	(534,463)	810,658
Capital assets being depreciated:					
Buildings, improvements, and systems		5,830,205	414,495	(30,268)	6,214,432
Infrastructure		1,217,051	98,376	—	1,315,427
Furniture, machinery, and equipment		351,652	7,924	(938)	358,638
Total capital assets being depreciated		7,398,908	520,795	(31,206)	7,888,497
Less accumulated depreciation for:					
Buildings, improvements, and systems		(1,352,841)	(181,368)	30,268	(1,503,941)
Infrastructure		(442,907)	(9,250)	—	(452,157)
Furniture, machinery, and equipment		(218,843)	(16,289)	919	(234,213)
Total accumulated depreciation		(2,014,591)	(206,907)	31,187	(2,190,311)
Depreciable capital assets, net		5,384,317	313,888	(19)	5,698,186
Net capital assets	$	6,337,922	705,404	(534,482)	6,508,844

Total interest costs incurred during the years ended September 30, 2012 and 2011 amounted to approximately $326,831,000 and $327,340,000, respectively. Of this amount, approximately $37,819,000 and $50,755,000 were capitalized during 2012 and 2011, respectively.

(6) Debt

(a) Aviation Revenue Bonds

Aviation Revenue Bonds are issued to finance the construction of facilities at the Airports pursuant to the Trust Agreement and are payable solely from and are collateralized by a pledge of net revenues, as defined in the Trust Agreement. The Aviation Revenue Bonds do not constitute a debt of the County or a pledge of the full faith and credit of the County.

(In thousands)

There were no Aviation Revenue Bonds issued during fiscal year 2012 or 2011.

Miami-Dade County Aviation Department Debt Outstanding, September 30, 2012 and 2011

Revenue bonds	Issue date	Rate	Maturity	2012	2011
2010B	August 2010	2.250% – 5.000%	2013 – 2030	$ 228,795	228,795
2010A	January 2010	3.000% – 5.500%	2012 – 2030	172,925	172,925
2009A	May 2009	3.000% – 6.000%	2011 – 2029	137,670	138,170
2009B	May 2009	3.000% – 5.750%	2011 – 2029	61,670	62,170
2008A	June 2008	5.350% – 5.500%	2024 – 2038	55,740	55,740
2008B	June 2008	4.000% – 5.000%	2016 – 2041	166,435	166,435
2007A	May 2007	5.000%	2040	228,885	228,885
2007B	May 2007	4.500% – 5.000%	2025 – 2029	32,850	32,850
2005A	November 2005	4.875% – 5.000%	2036 – 2038	322,500	322,500
2004A	March 2004	5.000%	2029	1,020	1,020
2004B	March 2004	5.000%	2029	2,670	2,670
2004C	March 2004	2.500% – 5.000%	2011	—	5,110
2003A	May 2003	5.000%	2027	26,490	26,490
2002A	December 2002	5.000% – 5.125%	2029 – 2036	600,000	600,000
2002	May 2002	4.500% – 5.750%	2011 – 2025	159,540	162,340
2000A	March 2000	5.400% – 5.875%	2011 – 2020	28,315	30,690
2000B	March 2000	5.250% – 5.750%	2011 – 2020	22,690	24,610
1998C	October 1998	4.400% – 5.250%	2010 – 2018	42,555	47,485
				2,290,750	2,308,885
2010B	August 2010	5.000%	2035 – 2041	274,225	274,225
2010A	January 2010	5.000% – 5.500%	2029 – 2041	427,075	427,075
2009A	May 2009	5.500%	2036 – 2041	250,270	250,270
2009B	May 2009	5.000% – 5.500%	2025 – 2041	149,390	149,390
2008A	June 2008	5.250% – 5.500%	2033 – 2041	377,825	377,825
2007A	May 2007	5.000%	2040	322,195	322,195
2007B	May 2007	4.600%	2031 – 2032	16,070	16,070
2005A	November 2005	5.000%	2030 – 2035	35,400	35,400
2004A	March 2004	4.750% – 5.000%	2030 – 2036	210,830	210,830
2004B	March 2004	5.000%	2030 – 2037	153,695	153,695
2003A	May 2003	4.750% – 5.000%	2033 – 2035	264,910	264,910
2002	May 2002	5.375%	2027 – 2032	136,660	136,660
2000A	March 2000	6.000%	2024 – 2029	47,420	47,420
2000B	March 2000	5.750%	2024 – 2029	37,280	37,280
1998C	October 1998	5.000%	2023 – 2028	93,345	93,345
1997C	October 1997	5.125%	2027	63,170	63,170
				2,859,760	2,859,760

(In thousands)

Miami-Dade County Aviation Department Debt Outstanding, September 30, 2012 and 2011

Revenue bonds	Issue date	Rate	Maturity	2012	2011
Refunding bonds:					
2007C	December 2007	5.000% – 5.250%	2010 – 2026	$ 332,280	348,955
2007D	December 2007	5.000% – 5.250%	2010 – 2026	27,300	31,675
2005B	November 2005	4.000% – 5.000%	2010 – 2021	141,870	142,780
2005C	November 2005	3.625% – 5.000%	2010 – 2011	—	3,735
2003B	May 2003	3.600% – 5.250%	2010 – 2022	28,460	33,060
2003D	May 2003	3.300% – 5.250%	2010 – 2024	67,595	72,110
2003E	March 2008	5.250% – 5.375%	2010 – 2018	57,325	63,900
				654,830	696,215
Term bonds:					
2005C	November 2005	3.500% – 5.000%	2025	26,840	26,840
2003E	May 2008	5.125%	2024	69,575	69,575
1998A	May 2002	5.000% – 5.250%	2018 – 2024	85,675	85,675
				182,090	182,090
		Grand total		$ 5,987,430	6,046,950

(b) Maturities of Bonds Payable

The annual debt service requirements are as follows:

	Aviation revenue bonds principal	Interest
Year(s) ending September 30:		
2013	$ 62,995	304,116
2014	68,145	300,701
2015	73,640	296,972
2016	79,435	292,861
2017	85,475	288,431
2018 – 2022	629,570	1,349,014
2023 – 2027	823,680	1,156,197
2028 – 2032	1,060,025	908,551
2033 – 2037	1,360,000	593,256
2038 – 2042	1,744,465	188,754
	5,987,430	$ 5,678,853

(In thousands)

		Aviation revenue bonds principal	Interest
Less:			
Unamortized discount	$	(8,280)	
Deferred loss on defeased debt		(21,670)	
	$	5,957,480	

Bond premium is added, and bond discount and deferred loss on defeased debt are deducted from the face amount of bonds payable. They are amortized as additional interest expense using the straight-line method, which approximates the effective-interest method. Amortization of bond discount or premium and deferred loss on defeased debt was approximately $1,578,000 and $1,600,000 for years ended September 30, 2012 and 2011, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

Amortization of bond issuance cost was approximately $3,911,000 and $3,976,000 for years ended September 30, 2012 and 2011, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

(In thousands)

(c) Double-Barreled Aviation Bond

On March 4, 2010, the County issued its Double-Barreled Aviation Bond (General Obligation), Series 2010, in the aggregate principal amount of $239,775,000. The Series 2010 bonds are a general obligation of the County, secured by the full faith, credit, and taxing power of the County. The Series 2010 bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt services on the Series 2010 bonds. "Net Available Airport Revenues" is defined to mean any unencumbered funds held for the credit of the Improvement Fund created under the Trust Agreement after the payment of all obligations of the County pertaining to the County airports, which are payable pursuant to, and subject to the restrictions of (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect, or (iii) any other indenture, trust agreement, or contract.

Miami-Dade County Aviation Department debt outstanding
September 30, 2012 and 2011

	Issue date	Rate	Maturity	2012	2011
Revenue serial:					
2010	March 2010	2.000% – 5.000%	2013 – 2032	$ 126,050	129,995
				126,050	129,995
Revenue term:					
2010	March 2010	4.750% – 5.000%	2034 – 2041	109,760	109,760
				109,760	109,760
Total				$ 235,810	239,755

In March 2010, the County issued $239,775,000 of its Double-Barreled Aviation Bond (General Obligation), Series 2010 of which, $235,810,000 remains outstanding at September 30, 2012. Series 2010 was issued to provide long-term financing for certain capital improvement comprising a part of the CIP for the County's Aviation Department. Proceeds of the Series 2010 Bonds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement, and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Development (NTD) Program. The Series 2010 bonds bear stated interest ranging from 2.70% to 5.00%, with $126,050,000 serial bonds due July 1, 2013 to 2032 and $109,760,000 term bonds due July 1, 2034 to 2041.

(In thousands)

(d) Maturities of Double-Barreled Aviation Bonds Payable

The annual debt service requirements are as follows:

		General obligation bonds principal		Interest
Year(s) ending September 30:				
2013	$	4,025		11,407
2014		4,185		11,246
2015		4,395		11,036
2016		4,570		10,860
2017		4,695		10,737
2018 – 2022		26,940		50,224
2023 – 2027		33,960		43,197
2028 – 2032		43,280		33,880
2033 – 2037		55,040		22,120
2038 – 2042		54,720		7,007
		235,810	$	211,714
Add:				
Unamortized premium		5,663		
	$	241,473		

(e) State Infrastructure Bank Note

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

The funds are held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2012 and 2011, cash held in escrow by agent totaled $0 and $0.4 million, respectively. During fiscal year 2012, there were drawdowns totaling $0.4 million. As of September 30, 2012 and 2011, the outstanding loan balance was $32.7 million and $37.0 million, respectively. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019.

(In thousands)

The annual debt service requirements are as follows:

		Principal	Interest
Year(s) ending September 30:			
2013	$	—	—
2014		4,346	654
2015		4,433	567
2016		4,522	478
2017		4,612	388
2018 – 2021		14,778	602
	$	32,691	2,689

(f) ***Long-Term Liabilities***

Changes in long-term liabilities are as follows:

		Balance at September 30, 2011	Additions	Reductions	Total at September 30, 2012	Due within one year
Revenue bonds	$	6,046,950	—	(59,520)	5,987,430	62,995
Less deferred amounts:						
For issuance discount and refunding losses		(31,528)	2,611	(1,033)	(29,950)	—
General obligation bonds		239,755	—	(3,945)	235,810	4,025
Add deferred amounts:						
For issuance premium		5,979	—	(316)	5,663	—
State Infrastructure Bank loan		37,029	—	(4,338)	32,691	—
Total bonds payable, net		6,298,185	2,611	(69,152)	6,231,644	67,020
Other liabilities:						
Compensated absences		19,579	8,067	(8,315)	19,331	5,365
Environmental remediation		86,087	—	(8,946)	77,141	17,445
Deferred revenues		15,025	393,700	(10,071)	398,654	14,763
Postemployment benefits		1,774	1,490	(1,125)	2,139	—
Other noncurrent liabilities		2,413	20,812	(592)	22,633	—
Total long-term liabilities	$	6,423,063	426,680	(98,201)	6,751,542	104,593

(In thousands)

	Balance at September 30, 2010	Additions	Reductions	Total at September 30, 2011	Due within one year
Revenue bonds	$ 6,106,765	—	(59,815)	6,046,950	59,520
Less deferred amounts:					
For issuance discount and refunding losses	(33,128)	2,748	(1,148)	(31,528)	—
General obligation bonds	239,755	—	—	239,755	3,945
Add deferred amounts:					
For issuance premium	6,295	—	(316)	5,979	—
State Infrastructure Bank loan	45,801	—	(8,772)	37,029	—
Total bonds payable, net	6,365,488	2,748	(70,051)	6,298,185	63,465
Other liabilities:					
Compensated absences	28,682	—	(9,103)	19,579	5,388
Environmental remediation	88,845	—	(2,758)	86,087	12,272
Deferred revenues and rental credits	11,509	6,072	(2,556)	15,025	2,380
Postemployment benefits	1,357	417	—	1,774	—
Other noncurrent liabilities	2,980	—	(567)	2,413	—
Total long-term liabilities	$ 6,498,861	9,237	(85,035)	6,423,063	83,505

(g) Defeased Debt

The County did not have any outstanding amounts previously defeased held in escrow during fiscal year 2012.

(7) Restricted Assets

A summary of restricted assets at September 30, 2012 and 2011 is as follows:

	2012	2011
Construction account	$ 380,555	560,709
Bond service and reserve account	420,898	408,707
Reserve maintenance	50,618	50,038
	$ 852,071	1,019,454

(8) Management, Operating, Concession, and Lease Agreements

(a) Management Agreements

Certain properties are provided under management agreements with nationally recognized firms or local firms with expertise in their areas of service. Among these properties are public parking, special service lounges, Fuel Farm, the Airport Hotel, and the Top of the Port Restaurant. The Aviation Department receives all revenues. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee or fees based on percentages of revenues or operating profits of the facilities. While the Aviation Department generally looks toward the management companies for recommendations relative to operation of the facilities, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for growth and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as pricing, staffing, employee benefits, operating hours, facilities maintenance requirements, service levels, market selections, personnel policies, and marketing strategies. In the event the management firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such agreements. The management firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department, without prior approval, beyond the scope of what is required to run the day-to-day operations of the managed properties as established by the budget approved by the Aviation Department. The revenues and expenses generated from the operations of these facilities are recorded as revenues under management agreements and operating expenses under management agreements, respectively, in the accompanying statements of revenues, expenses, and changes in net assets.

