

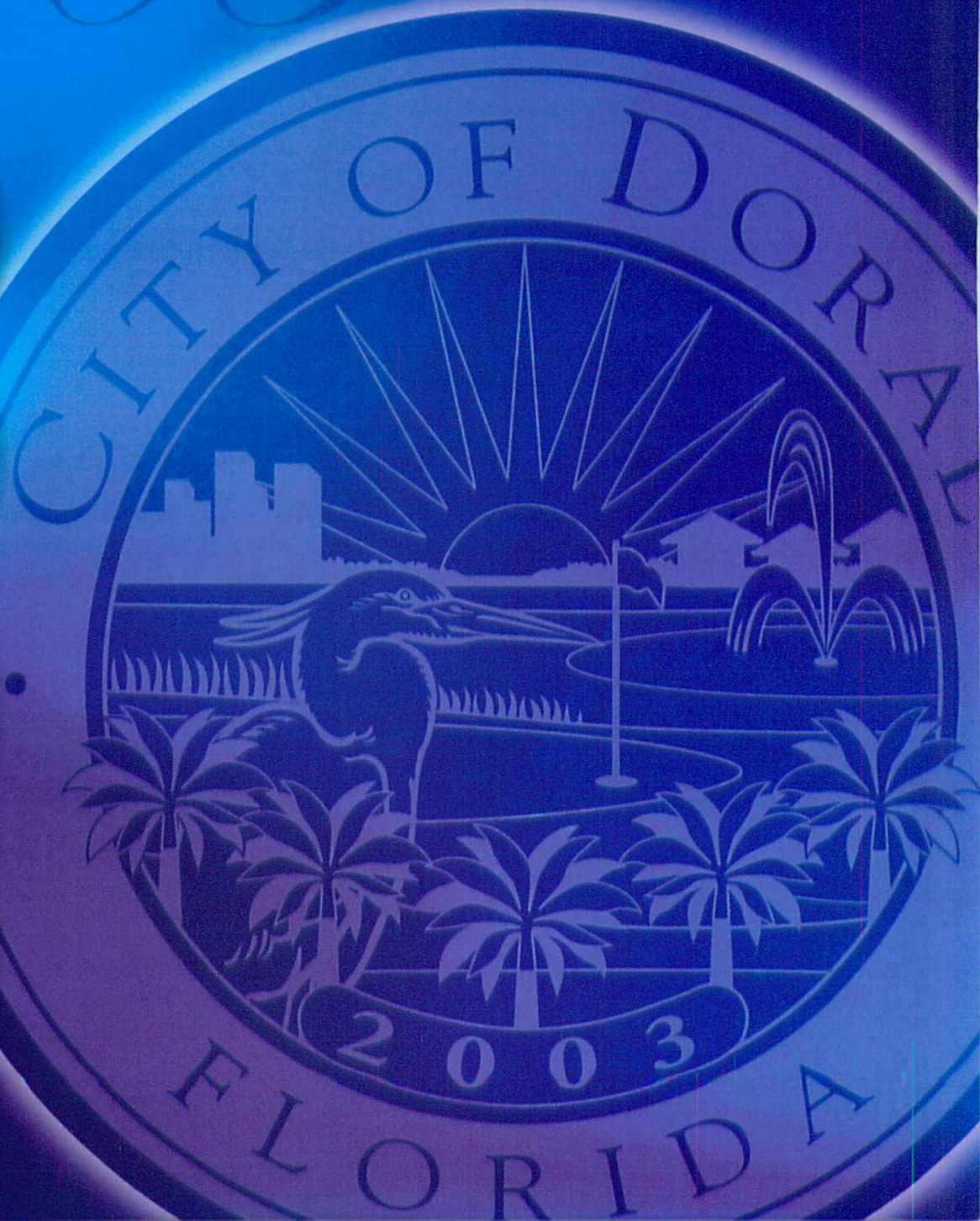
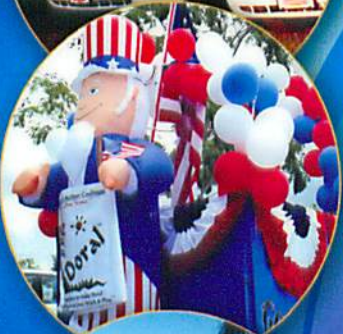
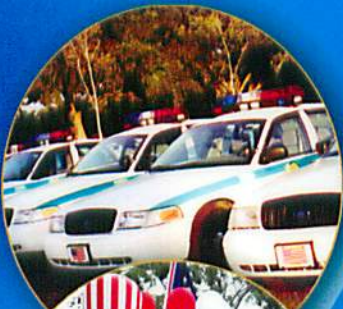
2005



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

2005



City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2005

Prepared by:

THE FINANCE DEPARTMENT

City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2005

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City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2005

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INTRODUCTORY SECTION



June 27, 2006

To the Honorable Mayor, Members of the City Council and Citizens of the City of Doral:

The Government Finance Officers Association (GFOA) recommends that all units of local government publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States and in accordance with Government Auditing Standards by a firm of licensed certified public accountants. Pursuant to that recommendation, we hereby issue the Comprehensive Annual Financial Report of the City of Doral for the fiscal year ended September 30, 2005.