(b) Operating Agreements

Certain other services are provided under operating agreements with nationally recognized firms or local firms with expertise in their areas of service. These agreements provide necessary services of employee shuttle transportation and janitorial services to the Aviation Department. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee. While the Aviation Department generally looks toward the operating companies for recommendations relative to these operations, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for service and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as personnel policies, staffing, employee benefits, facilities maintenance requirements, and service levels. In the event the operating firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such operating agreements. The operating firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department beyond the scope of what is required to run the day-to-day operations of managed properties as established by the budget approved by the Aviation Department. The expenses associated with the operation of these facilities and services are recorded as operating expenses under operating agreements in the accompanying statements of revenues, expenses, and changes in net assets.

(In thousands)

(c) Concession Agreements

The Aviation Department has entered into concession agreements with retail stores and newsstands, duty-free merchandise shops, food and beverage facilities, various rent-a-car companies, aeronautical service companies, and other passenger services through 2017. The agreements consist of both cancelable and noncancelable agreements and provide for a minimum annual rental and a franchise fee based on a percentage of the gross revenue, whichever is greater. These agreements generated revenues of approximately $167,596,000 and $149,817,000 during fiscal years 2012 and 2011, respectively. Minimum future fees under such noncancelable concession agreements as of September 30, 2012 are as follows:

Year ending September 30:		
2013	$	91,224
2014		87,972
2015		82,940
2016		59,752
2017		49,119
	$	371,007

(In thousands)

(d) Lease Agreements

The leasing operations of the Aviation Department consist principally of the leasing of land, buildings, and office space. The lease agreements consist of both cancelable and noncancelable agreements and permit the Aviation Department to periodically adjust rents and maximize operational flexibility. Minimum future rentals under such noncancelable lease agreements as of September 30, 2012 are as follows:

Year ending September 30:		
2013	$	18,772
2014		18,530
2015		13,948
2016		9,833
2017		7,120
Year(s) ending September 30:		
2018 – 2022	$	34,091
2023 – 2027		26,638
2028 – 2032		9,018
2033 – 2037		6,501
2038 – 2042		4,798
2043 – 2047		2,761
2048 – 2052		2,117
	$	154,127

The Aviation Department recognized approximately $126,351,000 and $111,156,000 of rental income for the years ended September 30, 2012 and 2011, respectively.

(9) Insurance

The Aviation Department, along with most other County departments, participates in the self-insurance program of the County for workers' compensation insurance. The program is administered by the Risk Management Division of the General Services Administration Department of the County (Risk Management). Premiums on the self-insurance programs are based on historical loss experiences. The long-term estimated liability for claims payable, including incurred but not reported, is recorded and retained at the County level. Therefore, such long-term liability is not included in the accompanying financial statements. The Aviation Department's liability for workers' compensation and general liability insurance is estimated to be approximately $5,098,000 and $4,802,000 as of September 30, 2012 and 2011, respectively, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately $1,324,000 and $1,217,000 is included in due to County Agencies in the accompanying statements of net assets as of September 30, 2012 and 2011, respectively.

The Aviation Department also pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance, and property insurance. The airport liability coverage provides comprehensive general liability, contractual liability, and personal injury liability at all Airports. Coverage under the policy is limited to $500 million with a self-insured retention of $50,000 per occurrence for a total annual aggregate retention of $500,000. Coverage under the policy for personal injury is limited to $50 million per occurrence.

The construction wrap-up insurance program provides comprehensive general liability including contractual liability and personal injury liability. The limit of liability is $150 million with a $15,000 property damage deductible per occurrence. Coverage is also provided for on-site automobile liability in excess of $1 million. This program covers the County's contractors and other parties for occurrences arising out of designated construction projects at the airport.

The property of the Aviation Department is insured under a County-wide master program that covers most County properties subject to policy terms and conditions. The Aviation Department has been allocated a portion of the premium by the Risk Management Division based on the value of the property of the Aviation Department as a percentage of the total value of the property insured. The limit is $335 million countywide with a $5 million deductible per occurrence for most perils and a $200 million deductible for Named Storms. The sublimit for flood is $50 million. Terrorism is included in the program with a limit of $200 million. The Business Interruption limit for the Aviation Department is $17.9 million.

The amounts of insurance settlements during the past three fiscal years have not exceeded the Aviation Department's insurance coverage.

(10) Pension Plan

The Aviation Department, as a department of the County, participates in the System, a multiple-employer, cost-sharing, public-employee retirement plan that covers certain of the Aviation Department's full-time and part-time employees. Through the year ended September 30, 2010, the System was noncontributory and is administered by the State of Florida. Effective July 1, 2011, all System investment plan and pension plan members, except those in the Deferred Retirement Option Program, were required to make a 3% pretax employee contribution. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State of Florida) who were hired after 1970, and those employed prior to 1970 who elect to be enrolled, are covered by the System. Benefits under the plan vest after 10 years of service. Employees who retire at or after age 62 with 6 years of credited service are entitled to an annual retirement benefit payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State Statute.

Pension costs for the Aviation Department as required and defined by the FRS ranged between 5.18% and 14.90% of gross salaries for fiscal years 2012, 2011, and 2010. For the fiscal years ended September 30, 2012, 2011, and 2010, the County contributed 100% of the annual required contributions (ARCs). These contributions aggregated $152 million, $265 million, and $282 million, respectively, which ARCs represent 7.62%, 12.96%, and 13.39% of covered payroll, respectively, and 7.73%, 7.21%, and 11.52% of the total contributions required of all participating agencies for fiscal years 2012, 2011, and 2010, respectively.

Pension costs of the Aviation Department for the years ended September 30, 2012, 2011, and 2010, as required and defined by the System were $3,859,000, $7,346,000, and $11,670,000, 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 Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000; or by contacting Research & Education by e-mail at rep@dms.myflorida.com or by phone toll-free at 877-FRS-1FRS (877-377-1377), at 850-488-5706 in the Tallahassee local calling area, or at SUNCOM 278-5706.

(11) North Terminal Development (NTD) Program

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

The LCF Agreement was approved by the Board in 1995 and provided for costs up to $974,900,000. In July 1999, the parties agreed to the First Amendment, which increased the scope of work and the costs to $1,304,900,000. In January 2002, the parties agreed to the Second Amendment, which eliminated the 250 flights per day requirement in the LCF Agreement. In April 2002, the parties entered into the Third Amendment, which increased the costs to $1,515,900,000.

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

A Fourth Amendment was entered into between the parties, which was approved by the Board on June 21, 2005. The Fourth Amendment primarily terminated the carrier's management of the NDT Project and attempted to resolve the unprocessed and unpaid claims. Under the Fourth Amendment, the carrier agreed to contribute to the NDT Project, $105 million, payable in installments over a period of 10 years beginning in fiscal year 2005. The contribution shall be maintained in a claims reserve fund to pay such claims. Once all claims have been settled, any excess funds available are retained by the Aviation Department to be applied to construction of the NDT Project. Payments in the amounts of $10 million were received in fiscal years 2012 and 2011. They were recognized as other nonoperating revenue in the accompanying statements of revenues, expenses, and changes in net assets. The Aviation Department's best estimate is an allowance for uncollectible amounts equal to 100% of the unpaid balance of $15 million at September 2012.

It is not probable that the Aviation Department will have any further claims predating the Fourth Amendment associated with the NTD. All known claims have been paid to date, and there were no claims paid during fiscal year 2012 or 2011.

(12) Commitments and Contingencies

(a) Environmental Matters

In August 1993, the Aviation Department and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the airport including those facilities previously occupied by Eastern Airlines (Eastern) and Pan Am Airlines (Pan Am). In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993.

In each subsequent year, the Aviation Department has received an updated study performed by an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2012, the total cumulative estimate to correct such violations was $219.2 million. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2012 approximated $142.1 million. The Aviation Department has also spent $56.0 million in other environmental-related projects not part of any Consent Order.

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

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties (PRPs) and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2012, the Aviation Department has received approximately $59.3 million from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2012 and 2011 was $77,141,000 and $86,087,000, respectively, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by an independent engineering firm. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities, and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies that estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specific issues will be addressed when and if the Aviation Department decides to renovate or demolish related buildings. At such time, the Aviation Department will obligate itself to the cleanup or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no amounts are recorded as of September 30, 2012 and 2011.

The nature of ground and groundwater contamination at MIA can be divided into two categories: petroleum-related contamination and hazardous/nonhazardous contamination. The Opinion of Cost is divided in three large areas: the Inland Protection Trust Fund (IPTF), which was created by the State of Florida to deal with contamination related to petroleum products in sites that qualified for that program; the non-IPTF contamination relates to other sites that might include petroleum as well as hazardous- /nonhazardous-related contamination; and the nonconsent items, which can be either of the two above but were not specifically listed in the Consent Order.

(Continued)

(In thousands)

The table below summarizes the remediation liability by nature of contaminant:

Nature of contamination	IPTF	Non-IPTF	Nonconsent	Totals
Petroleum	$ 9,675,000	1,195,000	2,240,000	13,110,000
Hazardous/nonhazardous	—	56,819,023	7,212,113	64,031,136
Total	$ 9,675,000	58,014,023	9,452,113	77,141,136

(b) Other Commitments and Contingencies

As of September 30, 2012, the Aviation Department had approximately $286.5 million of construction commitments outstanding.

A number of claims and lawsuits are pending against the County relating to the Aviation Department resulting from the normal course of conducting its operations. However, in the opinion of management and the County Attorney, the ultimate outcome of such actions will not have a material adverse effect on the financial position of the Aviation Department.

The Aviation Department receives grants from federal and state financial assistance programs, which are subject to audit and adjustment by the grantor agencies. It is the opinion of management that no material liabilities will result to the Aviation Department from any such audit.

In a quitclaim deed dated December 20, 2011, the Rental Car Facility (RCF) at the Miami Intermodal Center (MIC) adjacent to the airport was conveyed to Miami-Dade County through its Aviation Department by FDOT. The conveyance was recorded in the amount of $393,327,383 ($42,000,000 for the land and $351,327,383 for the building and improvements), which is its fair market value. The quitclaim deed requires that the RCF be used as a rental car facility. In the event that it ceases to be used as such, all property rights in it revert to FDOT. The Aviation Department has recorded the full value of the land and building, and is recognizing the equity contribution using the straight-line method over 393 months, the life of the Transportation Infrastructure Financing Innovation Act (TIFIA) loan.

The facility was designed and constructed by FDOT, which borrowed $270 million from the United Sates Department of Transportation (USDOT) under the TIFIA loan program. The loan will be repaid through the collection of Customer Facility Charges (CFCs) and contingent rent, if needed, from car rental company customers using the RCF. The car rental companies remit these funds directly to the Fiscal Agent servicing the loan; the CFCs are not revenues of the Aviation Department. The County and MDAD do not own nor do they have access to accounts held by the Fiscal Agent. The repayment of the TIFIA loan is not secured by any Aviation Department revenues and in no event will the Department be required to use any airport revenues for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

(Continued)

(13) Postemployment Benefits Other Than Pensions

During fiscal year 2008, the Aviation Department adopted the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for Other Postemployment Benefits (OPEB). This statement requires that the County accrue the cost of the County's retiree health subsidiary and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability (AAL) be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County. The financial impact to the Aviation Department is reflected in the accompanying financial statements.

Plan Description

The County administers a single-employer defined-benefit healthcare plan (the Plan) that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board, 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 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)

(In thousands)

Benefits: The medical plans offered provide hospital, medical, and pharmacy coverage. As of September 30, 2012, the pre-65 retirees are able to select from three medical plans as follows:

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

As of September 30, 2012, post-65 retirees are able to select from three 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

Participation in the Plan consisted of the following at October 1, 2011:

Number of covered participants:	
Actives	23,611
Retirees under age 65	2,242
Eligible spouses under age 65	734
Retirees age 65 and over	493
Eligible spouses age 65 and over	83
Total	27,163

(In thousands)

Funding Policy

The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributed an average of 15% of the cost for the AvMed POS plan, 33% for the AvMed HMO High, and AvMed HMO Low plans in fiscal year 2008. However, it is the County's policy that after fiscal year 2008, its per capita contribution for retiree healthcare benefits will remain at the 2008-dollar level.

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. For fiscal years 2012, 2011, and 2010, the Miami-Dade Aviation Department contributed $1,125,000, $918,000, and $851,000, respectively, to the Plan.

Annual OPEB Cost and Net OPEB Obligation

The Aviation Department's annual OPEB cost (expense) is calculated based on the ARCs of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARCs represent 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 30 years.

The Department's annual OPEB cost for the fiscal years 2012 and 2011 and the related information for each plan are as follows:

		2012	2011	2010
Annual required contribution	$	1,493	1,337	1,252
Interest on net OPEB obligation		78	64	—
Adjustment to annual required contribution		(81)	(66)	—
Annual OPEB cost		1,490	1,335	1,252
Contribution made		1,125	918	851
Increase in net OPEB obligation		365	417	401
Net OPEB obligation – beginning of year		1,774	1,357	956
Net OPEB obligation – end of year	$	2,139	1,774	1,357

(In thousands)

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2012, 2011, and 2010 were as follows:

Fiscal year ended		Annual OPEB cost	Percentage Annual OPEB cost contributed		Net OPEB obligation
September 30, 2010	$	1,252	68.0%	$	1,357
September 30, 2011		1,335	68.8		1,774
September 30, 2012		1,490	75.5		2,139

Funded Status and Funding Progress

The schedule below shows the balance of the County's AAL, all of which was unfunded as of September 30, 2012:

Schedule of Funding Progress
Retiree Health Plan

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)	UAA as a percentage of covered payroll ((b-a)/c)
October 1, 2011	$	—	357,006	357,006	—%	$	1,661,941	21%

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 ARCs by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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 AALs and the actuarial value of assets.

The actuarial cost method used in the valuation to determine the AAL and the ARCs 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.

(In thousands)

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the Plan:

Actuarial valuation date	October 1, 2011
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Actuarial assumptions:	
Discount rate	4.04%
Payroll growth assumption	3.00%
Healthcare cost trend period	Grades down over six years by 0.05% per year
Healthcare cost trend rates	8.00% initial to 5.00% ultimate
Mortality table	RP 2000 Projected to 2015 using Scale AA

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.

(14) Subsequent Events

(a) Continuation of American Airlines Bankruptcy

On November 29, 2011, AMR Corporation, the parent company of American Airlines, MIA's largest carrier, filed for Chapter 11 bankruptcy protection. The Bankruptcy Court has granted AMR various extensions on the Exclusive Filing Period within which American alone can offer a Plan of Reorganization. The current Exclusive Filing Period expires on April 15, 2013. American recently filed a motion to extend the Exclusive Filing Period to May 29, 2013, which will likely be granted by the Bankruptcy Court.

In a stipulation dated August 2, 2012 entered into between AMR and the County in connection with the bankruptcy proceeding, AMR and its affiliates American Airlines and American Eagle agreed to assume virtually all the leases and agreements related to American Airlines' and American Eagle's use of MIA and the Airport System. In accordance with the stipulation, which was approved by the Bankruptcy Court in its order dated August 8, 2012, American Airlines and American Eagle paid the Airport in August 2012 the $26,018,100 in Pre-Petition indebtedness due under both airlines' assumed leases and agreements. In the stipulation, American Airlines also acknowledged its continuing obligation to pay the remaining balance under the Claims Administration Agreement in the amount of $15 million, with $7.5 million being due in July 2013 and $7.5 million being due in July 2014. The Aviation Department has fully reserved the balance of $15 million. As of the date of these financial statements, American Airlines remains current on its Post-Petition obligations.

(b) Issuance of Aviation Revenue Refunding Bonds Series 2012 A&B

On December 11, 2012, the County closed on $776,515,000 Aviation Revenue Refunding Bonds, Series 2012A (AMT), and Series 2012B (Non-AMT), at an all-inclusive true interest cost of 3.36% and a final maturity of October 1, 2032. The principal/accreted value of the refunded bonds was $878,285,000. The gross debt service savings over the life of the bonds is $237,429,940 and the net present value of debt service savings is $159,251,895, a percentage savings of 18.13%.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Required Supplementary Information

September 30, 2012 and 2011

(Unaudited)

Schedule of funding progress for the retiree health plan
(Unaudited – See accompanying independent auditors' report)

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)	UAA as a percentage of covered payroll ((b-a)/c)
October 1, 2011	$ —	357,006	357,006	—%	$ 1,661,941	21%
October 1, 2010	—	297,218	297,218	—	1,620,593	18
October 1, 2009	—	281,470	281,470	—	1,573,391	18
October 1, 2008	—	255,259	255,259	—	1,527,564	17

Statistical Section

(unaudited)

(This page intentionally left blank)

Overview

The Statistical Section is divided into five areas: financial trend data; revenue capacity data; debt capacity data; demographic and economic information and operating information. The source of all non-accounting data presented in the statistical section is Miami-Dade Aviation Department unless otherwise stated.

Financial Trend data shows changes in the Department's financial position:

Department Revenues and Expenses
Department Statements of Net Assets
Department Changes in Cash and Cash Equivalents
Department Largest Sources of Revenue

Revenue Capacity data shows MIA's major revenue sources and changes in key rates and charges:

Key Usage Fees and Charges
Concession Revenue Per Enplaned Passenger
Parking Revenue Per Enplaned Passenger
Rental Car Revenue Per Enplaned Passenger
Terminal Rent Revenue Per Enplaned Passenger
Food and Beverage Revenue Per Enplaned Passenger

Operating Information shows how the Airport has performed on an annual basis and within the airport market sector:

Department Employee Strength
Aircraft Operations
Aircraft Landed Weight
Passenger Enplanements
Passenger Deplanements
Enplanement Market Share by Airline by Fiscal Year
Air Cargo Activity

Economic Information shows the major drivers of usage and how the Airport service area is performing compared to the region and the nation:

Miami-Dade County Population Estimates
Principal Employers in Miami-Dade County
Miami-Dade County Unemployment Statistics
Miami-Dade County Per Capita Personal Income

Debt information shows how the Airport is meeting its debt obligations and the relative level of debt:

Revenue Bond Debt Service Coverage
Outstanding Debt
Long Term Debt Per Enplaned Passenger
Capital Assets

2012

Comprehensive Annual Financial Report

(This page intentionally left blank)

Department Schedules of Revenues and Expenses

Last Ten Fiscal Years

(Unaudited)

(In Thousands)	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
OPERATING REVENUES:										
Aviation Fees	$197,084	$208,026	$213,481	$249,867	$239,565	$262,888	$238,938	$280,872	$320,790	$345,491
Rentals	88,609	91,167	89,255	93,077	101,331	103,483	104,008	107,450	111,156	126,351
Commercial Operations:										
Management Agreements	91,188	98,371	62,103	68,499	78,974	72,250	66,970	67,433	72,717	82,692
Concessions	74,057	73,174	77,520	80,171	94,100	103,989	103,500	112,170	149,817	167,596
Other	308	1,279	13,364	18,967	10,717	6,149	5,559	4,829	4,378	5,642
Other Environmental Remediation	-	-	39,758	14,619	30,296	13,181	2,625	750	2,758	8,946
Total Operating Revenue	451,246	472,017	495,481	525,200	554,983	561,940	521,600	573,504	661,616	736,718
OPERATING EXPENSES:										
Operating Expenses	212,708	196,925	220,412	221,049	238,691	260,093	258,037	237,718	269,047	254,066
Operating Expenses for Environmental Remediation	8,980	24,659	4,893	3,381	2,107	2,223	457	8,091	3,090	6,130
Operating Expenses Under Management Agreements	49,520	48,824	22,132	27,040	32,197	24,447	24,755	24,930	35,223	22,200
Operating Expenses Under Operating Agreements	28,560	30,435	31,221	31,564	32,651	34,411	39,678	39,099	33,287	36,166
General and Administrative Expenses	40,992	47,819	64,895	65,102	51,732	61,750	62,011	64,867	63,496	57,924
Depreciation and Amortization	97,902	103,971	109,169	111,811	122,596	138,117	138,968	167,693	206,907	220,180
Total Operating Expenses	438,662	452,633	452,722	459,947	479,974	521,041	523,906	542,398	611,050	596,666
Operating Income (loss)	12,584	19,384	42,759	65,253	75,009	40,899	(2,306)	31,106	50,566	140,052
NON-OPERATING REVENUE (EXPENSE):										
Interest Expense (net)	(126,754)	(87,762)	(113,535)	(113,274)	(123,401)	(154,575)	(156,382)	(161,542)	(276,585)	(289,012)
Investment Income:										
Current Investments	174	1,928	3,957	9,456	10,519	5,832	1,744	620	614	1,393
Restricted Investments	7,776	4,290	7,659	21,880	18,384	12,306	4,237	5,058	2,996	3,430
Loss on Disposition of Assets/Project Costs	(5,973)	-	-	-	-	-	-	-	-	-
Passenger Facility Charges	51,657	58,472	59,571	65,149	66,341	71,502	61,756	60,214	71,483	70,729
Other Non-operating Revenue	10,539	1,284	18,420	20,548	23,027	13,123	14,163	17,271	25,361	17,541
Total Non-operating (Expenses) Revenue	(62,581)	(21,788)	(23,928)	3,759	(5,130)	(51,812)	(74,482)	(78,379)	(176,131)	(195,919)
(Loss) Income before Capital Contribution	(49,997)	(2,404)	18,831	69,012	69,879	(10,913)	(76,788)	(47,273)	(125,565)	(55,867)
Capital Contributions	62,845	31,532	25,483	55,993	26,983	44,547	64,789	83,594	58,697	27,665
Change in Net Assets	$12,848	$29,128	$44,314	$125,005	$96,862	$33,634	($11,999)	$36,321	($66,868)	($28,202)

Department Statements of Net Assets (in $000)

Fiscal Years Ended September 30, 2003-2012

(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Current Assets:	$454,486	$495,380	$467,748	$556,999	$577,363	$670,617	$676,925	$644,664	$601,213	$574,594
Noncurrent assets										
Restricted assets	656,150	436,806	316,142	376,423	400,861	326,066	335,958	997,742	683,738	573,576
Capital assets, net	3,186,232	3,609,761	3,978,777	4,335,934	4,634,971	5,148,169	5,804,574	6,337,922	6,508,844	6,901,704
Other assets	37,234	45,087	41,489	45,905	53,199	71,678	72,370	75,857	71,571	67,623
Total assets	4,334,102	4,587,034	4,804,156	5,315,261	5,666,394	6,216,530	6,889,827	8,056,185	7,865,366	8,117,497
Current liabilities	99,291	88,858	88,412	142,484	80,841	62,548	70,603	59,316	62,706	83,818
Current liabilities payable from restricted assets	253,097	286,558	261,853	285,719	285,499	358,002	398,204	367,001	313,667	265,498
Noncurrent liabilities	3,118,677	3,319,453	3,517,412	3,825,574	4,141,708	4,604,000	5,241,039	6,413,566	6,339,559	6,646,949
Total liabilities	3,471,065	3,694,869	3,867,677	4,253,777	4,508,048	5,024,550	5,709,846	6,839,883	6,715,932	6,996,265
Net assets:										
Invested in capital assets, net of debt	790,564	416,312	476,523	553,668	591,818	627,687	755,324	670,302	561,163	478,803
Restricted	82,951	584,512	452,140	443,019	426,644	380,357	285,614	383,999	418,747	460,530
Unrestricted net assets (deficit)	(10,478)	(108,659)	7,816	64,797	139,884	183,936	139,043	162,001	169,524	181,899
Total net assets	**$863,037**	**$892,165**	**$936,479**	**$1,061,484**	**$1,158,346**	**$1,191,980**	**$1,179,981**	**$1,216,302**	**$1,149,434**	**$1,121,232**

Department Changes in Cash and Cash Equivalents ($000)