This report consists of management's representation concerning the finances of the City of Doral. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Doral has established a comprehensive internal framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Doral's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Doral's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The firm of Rodriguez, Trueba & Company, licensed certified public accountants has audited the City of Doral's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Doral for the fiscal year ended September 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Doral's financial statements for the fiscal year ended September 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Doral's MD&A can be found immediately following the report of the independent certified public accountants.

Profile of the Government

The City of Doral, incorporated June 24, 2003, is located in northwestern, Miami-Dade County, Florida approximately 10 miles west of Miami, Florida. The City of Doral occupies a land area of 15 square miles bordered on the west by the Ronald Reagan Turnpike, to the north by the Town of Medley, to the east by the Palmetto Expressway and to the south by the City of Sweetwater. The City serves a population of approximately 32,485. The City of Doral receives tax levies on real and personal property located inside its boundaries.

The City of Doral has operated under the mayor-council-manager form of government since incorporation. Policymaking and legislative authority are vested in a governing council consisting of the mayor and four other council members. The Council is responsible among other things, for passing ordinances and resolutions, adopting the annual budget, appointing the City Manager, City Attorney and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the daily operations of the government, and for appointing the heads of various departments.

The City of Doral offers a wide range of services, including, police protection, public works maintenance, a full service building department, parks and recreation activities. Certain services are provided through the County School System and the County Library System through Miami-Dade County.

The annual budget serves as a foundation for the City of Doral's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager and these requests are the initiation of developing the proposed budget. The City Manager then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. No department may legally expend in excess of the amount appropriated for that department within an individual fund. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments or funds require the approval of the City Council. The City Council approves supplemental appropriations. Budget to actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. The general fund, budget to actual report, is presented in the required supplemental information section of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment with which the City of Doral operates.

Local Economy

The City of Doral enjoys a favorable economic environment and local indicators point to continued future stability. This community is comprised of well-educated and involved citizens who take a genuine interest in the social, business, cultural and governing aspects of their City. The City is comprised of upper middle class residential housing stock, several shopping centers, office parks, and industrial properties.

Long-term Financial Planning

The City celebrated its second anniversary of incorporation on June 24, 2005. It is clear that the City is in the beginning of a rapid growth phase that will significantly change the demographic makeup of our community over the next five to seven years. Through a clear and consistent policy of smart growth, we will be able to create a community that provides residents with the amenities they need, while avoiding indiscriminate building of undesirable developments. The City's growing tax base, due to new construction, will continue to enhance its revenue capacity which will provide the means to improve and address infrastructure needs. Projections show that the City can provide a balanced budget through the next three years without the need to raise taxes assuming there are no significant changes in the level of services provided.

Cash Management Policies and Practices

The City's Cash Management strategy emphasizes immediate funds collection and deposit into the appropriate fund utilizing ACH debit or wire transfer methods in over 90% of all funds received. Currently, the City's investment policy follows Chapter 218, Florida Statutes. Surplus cash is invested with the State Board of Administration. Investment objectives are the preservation of principal, liquidity in accordance with planned cash flows, and return on investment, in that order.

Risk Management

The City is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Florida League of Cities Municipal Insurance Trust for workers' compensation, liability and property insurance.

Pension and Other Post-Employment Benefits

The City of Doral sponsors a defined contribution pension plan 401(a) with the International City Managers' Association, Retirement Corporation (ICMA RC). Each full time employee contributes six percent (6%) of his or her pay to the plan; the City contributes twelve percent (12%). In addition, the City sponsors a 457 deferred compensation plan in which the employees may contribute on a voluntary basis.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Doral for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2004. This was the first year that the City submitted and received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAPP and applicable legal requirements.

The City of Doral is presenting this CAFR in accordance with Governmental Accounting Standards Board Statement Number 34, more commonly known as GASB 34, a major new standard, which has changed the method and content governments must report. This has been the largest single revision of governmental accounting standards and is the only method that the City has ever utilized.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2004-2005 fiscal year. This is the year that the City submitted and received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of all departments of the City of Doral. We would like to express our appreciation to all members of all of the departments who assisted and contributed to the preparation of this report. We would like to also express our appreciation to Rodriguez, Trueba & Company, our independent auditors, for their assistance and efforts in helping the City prepare the CAFR. Appreciation is also extended to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Doral's finances.