Fiscal Years Ended September 30, 2003-2012

(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cash flows from operating activities:										
Cash received from customers and tenants	$450,718	$470,172	$455,396	$494,923	$515,276	$557,218	$520,018	$576,198	$669,930	$735,272
Cash paid to suppliers for goods and services	(97,084)	(136,003)	(162,405)	(162,898)	(259,488)	(207,279)	(241,492)	(252,056)	(326,362)	(303,037)
Cash paid to employees for services	(185,905)	(161,121)	(202,308)	(159,394)	(164,347)	(169,578)	(139,974)	(132,951)	(106,170)	(97,304)
Net cash provided by operating activities	167,729	173,048	90,683	172,631	91,441	180,361	138,552	191,191	237,398	334,931
Cash flows from capital and related financing activities:										
Proceeds from sale of revenue bonds and commercial paper	1,421,504	577,539	560,361	963,715	732,400	1,346,472	1,091,599	1,521,669	-	-
Principal paid on revenue bonds and commpercial paper	(599,184)	(411,419)	(330,927)	(604,949)	(471,513)	(889,326)	(452,895)	(346,508)	(68,587)	(67,803)
Interest paid on revenue bonds	(77,384)	(143,694)	(175,505)	(181,807)	(191,814)	(201,427)	(230,976)	(267,970)	(320,783)	(322,073)
Payment of bond issue costs	(21,029)	(7,853)	3,598	(4,416)	(7,294)	(18,479)	(692)	-	-	-
Purchase and construction of capital assets, net	(466,099)	(461,135)	(418,559)	(381,287)	(317,323)	(520,727)	(666,386)	(623,933)	(343,740)	(205,918)
Proceeds from land sale	-	-	-	1,000	-	-	-	-	-	-
Capital contributed by federal and state governments	42,296	46,690	38,546	56,979	32,136	36,168	55,728	90,433	60,327	27,184
Passenger facility charges	53,912	57,607	59,135	62,656	69,186	67,531	61,225	62,496	67,653	71,255
Proceeds from environmental reimbursements	6,588	134	1,793	4,448	6,586	1,902	1,077	1,003	3,406	22
Proceeds from North Terminal Program Claims			15,000	15,000	10,000	10,000	10,000	10,000	10,000	10,000
Net cash (used in) provided by capaital and related financing activities	360,604	(342,131)	(246,558)	(68,661)	(137,636)	(167,886)	(131,320)	447,190	(591,724)	(487,333)
Cash flows from non capital financing activities:										
Operating reimbursements received	3,309	1,150	1,627	1,100	6,441	1,221	3,086	6,268	11,955	7,519
Net cash provided by non capital financing activities	3,309	1,150	1,627	1,100	6,441	1,221	3,086	6,268	11,955	7,519
Cash flows from investing activities:										
Purchase of investments	(761,250)	(607,250)	(292,518)	(493,839)	(513,953)	(980,767)	(1,128,540)	(890,227)	(1,466,359)	(1,053,297)
Proceeds from sales and maturities of investments	644,666	708,928	347,495	595,940	580,678	901,533	1,041,811	943,438	1,421,312	1,056,038
Interest and dividends on investments	7,837	6,218	11,616	31,336	28,903	20,328	5,981	5,678	3,610	4,823
Net cash provided by (used in) investing activities	(108,747)	107,896	66,593	133,437	95,628	(58,906)	(80,748)	58,889	(41,437)	7,564
Net increase (decrease) in cash and cash equivalents	422,895	(60,037)	(87,655)	238,507	55,874	(45,210)	(70,430)	703,538	(383,808)	(137,319)
Cash and cash equivalents, beginning of year	114,375	537,270	477,233	389,578	628,085	683,959	638,749	568,319	1,271,857	888,049
Cash and cash equivalents, end of year	$537,270	$477,233	$389,578	$628,085	$683,959	$638,749	$568,319	$1,271,857	$888,049	$750,730

Department's Largest Sources of Revenue

Ten Largest Sources of Revenue

Fiscal Years Ended September 30, 2003-2012

Ranked by the Last Fiscal Year

(Unaudited)

Revenue Ranking 2012	Firm	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
1	American Airlines Inc	$ 286,571,670	$ 262,398,752	$ 231,767,763	$ 211,982,688	$ 226,059,371	$ 199,554,639	$ 204,703,115	$ 178,786,027	$ 160,838,715	$ 149,747,534	
2	Airport Parking Associates	46,879,842	40,537,230	37,701,231	37,535,392	42,435,888	41,846,246	37,834,025	34,134,747	31,456,696	28,133,747	
3	Duty Free Americas Miami, LLC	33,984,998	27,758,075	17,743,699	17,730,545	18,283,877	14,467,149	9,164,337	N/A	N/A	N/A	(A)
4	Delta Air Lines Inc	26,828,302	27,089,403	19,510,771	13,033,455	11,804,962	11,339,539	11,733,842	11,828,570	12,032,097	11,588,804	
5	Allied Aviation Services	19,904,939	18,441,995	17,096,716	14,185,967	16,113,669	16,445,584	15,343,478	15,205,936	1,559,288	N/A	(B)
6	Executive Airlines dba American Eagle Airlines Inc	17,429,275	17,357,757	12,484,302	9,639,269	10,680,809	9,392,626	8,832,305	7,487,016	7,728,100	6,255,063	
7	H I Development Corp	13,450,704	12,809,147	11,636,562	9,651,656	9,852,661	8,570,793	4,923,212	5,812,398	9,242,028	10,500,787	
8	Alamo Rental (US) Inc	10,970,125	9,015,838	2,261,469	2,844,854	4,340,190	4,079,873	3,499,563	3,461,033	3,584,351	-	
9	Sinapsis Trading USA LLC	10,089,247	9,242,504	-	-	-	-	-	-	-	-	
10	Host International Inc	10,049,383	9,022,597	7,583,145	6,807,058	7,895,652	7,215,406	6,814,012	6,268,724	5,701,071	8,680	

Note N/A:

(A) Duty Free effective date commenced January 2006.

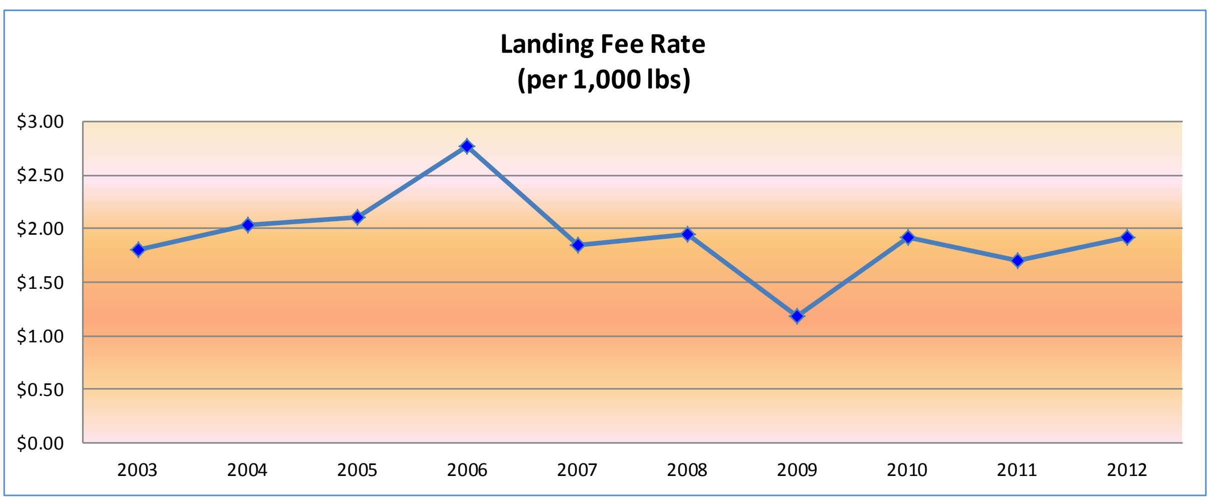
(B) Prior to 2004 ASIG managed the fuel farm.

Key Usage Fees and Charges

Fiscal Years Ended September 30, 2003 To 2012

(Unaudited)

Fiscal Year	Landing Fees/ 1,000 lbs.	Percent Change	Rental Rates (average cost per	Percent Change	Concourse Use Fee	Percent Change	Int'l Facilities Fee	Percent Change	Domestic Baggage Claim Charge	Percent Change	Outbound Baggage Makeup Charge	Percent Change	Security Screening Fee	Percent Change
2003	$1.80	50.0%	$47.18	-6.2%	$1.91	6.7%	$2.05	-2.4%	$0.45	12.5%	$0.65	75.7%	$0.24	9.1%
2004	$2.03	12.8%	$51.39	8.9%	$1.80	-5.8%	$2.17	5.9%	$0.62	37.8%	$0.59	-9.2%	$0.29	20.8%
2005	$2.10	3.4%	$56.49	9.9%	$2.12	17.8%	$2.24	3.2%	$0.69	11.3%	$0.60	1.7%	$0.32	10.3%
2006	$2.77	31.9%	$59.77	5.8%	$2.42	14.2%	$2.43	8.5%	$0.83	20.3%	$0.76	26.7%	$0.33	3.1%
2007	$1.85	-33.2%	$61.90	3.6%	$2.74	13.2%	$2.49	2.5%	$1.08	30.1%	$0.78	2.6%	$0.33	0.0%
2008	$1.94	4.9%	$66.14	6.8%	$2.81	2.6%	$2.78	11.6%	$1.67	54.6%	$1.04	33.3%	$0.36	9.1%
2009	$1.18	-39.2%	$65.69	-0.7%	$2.95	5.0%	$2.65	-4.7%	$1.65	-1.2%	$1.09	4.8%	$0.36	0.0%
2010	$1.92	62.7%	$71.08	8.2%	$3.24	9.8%	$2.58	-2.6%	$1.56	-5.5%	$1.00	-8.3%	$0.35	-2.8%
2011	$1.70	-11.5%	$67.26	-5.4%	$3.97	22.5%	$1.38	-46.5%	$2.16	38.5%	$1.09	9.0%	$0.35	0.0%
2012	$1.92	12.9%	$73.68	9.5%	$4.09	3.0%	$1.51	9.4%	$2.14	-0.9%	$0.99	-9.2%	$0.47	34.3%

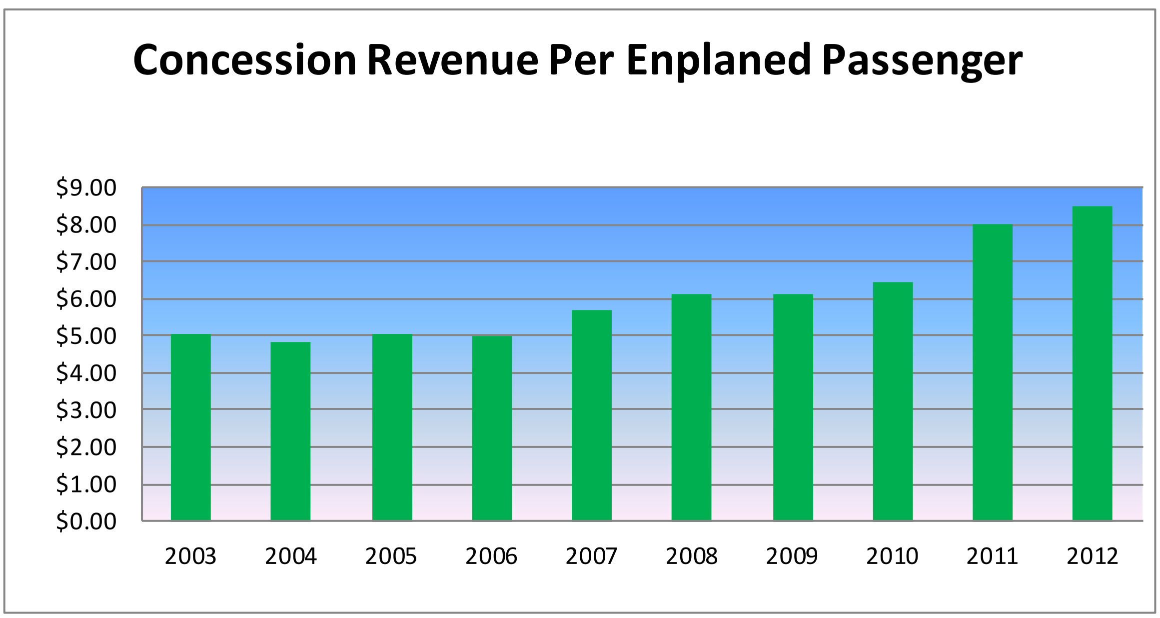


Concession Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal	Concession Revenue		Enplaned Passengers		Revenue Per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2003	$74,057,000	-1.6%	14,739,909	0.4%	$5.02	-2.1%
2004	$73,174,000	-1.2%	15,117,556	2.6%	$4.84	-3.7%
2005	$77,520,000	5.9%	15,443,258	2.2%	$5.02	3.7%
2006	$80,171,000	3.4%	16,055,040	4.0%	$4.99	-0.5%
2007	$94,099,786	17.4%	16,615,415	3.5%	$5.66	13.4%
2008	$103,988,905	10.5%	17,035,400	2.5%	$6.10	7.8%
2009	$103,500,056	-0.5%	16,884,099	-0.9%	$6.13	0.4%
2010	$112,169,979	8.4%	17,405,330	3.1%	$6.44	5.1%
2011	$149,817,278	33.6%	18,701,120	7.4%	$8.01	24.3%
2012	$167,596,507	11.9%	19,683,678	5.3%	$8.51	6.2%

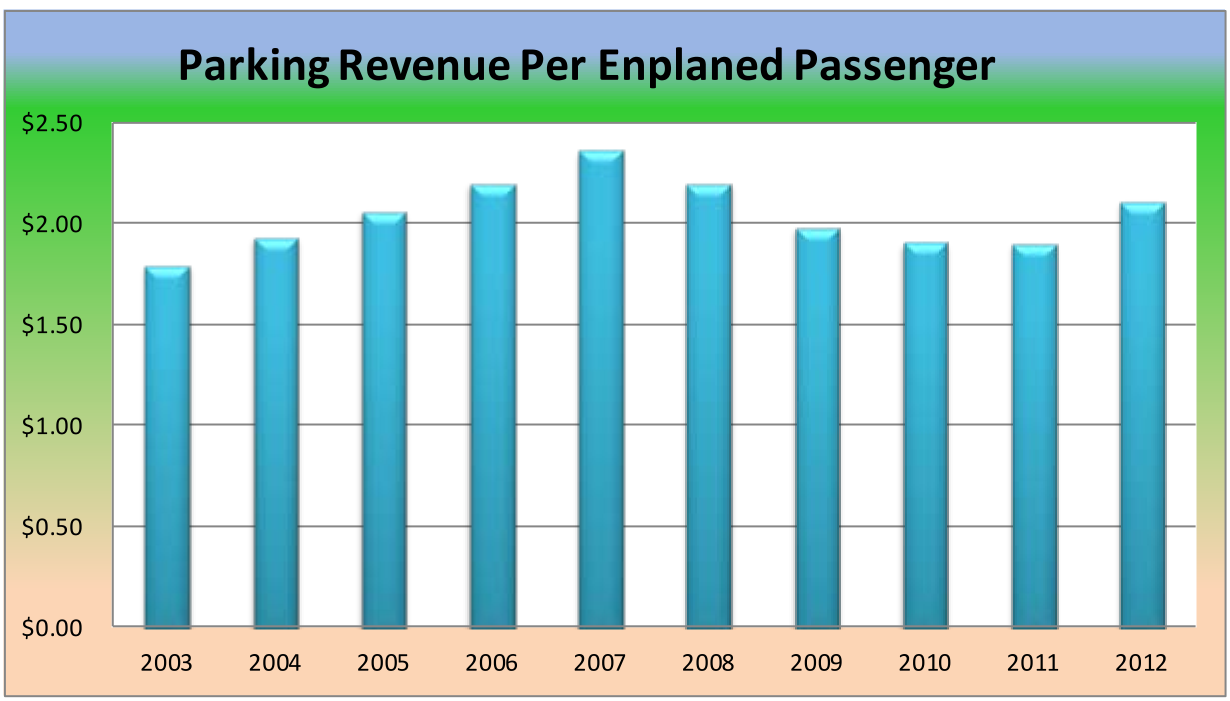


Parking Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal	Parking Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2003	$26,388,268	0.7%	14,739,909	0.4%	$1.79	0.2%
2004	$29,189,658	10.6%	15,117,556	2.6%	$1.93	7.9%
2005	$31,804,432	9.0%	15,443,258	2.2%	$2.06	6.7%
2006	$35,261,450	10.9%	16,055,040	4.0%	$2.20	6.6%
2007	$39,199,550	11.2%	16,615,415	3.5%	$2.36	7.4%
2008	$37,418,651	-4.5%	17,035,400	2.5%	$2.20	-6.9%
2009	$33,403,192	-10.7%	16,884,099	-0.9%	$1.98	-9.9%
2010	$33,157,031	-0.7%	17,405,330	3.1%	$1.90	-3.7%
2011	$35,542,294	7.2%	18,701,120	7.4%	$1.90	0.0%
2012	$41,474,741	16.7%	19,683,678	5.3%	$2.11	11.0%

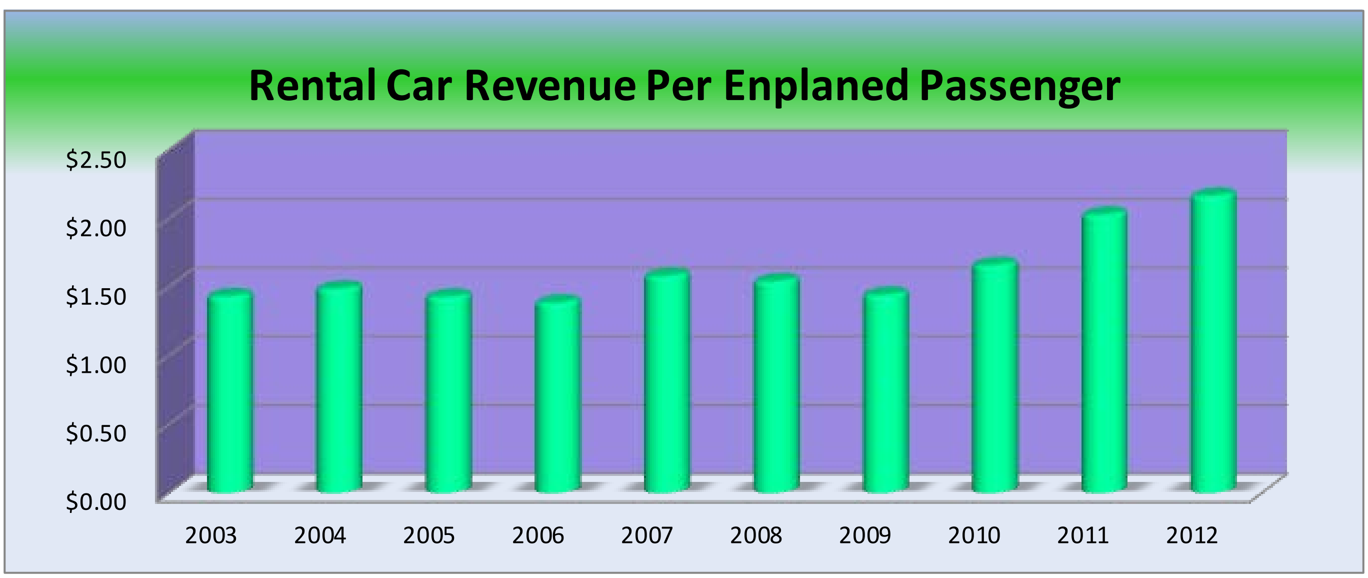


Rental Car Revenue Per Enplaned Passenger

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal	Rental Car Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2003	$21,093,813	-9.9%	14,739,909	0.4%	$1.43	-10.3%
2004	$22,465,183	6.5%	15,117,556	2.6%	$1.49	3.8%
2005	$22,047,393	-1.9%	15,443,258	2.2%	$1.43	-3.9%
2006	$22,239,100	0.9%	16,055,040	4.0%	$1.39	-3.0%
2007	$26,227,564	17.9%	16,615,415	3.5%	$1.58	14.0%
2008	$26,236,321	0.0%	17,035,400	2.5%	$1.54	-2.4%
2009	$24,337,791	-7.2%	16,884,099	-0.9%	$1.44	-6.4%
2010	$28,867,490	18.6%	17,405,330	3.1%	$1.66	15.1%
2011	$37,878,579	31.2%	18,701,120	7.4%	$2.03	22.1%
2012	$42,581,841	12.4%	19,683,678	5.3%	$2.16	6.4%

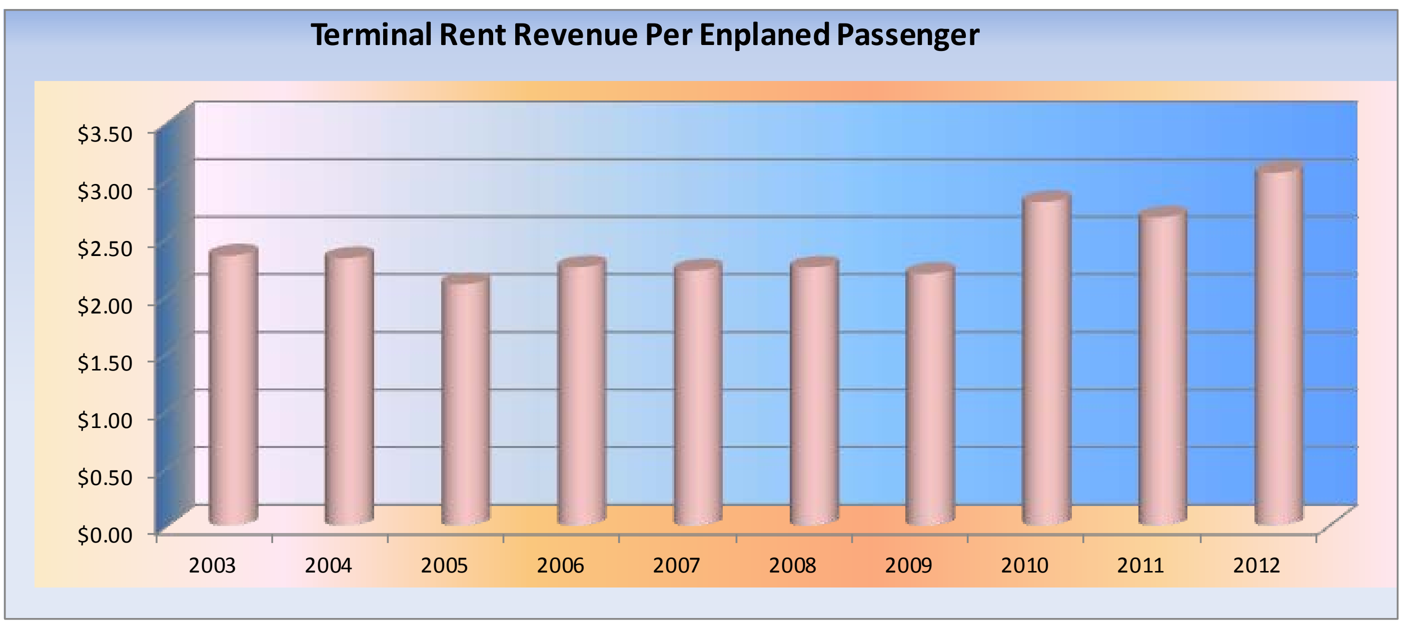


Terminal Rent Per Enplaned Passenger

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal	Terminal Rent Revenue		Enplaned Passengers		Revenue per Enplaned Passenger	
Year	Amount	% Change	Number	% Change	Amount	% Change
2003	$34,561,447	-15.3%	14,739,909	0.4%	$2.34	-15.7%
2004	$35,103,016	1.6%	15,117,556	2.6%	$2.32	-1.0%
2005	$32,349,432	-7.8%	15,443,258	2.2%	$2.09	-9.8%
2006	$36,017,147	11.3%	16,055,040	4.0%	$2.24	7.1%
2007	$36,810,779	2.2%	16,615,415	3.5%	$2.22	-1.2%
2008	$38,163,073	3.7%	17,035,400	2.5%	$2.24	1.1%
2009	$36,921,714	-3.3%	16,884,099	-0.9%	$2.19	-2.4%
2010	$48,900,317	32.4%	17,405,330	3.1%	$2.81	28.5%
2011	$50,053,445	2.4%	18,701,120	7.4%	$2.68	-4.7%
2012	$60,315,364	20.5%	19,683,678	5.3%	$3.06	14.2%

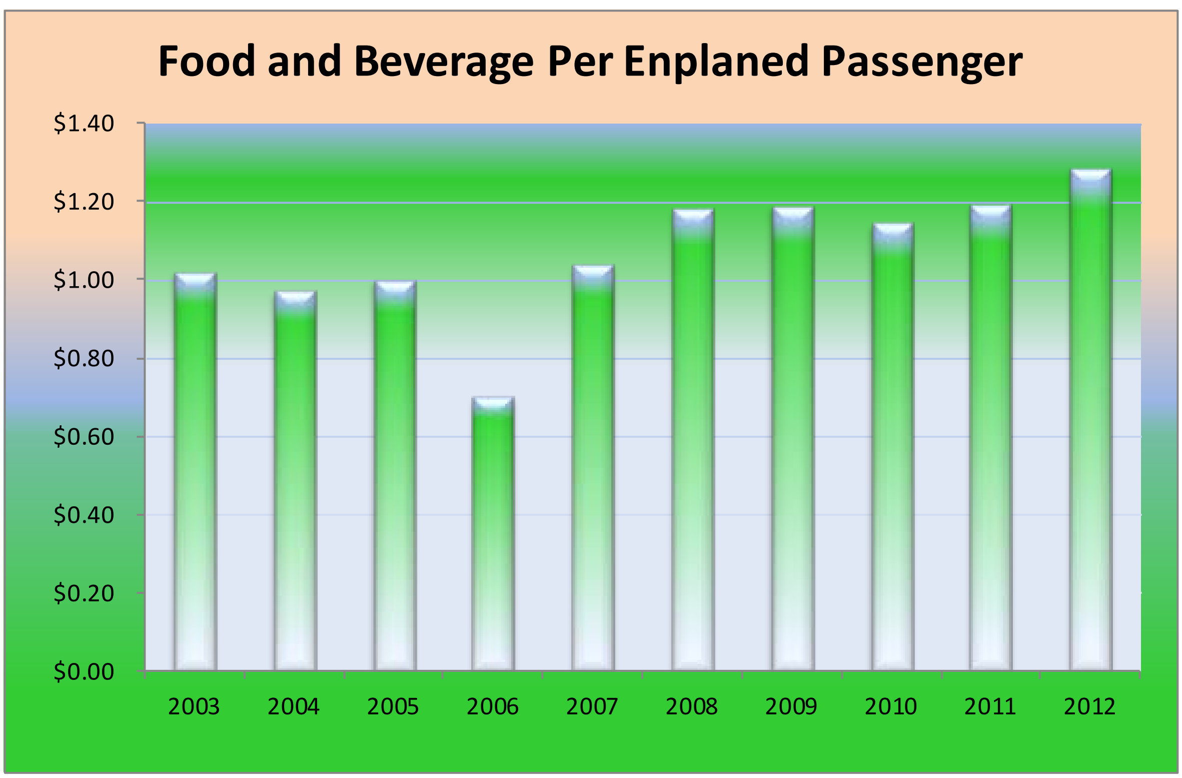


Food and Beverage Revenues Per Enplaned Passenger

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal Year	Food & Beverage Revenues Amount	Food & Beverage Revenues % Change	Enplaned Passengers Number	Enplaned Passengers % Change	Revenue per Enplaned Passenger Amount	Revenue per Enplaned Passenger % Change
2003	$15,026,517	1.3%	14,739,909	0.4%	$1.02	0.8%
2004	$14,652,311	-2.5%	15,117,556	2.6%	$0.97	-4.9%
2005	$15,423,261	5.3%	15,443,258	2.2%	$1.00	3.0%
2006	$11,228,494	-27.2%	16,055,040	4.0%	$0.70	-30.0%
2007	$17,226,724	53.4%	16,615,415	3.5%	$1.04	48.2%
2008	$20,091,095	16.6%	17,035,400	2.5%	$1.18	13.8%
2009	$20,027,083	-0.3%	16,884,099	-0.9%	$1.19	0.6%
2010	$19,916,085	-0.6%	17,405,330	3.1%	$1.14	-3.5%
2011	$22,297,623	12.0%	18,701,120	7.4%	$1.19	4.2%
2012	$25,276,206	13.3%	19,683,678	5.3%	$1.28	7.5%