Respectfully submitted,



Sergio Purrinos
City Manager



Randolph G. White
Finance Director

CITY OF DORAL, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2005

CITY COUNCIL

Juan Carlos Bermudez, Mayor
Pete Cabrera, Vice Mayor
Michael DiPietro
Sandra M. Ruiz
Robert Van Name

CITY MANAGER

Sergio Purrinos, MURP

CITY CLERK

Barbara Herrera

CITY ATTORNEY

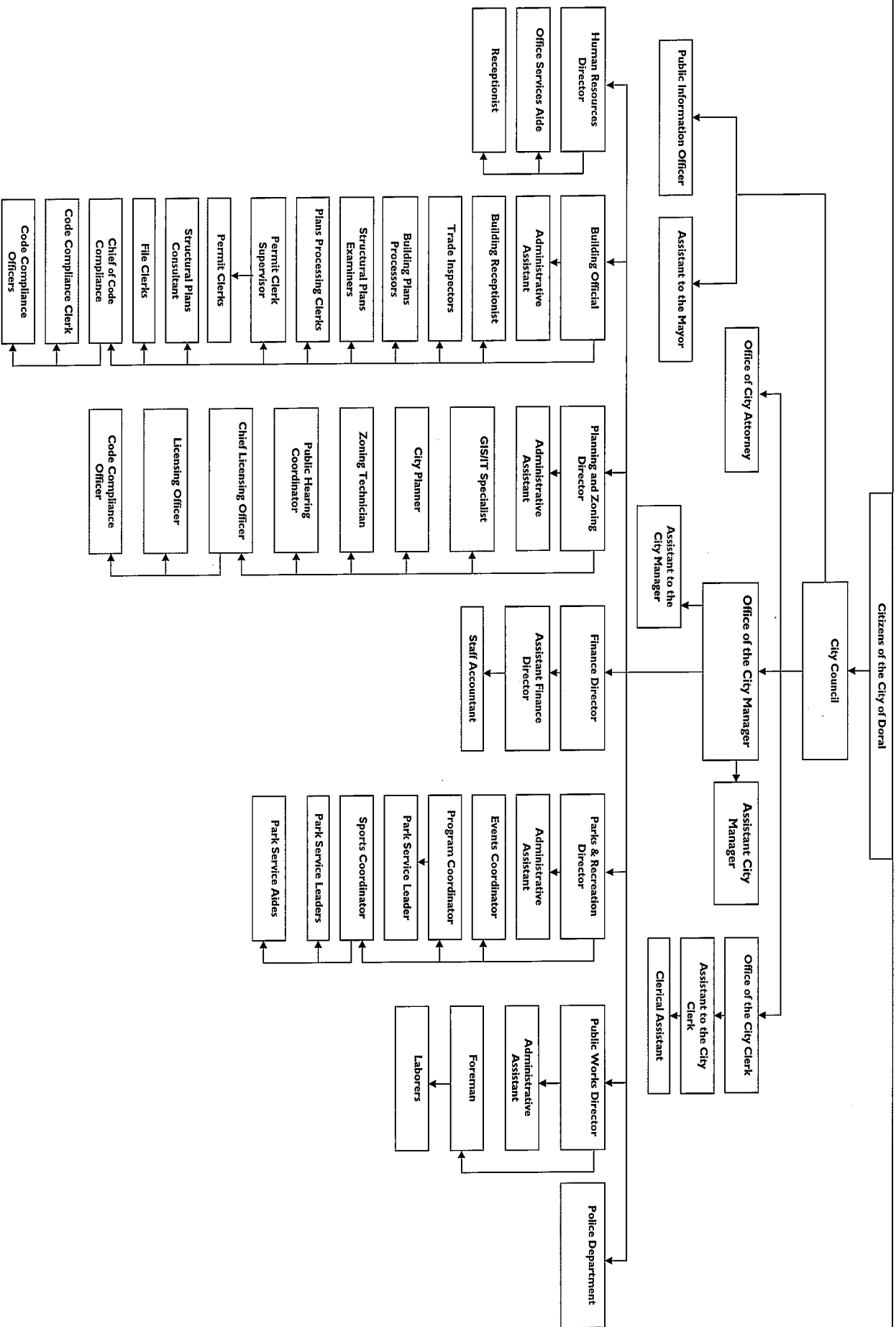
Law Offices of John J. Hearn, P.A.

FINANCE DIRECTOR

Randolph G. White, P.A.

CITY AUDITORS





Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Doral,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

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

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor, City Council and City Manager
City of Doral, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Doral, Florida (the City) as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Doral, Florida as of September 30, 2005, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2006 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls 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 read in conjunction with this report in considering the results of our audit.

Honorable Mayor, City Council and City Manager
City of Doral, Florida
Page Two

Management's Discussion and Analysis and the Required Supplementary Information on pages 3-10 and pages 31-33, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and the statistical section are presented for purposes of additional analysis and are not required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

Rodriguez Trueba & Company

Rodriguez, Trueba & Co., P.A.
Doral, Florida
June 27, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

Management's Discussion and Analysis

As management of the City of Doral, we offer readers of Doral's (the City) financial statements this narrative overview and analysis of the financial activities of the City of Doral for the fiscal year ended September 30, 2005.