Department Employee Strength

Full-Time Equivalent Employees (FTE)

Fiscal Years 2003 to 2012

(Unaudited)

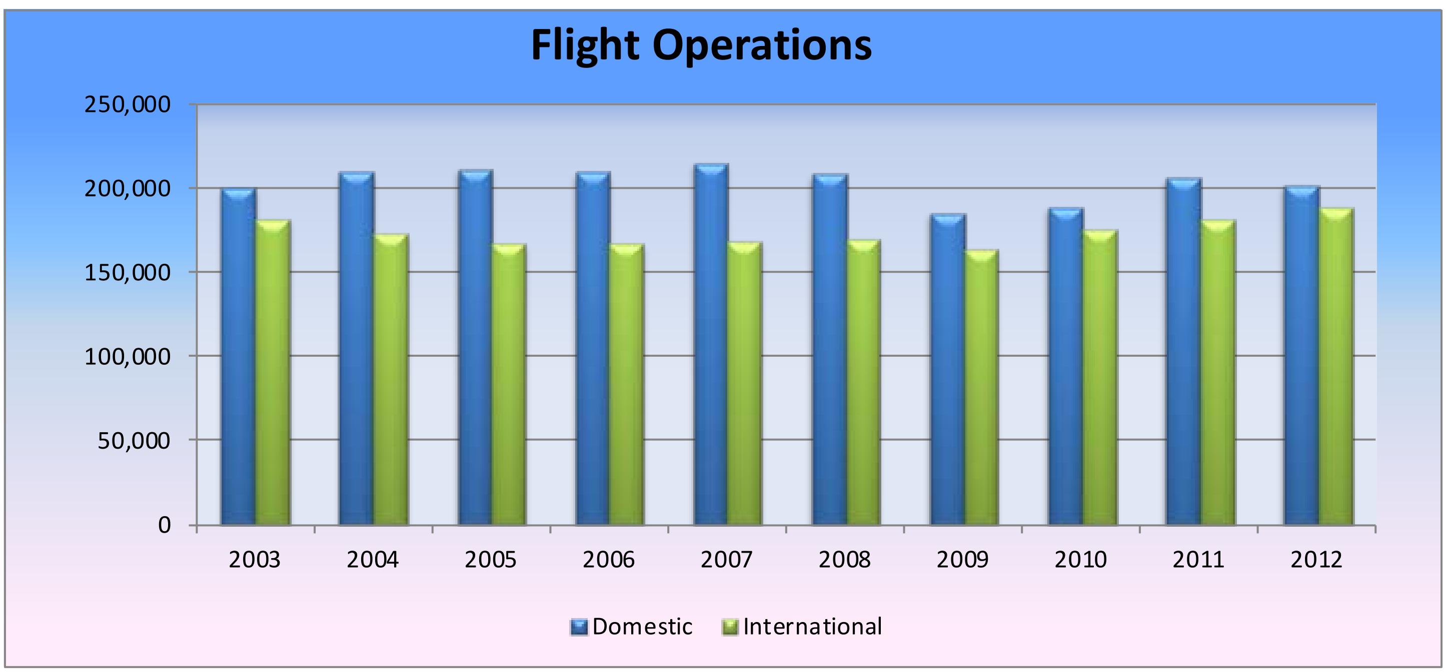
Year	FTEs as of September 30	% Change	Enplaned Passengers	Enplaned Passengers per FTEs
2003	1,674	-1.8%	14,739,909	8,805
2004	1,692	1.1%	15,117,556	8,935
2005	1,686	-0.4%	15,443,258	9,160
2006	1,504	-10.8%	16,055,040	10,675
2007	1,404	-6.6%	16,615,415	11,834
2008	1,428	1.7%	17,035,400	11,930
2009	1,402	-1.8%	16,884,099	12,043
2010	1,435	2.4%	17,405,330	12,129
2011	1,255	-12.5%	18,701,120	14,901
2012	1,206	-3.9%	19,683,678	16,321

Aircraft Operations

Flight Operations

Fiscal Years Ended September 30, 2003 to 2012
(Unaudited)

Fiscal	Domestic		International		Total	
Year	Operations	% Change	Operations	% Change	Operations	% Change
2003	199,725	-5.6%	181,523	2.4%	381,248	-1.9%
2004	209,331	4.8%	172,339	-5.1%	381,670	0.1%
2005	210,960	0.8%	166,670	-3.3%	377,630	-1.1%
2006	209,357	-0.8%	166,650	0.0%	376,007	-0.4%
2007	214,668	2.5%	168,046	0.8%	382,714	1.8%
2008	207,839	-3.2%	169,729	1.0%	377,568	-1.3%
2009	184,827	-11.1%	163,660	-3.6%	348,487	-7.7%
2010	188,590	2.0%	174,732	6.8%	363,322	4.3%
2011	205,462	8.9%	180,771	3.5%	386,233	6.3%
2012	201,638	-1.8%	188,281	4.1%	389,919	0.9%

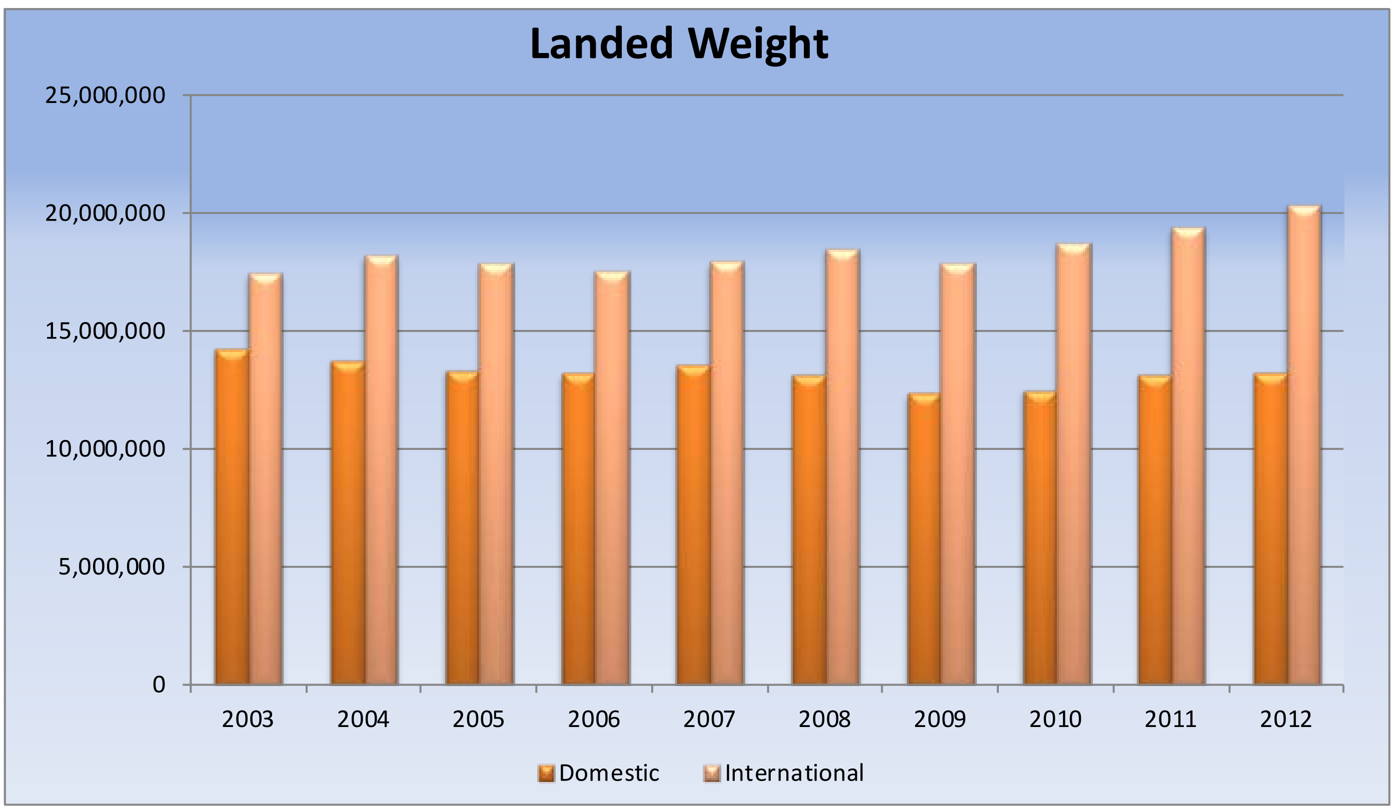


Aircraft Landed Weight

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal	Domestic		International		Total	
Year	1,000 lbs	% Change	1,000 lbs	% Change	1,000 lbs	% Change
2003	14,204,601	-1.1%	17,405,321	-0.4%	31,609,922	-0.8%
2004	13,716,597	-3.4%	18,182,948	4.5%	31,899,545	0.9%
2005	13,288,101	-3.1%	17,860,411	-1.8%	31,148,512	-2.4%
2006	13,197,980	-0.7%	17,537,132	-1.8%	30,735,112	-1.3%
2007	13,498,940	2.3%	17,920,937	2.2%	31,419,877	2.2%
2008	13,121,892	-2.8%	18,468,578	3.1%	31,590,470	0.5%
2009	12,315,080	-6.1%	17,856,602	-3.3%	30,171,682	-4.5%
2010	12,472,867	1.3%	18,674,893	4.6%	31,147,760	3.2%
2011	13,137,884	5.3%	19,378,648	3.8%	32,516,532	4.4%
2012	13,213,922	0.5%	20,334,264	4.9%	33,548,186	3.2%

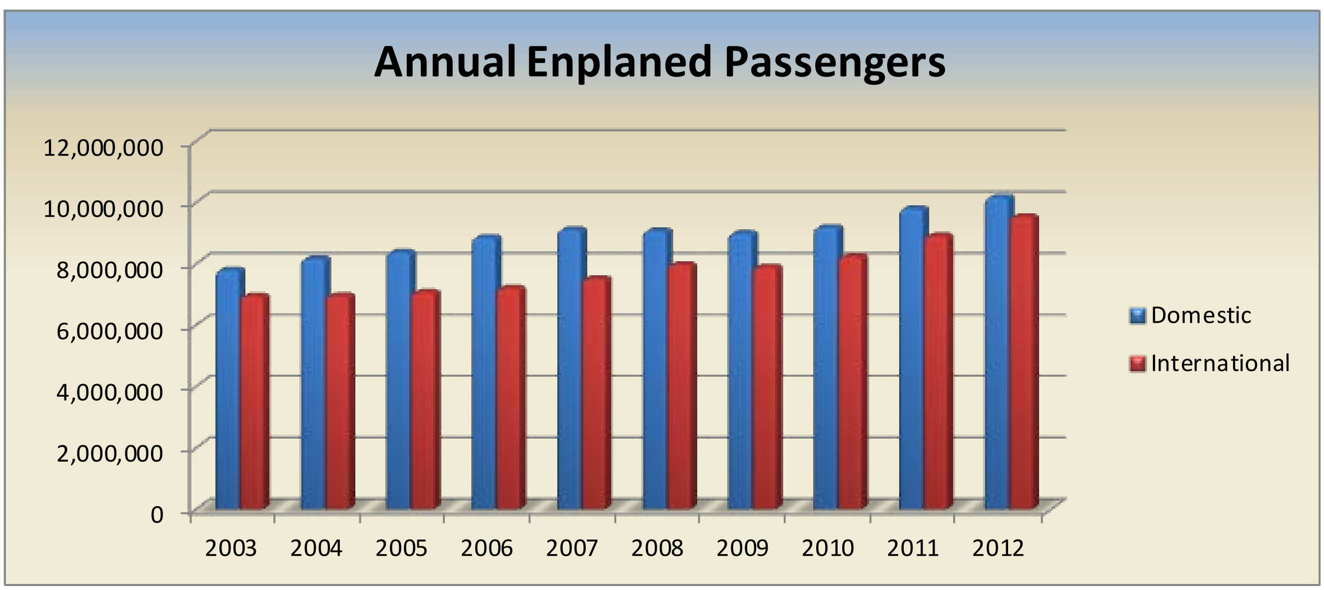


Passenger Enplanements

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

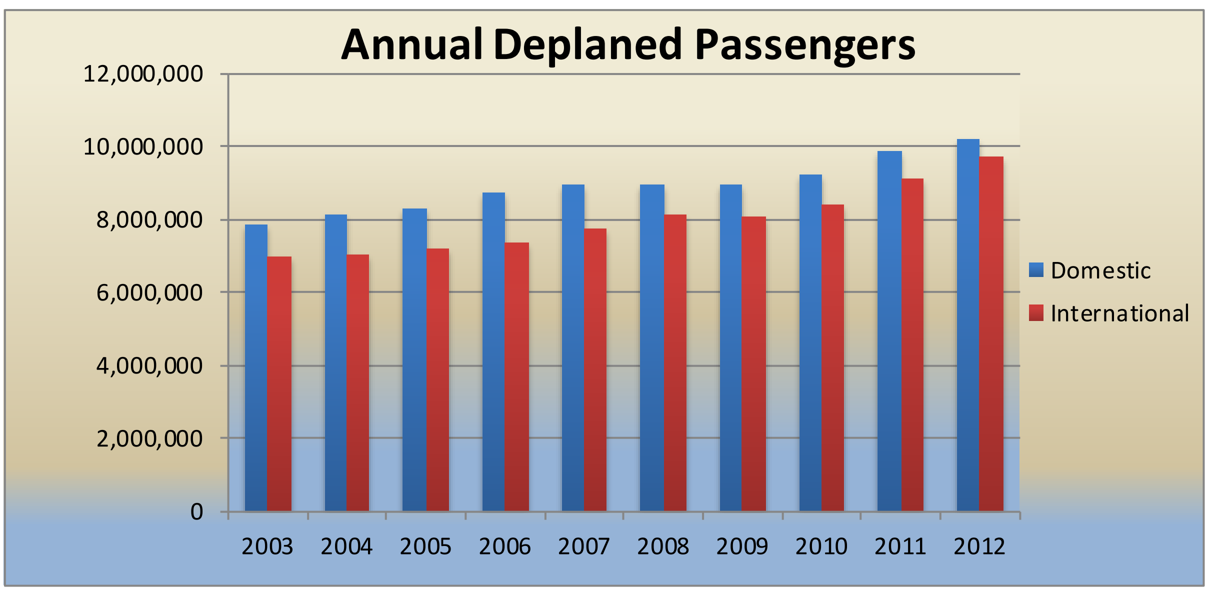
Year	Domestic Passengers	Domestic % Change	International Passengers	International % Change	Total Passengers	Total % Change
2003	7,792,381	2.3%	6,947,528	-1.6%	14,739,909	0.4%
2004	8,162,901	4.8%	6,954,655	0.1%	15,117,556	2.6%
2005	8,373,079	2.6%	7,070,179	1.7%	15,443,258	2.2%
2006	8,854,085	5.7%	7,200,955	1.8%	16,055,040	4.0%
2007	9,102,351	2.8%	7,513,064	4.3%	16,615,415	3.5%
2008	9,067,718	-0.4%	7,967,682	6.1%	17,035,400	2.5%
2009	8,987,096	-0.9%	7,897,003	-0.9%	16,884,099	-0.9%
2010	9,179,436	2.1%	8,225,894	4.2%	17,405,330	3.1%
2011	9,796,191	6.7%	8,904,929	8.3%	18,701,120	7.4%
2012	10,155,305	3.7%	9,528,373	7.0%	19,683,678	5.3%



Passenger Deplanements

Fiscal Years Ended September 30, 2003 to 2012
(Unaudited)

	Domestic		International		Total	
	Passengers	% Change	Passengers	% Change	Passengers	% Change
2003	7,847,037	1.8%	6,945,601	-0.4%	14,792,638	0.8%
2004	8,093,276	3.1%	7,033,287	1.3%	15,126,563	2.3%
2005	8,263,987	2.1%	7,204,846	2.4%	15,468,833	2.3%
2006	8,696,147	5.2%	7,343,525	1.9%	16,039,672	3.7%
2007	8,952,776	3.0%	7,709,587	5.0%	16,662,363	3.9%
2008	8,922,543	-0.3%	8,107,887	5.2%	17,030,430	2.2%
2009	8,939,655	0.2%	8,051,716	-0.7%	16,991,371	-0.2%
2010	9,224,485	3.2%	8,399,291	4.3%	17,623,776	3.7%
2011	9,847,044	6.7%	9,084,955	8.2%	18,931,999	7.4%
2012	10,195,289	3.5%	9,685,509	6.6%	19,880,798	5.0%



Enplanement Market Share by Airline by Fiscal Year

Fiscal Year Ended September 30th (000)

(Unaudited)

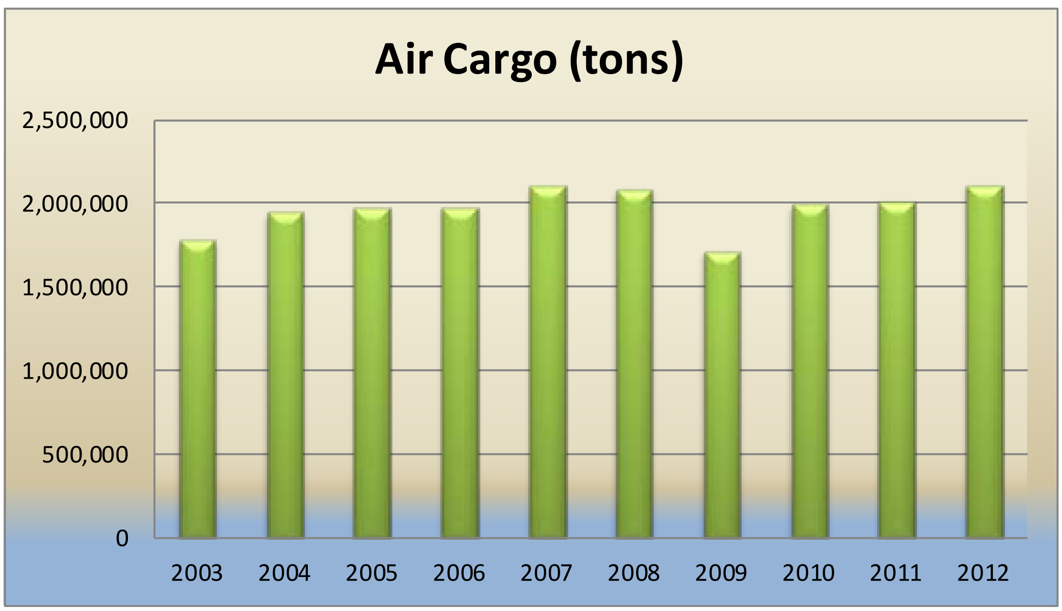
Airline	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
American	7,977.2	8,739.1	9,558.5	10,170.8	10,655.0	11,099.7	11,002.7	11,144.3	11,797.7	12,478.4
Delta	634.8	651.5	595.3	530.2	527.6	549.4	645.3	927.8	1,123.0	1,139.2
American Eagle	516.5	534.3	586.3	693.5	749.3	711.8	684.8	792.3	936.8	941.1
Continental	492.3	456.1	385.6	390.8	402.9	402.0	379.1	400.0	411.8	397.3
US Airways	410.1	355.3	345.0	385.3	441.6	396.4	405.9	386.8	390.6	387.3
TAM	61.7	90.8	116.6	137.7	169.4	165.7	223.3	262.0	327.9	343.7
Avianca	100.6	192.4	213.8	247.3	278.9	292.2	276.7	273.5	290.3	286.8
Sky King	-	-	-	10.9	27.0	53.0	62.6	90.1	227.5	285.9
British Airways	231.5	231.0	239.4	239.1	219.7	214.1	222.4	215.7	224.2	242.6
COPA Airlines	60.7	64.2	66.3	78.1	91.1	102.5	120.5	127.1	143.6	196.5
All Others	4,254.5	3,802.8	3,336.4	3,171.3	3,052.9	3,048.6	2,860.8	2,785.7	2,828.7	2,984.9
	14,739.9	15,117.5	15,443.2	16,055.0	16,615.4	17,035.4	16,884.1	17,405.3	18,702.1	19,683.7

Air Cargo Activity

Fiscal Years Ended September 30, 2003 to 2012

(Unaudited)

Fiscal Year	Mail	Freight	Total	% Change
2003	45,456	1,729,631	1,775,087	0.7%
2004	49,496	1,892,623	1,942,119	9.4%
2005	43,524	1,921,977	1,965,501	1.2%
2006	41,088	1,929,840	1,970,928	0.3%
2007	42,961	2,056,402	2,099,363	6.5%
2008	46,874	2,033,126	2,080,000	-0.9%
2009	43,550	1,666,204	1,709,754	-17.8%
2010	33,458	1,958,009	1,991,467	16.5%
2011	31,244	1,975,477	2,006,721	0.8%
2012	33,076	2,068,485	2,101,561	4.7%

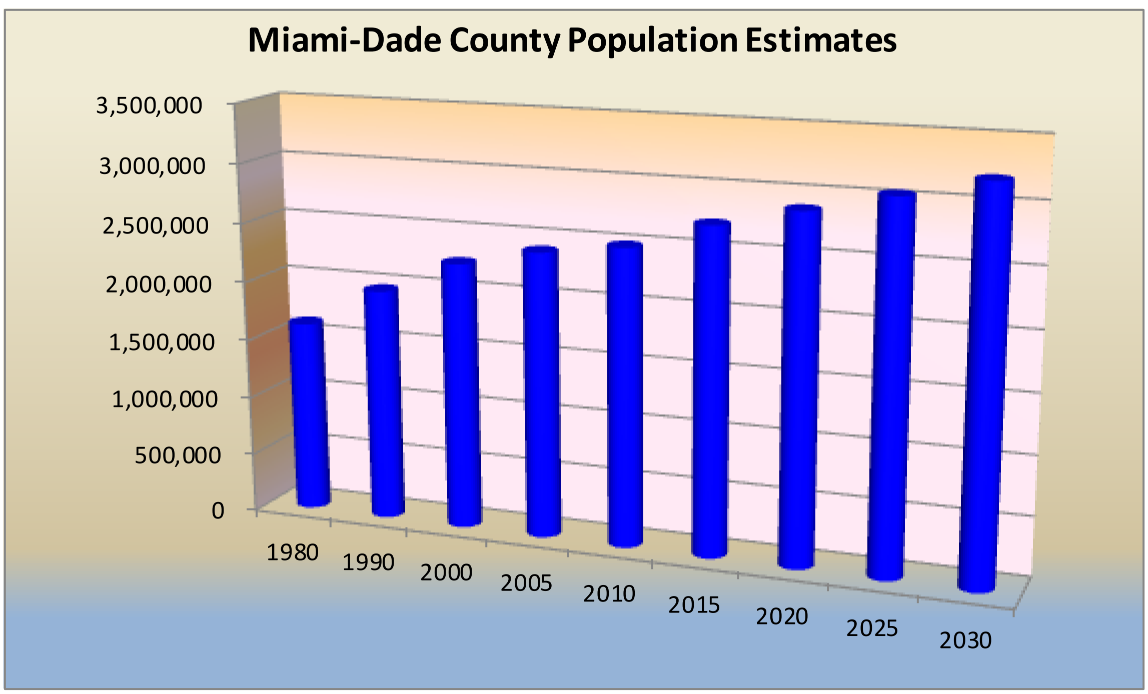


Miami-Dade County Population Estimates

1980 to 2030

(Unaudited)

Year	Total Population
1980	1,625,781
1990	1,967,000
2000	2,253,362
2005	2,403,472
2010	2,496,435
2015	2,724,623
2020	2,885,439
2025	3,046,081
2030	3,206,287



Source: U.S. Bureau of the Census, Decennial Census for year 1960-2000. Post 2000 figures provided by the Miami-Dade Planning and Zoning Department, Research Section, 2007.