Financial Highlights

- The assets of the City of Doral exceeded its liabilities at the close of the most recent fiscal year by \$13,271,323 (net assets). Of this amount, \$1,591,438 is invested in capital assets, \$1,242,101 is restricted for transportation related uses, and \$10,437,784 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$7,354,503 this increase is attributable to excess revenues over expenses for 2005.
- As of the close of the current fiscal year, Doral's governmental funds reported an ending fund balance of \$13,174,373. Of this amount, \$10,437,784 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$11,151,702, or 48.5 % of total general fund expenditures.
- The City did not incur any debt during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Doral's basic financial statements. Doral's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Doral's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Doral's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Doral is improving or deteriorating.

The *statement of activities* presents information showing how the City of Doral's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Doral that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the City of Doral include general government, public safety, public works, community development, and parks & recreation. During the previous year, the City established a storm water fund (business type entity) with a \$150,000 transfer from the general fund.

The government-wide financial statements include only the City of Doral itself (known as the *primary government*).

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Doral, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Doral has two fund categories, the governmental funds and a proprietary fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statement focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Doral maintains three governmental funds, the general fund, the transportation fund and the capital projects fund.

The City of Doral adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 to 14 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Storm water operations.

The basic proprietary fund financial statements can be found on pages 16-18 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 30 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$13,271,323 at the close of the most recent fiscal year.

A portion of the City's net assets, \$1,591,438 or 12 %, reflects an investment in capital assets (e.g., land and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. These capital assets were acquired without incurring debt.

Our comparative analysis of the financial statements of the City begins below. The Statement of Net Assets and the Statement of Activities report information about the City's activities that will help answer questions about the position of the City.

Net Assets

A summary of the City's Net Assets is presented in Table A-1 and a summary of the changes in net assets is presented in Table A-2.

Table A-1

Summary of net assets

	Governmental Activities 2004	Governmental Activities 2005	Business- Type Activities 2004	Business- Type Activities 2005	Total 2004	Total 2005
Current assets	\$6,137,989	\$14,306,775	\$150,000	\$150,000	\$6,287,989	\$14,456,775
Current liabilities	371,170	2,205,264	0	53,050	371,170	2,258,314
Net assets:						
Unrestricted	\$5,766,819	\$12,101,511	\$150,000	\$96,950	\$5,916,819	\$12,198,461

Table A-2

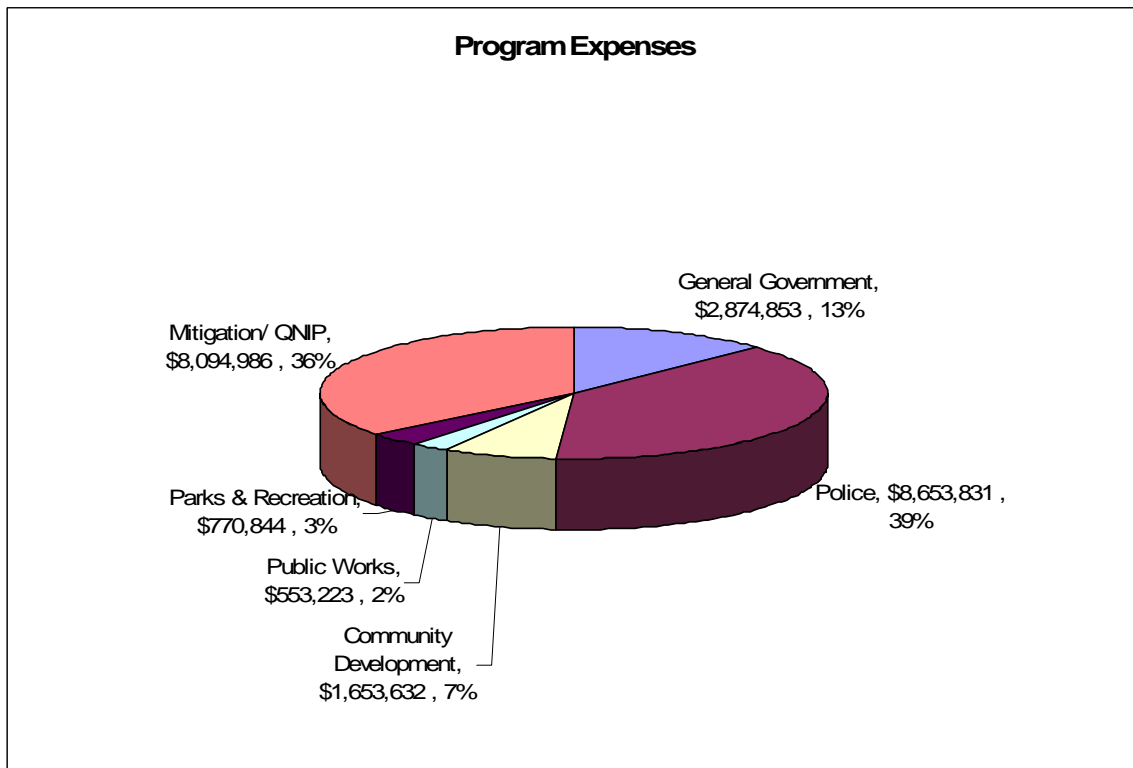
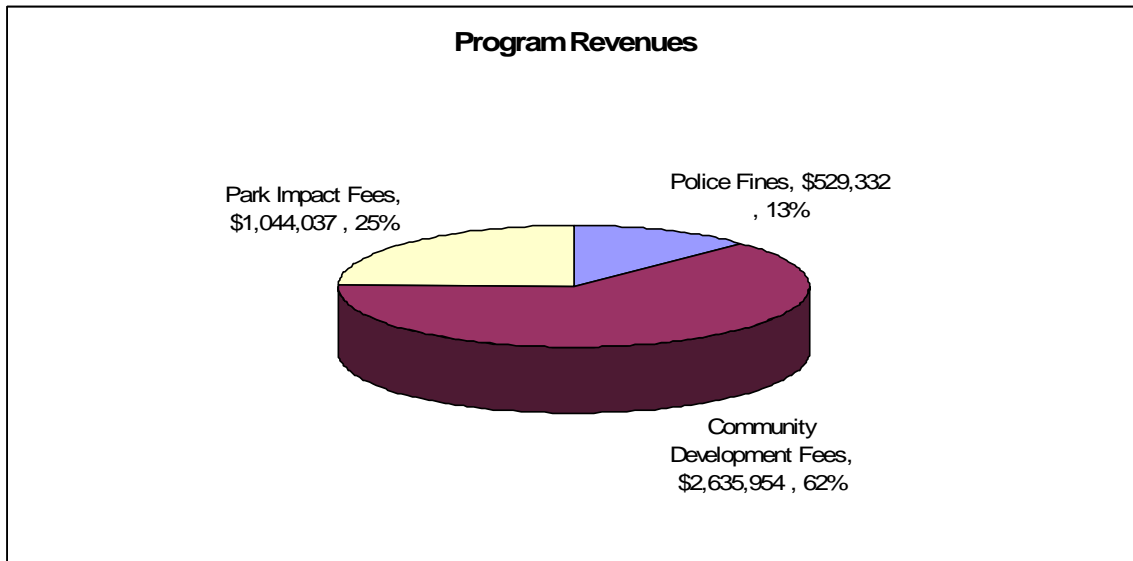
Summary of changes in net assets

	Governmental Activities 2004	Governmental Activities 2005	Business- Type Activities 2004	Business- Type Activities 2005	Total 2004	Total 2005
Revenues:						
Program						
Charges for Services	\$1,150,385	\$4,209,323	\$0	\$0	\$1,150,385	\$4,209,323
Operating Grants and Contributions	0	12,750	0	0	12,750	12,750

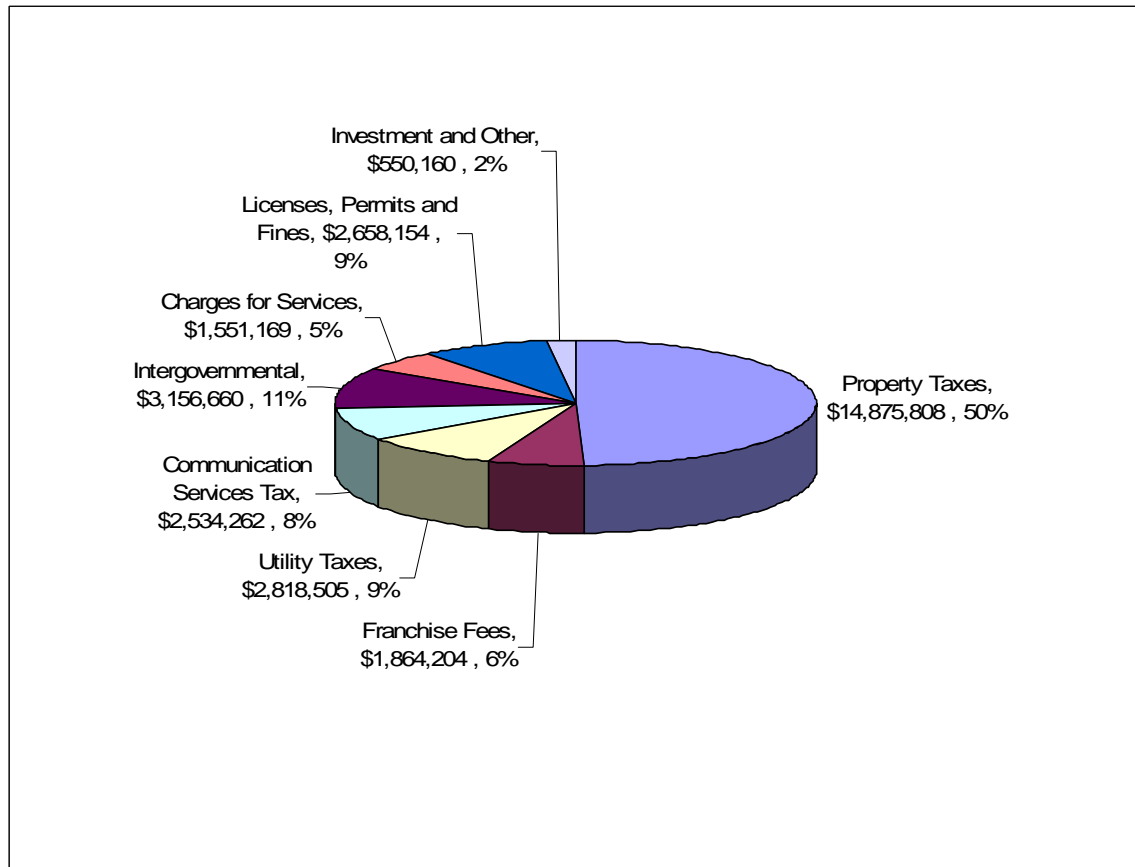
	Governmental Activities 2004	Governmental Activities 2005	Business- Type Activities 2004	Business- Type Activities 2005	Total 2004	Total 2005
General Revenues						
Property taxes	\$13,252,700	\$14,875,808			\$13,252,700	\$14,875,808
Utility taxes	2,623,865	2,818,505			2,623,865	2,818,505
Franchise fees	1,453,907	1,864,204			1,453,907	1,864,204
Communications services tax	1,530,099	2,534,262			1,530,099	2,534,262
Intergovernmental	2,563,255	3,156,660			2,563,255	3,156,660
Investment income and miscellaneous	35,967	537,410			35,967	537,410
Transfers	0	0	\$150,000	\$0	150,000	0
Total revenues	\$22,610,178	\$30,008,922	\$150,000	\$0	\$22,610,178	\$30,008,922
Expenses:						
General government	\$1,929,776	\$2,874,853		53,050	\$1,929,776	\$2,927,903
Police	7,395,866	8,653,831			7,395,866	8,653,831
Community Development	587,728	1,653,632			587,728	1,653,632
Public Works	236,776	553,223			236,776	553,223
Parks & Recreation	333,797	770,844			333,797	770,844
Mitigation/QNIP	7,697,611	8,094,986			7,697,611	8,094,986
Total expenses	\$18,181,554	\$22,601,369	\$0	\$53,050	\$18,181,554	\$22,654,419
Transfers	\$150,000	\$0	\$0	\$0	\$150,000	\$0
Change in net assets	\$4,278,624	\$7,407,553	\$150,000	(\$53,050)	\$4,428,624	\$7,354,503

The government's net assets increased by \$7,354,503, during the current fiscal year. This increase represents the results of operating under prudent adherence to budgeted allocations and with a streamlined and efficient management of the City's finances.

Program Revenues and Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Doral uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Doral's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, fund balance of the general fund was \$11,151,702; of this amount \$11,015,595 constitutes *unreserved fund balance*, which is available for spending at the City's discretion.

The general fund is the chief operating fund of the City of Doral. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 47.9 percent of total general fund expenditures, while total fund balance represents 48.5 percent of total general fund expenditures.

A comparative summary of the governmental fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balances is presented in Table B-1 and B-2 for September 30, 2004 and 2005 follows.

Table B-1

Summary of condensed Balance Sheet

	September 30, 2004	September 30, 2005
Total assets	\$6,364,435	\$13,544,120
Total liabilities	\$879,256	\$1,901,645
Unreserved fund balance	\$4,363,602	\$7,278,873
Total liabilities and fund balances	\$5,485,179	\$11,642,475

Table B-2

Summary of condensed statement of revenues, expenditures, and changes in fund balance

	Fiscal Year 2004	Fiscal Year 2005
Total revenues	\$22,610,178	\$30,008,922
Total expenditures	\$18,463,194	\$23,851,627
Excess of revenues over expenditures	\$4,146,984	\$6,157,295

Governmental activities. Governmental activities increased the City of Doral general fund balance by approximately \$2,010,311. Key elements of this increase are as follows:

- Property taxes amounted to \$14,875,808.
- Other taxes amounted to \$5,352,767.

General Fund Budgetary Highlights

The original budget was not amended. There were no supplemental appropriations for the fiscal year ended September 30, 2005.