Principal Employers in Miami-Dade County

Latest Available Year and Ten Years Previous

(Unaudited)

	2003			2012		
Employer	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Miami-Dade County Public School	45,886	1	4.2%	48,571	1	3.8%
Miami-Dade County	32,000	2	3.0%	29,000	2	2.2%
Federal Government	20,100	3	1.9%	19,500	3	1.5%
State of Florida	18,900	4	1.7%	17,100	4	1.3%
University of Miami	9,079	6	0.8%	16,000	5	1.2%
Baptist Health South Florida	7,000	9	0.6%	13,376	6	1.0%
Jackson Health System	11,700	5	1.1%	12,571	7	1.0%
Publix Supermarket	4,000	13	0.4%	10,800	8	0.8%
American Airlines	9,000	7	0.8%	9,000	9	0.7%
Florida International University	3,500	16	0.3%	8,000	10	0.6%
Miami-Dade College	7,500	8	0.7%	6,200	11	0.5%
Precision Response Corporation	6,000	10	0.6%	5,000	12	0.4%
City of Miami	3,400	17	0.3%	4,309	13	0.3%
Florida Power & Light Company	3,665	15	0.3%	3,840	14	0.3%
Carnival Cruise Line	4,000	14	0.4%	3,500	15	0.3%
	185,730		16.9%	206,767		16.0%

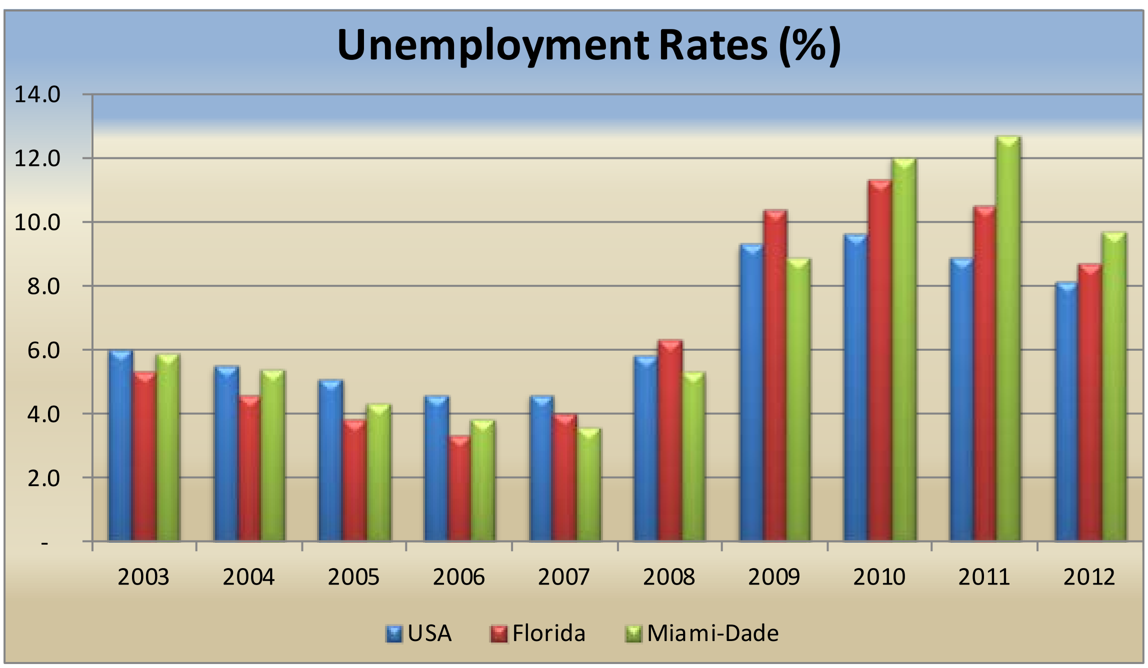
Source: The Beacon Council, Miami, Florida, Miami Business Profile

Miami-Dade County Unemployment Statistics

(In %)

(Unaudited)

Year	USA	Florida	Miami-Dade County
2003	6.0	5.3	5.9
2004	5.5	4.6	5.4
2005	5.1	3.8	4.3
2006	4.6	3.3	3.8
2007	4.6	4.0	3.6
2008	5.8	6.3	5.3
2009	9.3	10.4	8.9
2010	9.6	11.3	12.0
2011	8.9	10.5	12.7
2012	8.1	8.7	9.7

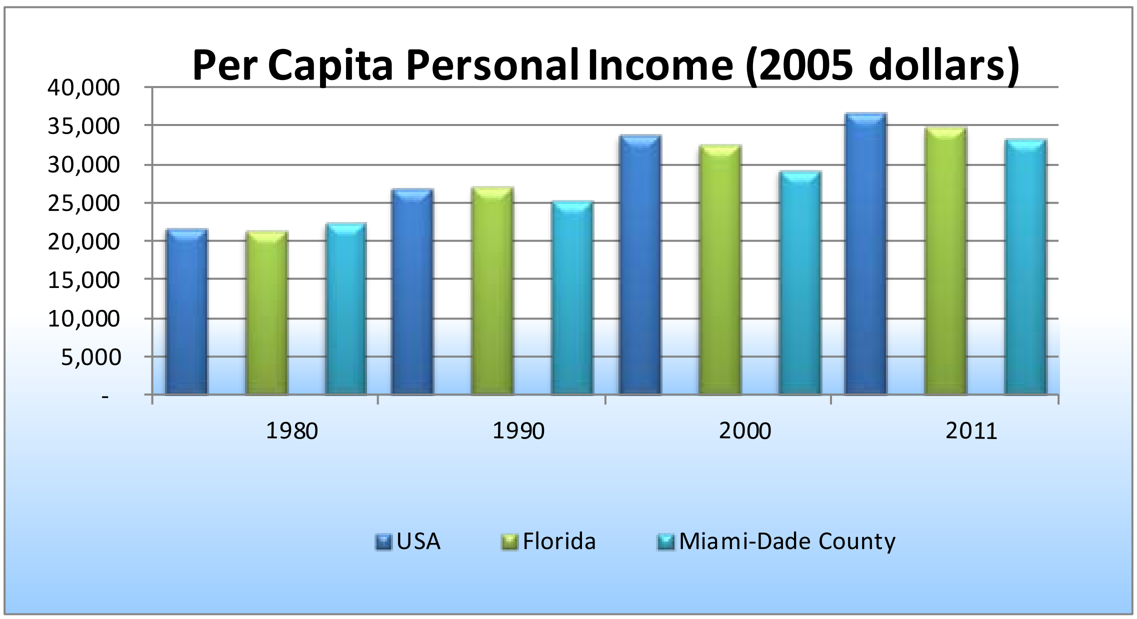


Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics

Miami-Dade County Per Capita Personal Income

(Unaudited)

Year	USA	Florida	Miami-Dade County
1980	21,702	21,250	22,308
1990	26,900	26,928	25,202
2000	33,772	32,374	29,148
2011	36,621	34,751	33,176



■USA □Florida ■Miami-Dade

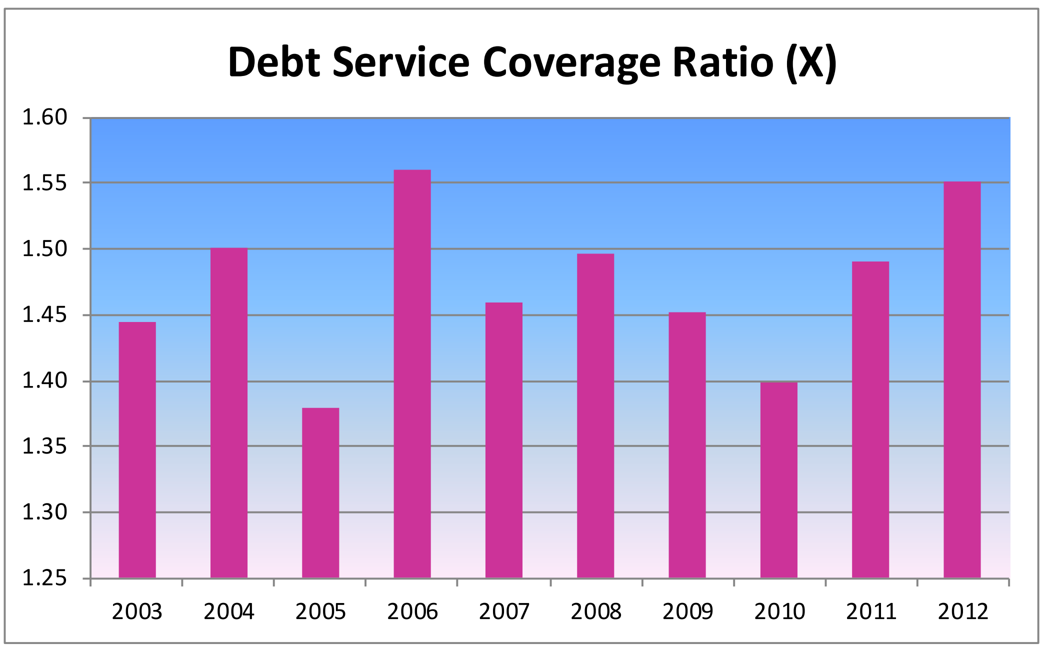
Source: Source: Moody's Economy.com based on U.S. Department of Commerce, Bureau of Economic Analysis

Revenue Bond Debt Service Coverage

Fiscal Year Ended September 30th, 2003 to 2012

(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Pledged Revenues	$491,745	$550,255	$539,397	$549,887	$591,769	$623,648	$601,881	$638,347	$739,996	$824,886
Expenses	289,956	314,958	329,030	299,675	345,833	378,583	367,514	361,633	373,538	370,290
Net Revenues	201,789	235,297	210,367	250,212	245,936	245,065	234,367	276,714	366,458	454,596
Reserve Maintenance Fund Deposit	7,000	24,500	15,000	7,500	17,000	23,000	15,000	19,250	25,000	12,000
Net Revenues after Deposits	194,789	210,797	195,367	242,712	228,936	222,065	219,367	257,464	341,458	442,596
Principal & Interest Requirement	134,898	140,471	141,610	155,578	156,853	148,376	151,049	184,044	229,035	285,208
Debt Service Coverage Ratio (x)	1.44	1.50	1.38	1.56	1.46	1.50	1.45	1.40	1.49	1.55



Outstanding Debt
Last 10 Fiscal Years
(In Thousands)
(Unaudited)

Fiscal Year Ended September 30,	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (c)	Commercial Paper Notes (b)	Total
2003	$2,915,315	-	$178,694	$3,094,009
2004	$3,224,355	-	$30,111	$3,254,466
2005	$3,157,740	-	$313,626	$3,471,366
2006	$3,462,690	-	$365,342	$3,828,032
2007	$3,997,560	-	$70,295	$4,067,855
2008	$4,522,365	-	-	$4,522,365
2009	$5,059,115	-	$110,142	$5,169,257
2010	$6,106,765	$239,755	-	$6,346,520
2011	$6,046,950	$239,755	-	$6,286,705
2012	$5,987,430	$235,810	-	$6,223,240

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's Net Revenues.

b) The Commercial Paper Notes are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. An irrevocable letter of credit in the amount of $400 million dollars was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. The use of Commercial Paper was discontinued on August 1, 2010.

c) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.

Long Term Debt Per Enplaned Passenger

Last Ten Fiscal Years

(In Thousands)

(Unaudited)

Fiscal Year Ended September 30	Trust Agreement Revenue Bonds (a)	Double-Barreled Aviation Bonds (General Obligation) (b)	Total	Enplaned #	Long Term Debt Enplaned Passenger
2003	$2,915,315	-	$2,915,315	14,739,909	$197.78
2004	$3,224,355	-	$3,224,355	15,117,556	$213.29
2005	$3,157,740	-	$3,157,740	15,443,258	$204.47
2006	$3,462,690	-	$3,462,690	16,055,040	$215.68
2007	$3,997,560	-	$3,997,560	16,615,415	$240.59
2008	$4,522,365	-	$4,522,365	17,035,400	$265.47
2009	$5,059,115	-	$5,059,115	16,884,009	$299.64
2010	$6,106,765	$239,755	$6,346,520	17,405,330	$364.63
2011	$6,046,950	$239,755	$6,286,705	18,701,120	$336.17
2012	$5,987,430	$235,810	$6,223,240	19,683,678	$316.16

a) Revenue Bonds issued under the Trust Agreement are payable solely by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds are being paid by the Aviation Department's net Revenue.

b) In FY 2010 the County issued its Series 2010 Double-Barreled Aviation Bond (General Obligation), in the aggregate principal amount of $239,775,000. The Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitations as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.

Capital Assets

Fiscal Years 2003 to 2012
(Unaudited)

Miami-Dade Aviation Department	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of airports	6	6	6	5	5	5	5	5	5	5
Number of runways										
Miami International	4	4	4	4	4	4	4	4	4	4
Opa-Locka	3	3	3	3	3	3	3	3	3	3
Tamiami	3	3	3	3	3	3	3	3	3	3
Homestead	2	2	2	2	2	2	2	2	2	2
Training & Transition Airport	1	1	1	1	1	1	1	1	1	1
Opa-Locka West	2	2	2	closed	closed	closed	closed	closed	closed	closed

(This page intentionally left blank)

Miami-Dade Aviation Department

Finance & Strategy Division

P.O. Box 526624

Miami, FL 33152-6624

www.miami-airport.com