Capital Assets

As of September 30, 2005, the City's investment in capital assets for governmental activities amounted to \$1,591,438. There were no capital assets in business-type activities. The total increase in capital assets was as follows:

- Purchase of five computer workstations for council
- Purchase of equipment for parks and recreation
- Installation of entrance signs city-wide
- Purchase of a vehicle and equipment for police
- Completion of city hall build out

Economic Factors and Next Years Budgets and Rates

- The unemployment rate for Miami-Dade County is currently 3.5 percent, which is an increase from a rate of 7.2 percent a year ago. This compares favorably to the state's average unemployment rate of 5.4 percent and the national average rate of 5.7 percent.
- The occupancy rate of the government's central business district has remained stable since before incorporation.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Doral's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased. The City of Doral has appropriated this entire amount for spending in the 2006 fiscal year budget. It is intended that the use of available fund balance will avoid the need to raise taxes or charges during the 2006 fiscal year, and build a reserve fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Doral's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, 8300 N.W. 53rd Street, Suite 100, Doral, Florida 33166.

BASIC FINANCIAL STATEMENTS

City of Doral, Florida
Statement of Net Assets
September 30, 2005

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 11,104,289	\$ 150,000	\$ 11,254,289
Receivable, Net	1,498,761	-	1,498,761
Internal Balances	53,050	(53,050)	-
Prepays	59,237	-	59,237
Capital Assets Being Depreciated	1,591,438	-	1,591,438
Total Assets	<u>\$ 14,306,775</u>	<u>\$ 96,950</u>	<u>\$ 14,403,725</u>
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 915,145	\$ -	\$ 915,145
Deferred Income and Deposits	157,717	-	157,717
Total Liabilities	<u>1,072,862</u>	<u>-</u>	<u>1,072,862</u>
Non-Current Liabilities			
Compensated Absences	59,540	-	59,540
Total Non-Current Liabilities	<u>59,540</u>	<u>-</u>	<u>59,540</u>
Total Liabilities	<u>1,132,402</u>	<u>-</u>	<u>1,132,402</u>
Net Assets			
Invested in Capital Assets	1,591,438	-	1,591,438
Restricted for:			
Transportation	1,242,101	-	1,242,101
Unrestricted	10,340,834	96,950	10,437,784
Total Net Assets	<u><u>\$ 13,174,373</u></u>	<u><u>\$ 96,950</u></u>	<u><u>\$ 13,271,323</u></u>

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

City of Doral, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS						
Governmental Activities						
General government	\$ 2,874,853	\$ 2,635,954	\$ -	\$ (238,899)	\$ -	\$ (238,899)
Police	8,653,831	529,332	-	(8,124,499)	-	(8,124,499)
Community development	1,653,632			(1,653,632)	-	(1,653,632)
Public works and physical environment	553,223			(553,223)	-	(553,223)
Parks and recreation	770,844	1,044,037	12,750	285,943	-	285,943
Mitigation/QNIP	8,094,986	-	-	(8,094,986)	-	(8,094,986)
Total Governmental Activities	22,601,369	4,209,323	12,750	(18,379,296)	-	(18,379,296)
Business-type Activities						
Stormwater utility	53,050	-	-	-	(53,050)	(53,050)
Total Business Activities	53,050	-	-	-	(53,050)	(53,050)
General Revenues:						
Property taxes				14,875,808	-	14,875,808
Franchise fees based on gross receipts				1,864,204	-	1,864,204
Utility taxes				2,818,505	-	2,818,505
Communication Service Tax				2,534,262	-	2,534,262
Intergovernmental				3,156,660	-	3,156,660
Unrestricted Investments Earnings				376,831	-	376,831
Other				160,579	-	160,579
Transfers				-	-	-
Total General Revenues and Transfers				25,786,849	-	25,786,849
Change in Net Assets				7,407,553	(53,050)	7,354,503
Net Assets - October 1, 2004				5,766,820	150,000	5,916,820
Net Assets - September 30, 2005				<u>\$ 13,174,373</u>	<u>\$ 96,950</u>	<u>\$ 13,271,323</u>

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

City of Doral, Florida

Balance Sheet
Governmental Funds
September 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 10,156,789	\$ 947,500	\$ 11,104,289
Receivables, Net	1,498,761	-	1,498,761
Due from other funds	662,007	219,826	881,833
Prepays	59,237	-	59,237
Total Assets	<u>\$ 12,376,794</u>	<u>\$ 1,167,326</u>	<u>\$ 13,544,120</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 847,549	\$ 67,596	\$ 915,145
Deferred revenues	157,717	-	157,717
Due to other fund	219,826	608,957	828,783
Total Liabilities	<u>1,225,092</u>	<u>676,553</u>	<u>1,901,645</u>
Fund Balances			
Reserved			
Encumbrances	76,870	-	76,870
Prepays	59,237	-	59,237
Transportation	-	1,037,806	1,037,806
Unreserved reported in			
General fund	11,015,595	-	11,015,595
Capital projects fund	-	(547,033)	(547,033)
Total Fund Balances	<u>11,151,702</u>	<u>490,773</u>	<u>11,642,475</u>
Total Liabilities and Fund Balances	<u>\$ 12,376,794</u>	<u>\$ 1,167,326</u>	
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			1,591,438
Long term liabilities, such as compensated absences, are not due and payable in the current period and therefore not reported in the governmental funds			(59,540)
Net assets of governmental activities			<u>\$ 13,174,373</u>

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

City of Doral, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2005

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 14,875,808	\$ -	\$ 14,875,808
Utility taxes	2,818,505	-	2,818,505
Franchise fees	1,864,204	-	1,864,204
Intergovernmental	2,580,539	576,121	3,156,660
Licenses, permits and fines	2,658,154	-	2,658,154
Communication service tax	2,534,262	-	2,534,262
Charges for services	1,551,169	-	1,551,169
Interest	376,831	-	376,831
Other	173,329	-	173,329
Total revenues	<u>29,432,801</u>	<u>576,121</u>	<u>30,008,922</u>
Expenditures			
Current			
General government	3,300,307	-	3,300,307
Police	8,696,157	-	8,696,157
Community development	1,614,376	-	1,614,376
Public works	528,564	204,295	732,859
Parks and recreation	765,909	647,033	1,412,942
Mitigation/QNIP	8,094,986	-	8,094,986
Total expenditures	<u>23,000,299</u>	<u>851,328</u>	<u>23,851,627</u>
Excess of revenues over expenditures	<u>6,432,502</u>	<u>(275,207)</u>	<u>6,157,295</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,432,502	(275,207)	6,157,295
Fund balances, beginning of year	4,719,200	765,980	5,485,180
Fund balances, end of year	<u>\$ 11,151,702</u>	<u>\$ 490,773</u>	<u>\$ 11,642,475</u>

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

City of Doral, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental
Funds to the Statement of Activities
Fiscal Year Ended September 30, 2005

Amounts reported for *governmental activities* in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$	6,157,295
--	----	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.

The details of the difference are as follows:

Capital Outlay	1,546,859	
Depreciation expense	<u>(237,061)</u>	1,309,798

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Change in long-term compensated absences	<u>(59,540)</u>	(59,540)
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Change in Net Assets of Governmental Fund Activities	\$	<u><u>7,407,553</u></u>
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The accompanying notes are an integral part of these financial statements.

City of Doral, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2005

	Business-type Activities
	<u>Enterprise Fund</u>
	<u>Storm Water Fund</u>
Assets	
Current Assets:	
Cash and cash equivalents	\$ 150,000
Total Assets	<u>150,000</u>
 Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued liabilities	-
Due to other fund	<u>53,050</u>
Total Liabilities	<u>53,050</u>
 Net Assets	
Unrestricted	<u>96,950</u>
Total Net Assets	<u><u>\$ 96,950</u></u>

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

City of Doral, Florida
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2005

	Business-type Activities
	<u>Enterprise Fund</u>
	<u>Storm Water fund</u>
Operating Revenues	
Service revenues	\$ -
Total Operating Revenue	<u>-</u>
Operating Expenses	
Operating, administrative and maintenance	53,050
Depreciation	<u>-</u>
Total Operating Expenses	<u>53,050</u>
Operating Income (Loss)	(53,050)
Nonoperating Revenues	
Interest Income	-
Interest expense	<u>-</u>
Total Nonoperating Revenues	<u>-</u>
Income (Loss) Before Contributions and Transfers	(53,050)
Other Financing Sources:	
Transfers in	<u>-</u>
Changes In Net Assets	(53,050)
Net Assets, beginning	<u>150,000</u>
Net Assets, ending	<u><u>\$ 96,950</u></u>

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

City of Doral, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2005

	Business-type Activities - Enterprise Funds
	Storm Water Fund
Cash Flows from Noncapital Financing Activities	
Transfers from other funds	\$ -
Net Cash Provided by Noncapital Financing Activities	-
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	150,000
Cash and Cash Equivalents at End of Year	\$ 150,000
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities	
Operating Income (Loss)	\$ (53,050)
Changes in Current Assets and Current Liabilities	
Increase in amounts due to other funds	53,050
Net Cash Flows from Operating Activities	\$ -
Cash and cash equivalents per statement of net assets:	
Unrestricted	\$ 150,000
Restricted	-
	\$ 150,000

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Doral, Florida (the city), located in Miami-Dade County is a political subdivision of the State of Florida. The City, which was incorporated on June 24, 2003, operates under a Mayor-Council-Manager form of government. In addition to the general government function, the City provides its residents with public safety (police), community development (building, zoning and planning functions), parks and recreation and public works. The City does not provide educational or hospital facilities; those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. Financial Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, there were no organizations that met the criteria described above.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from those statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as other governmental funds.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long term debt and employee vacation and sick leave, which are recognized when due and payable.

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following governmental fund:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City also reports the following nonmajor governmental funds:

The *Transportation Fund* accounts for the revenues received from the transportation surtax and expenditures for related transportation costs.

The *Capital Projects Fund* accounts for the acquisition or construction of various major capital projects.

The City also reports the following nonmajor proprietary fund:

The *Stormwater Fund* accounts for the maintenance of and construction of the City's stormwater system. Future revenues in this fund will cover all operating costs.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's stormwater fund is charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City had no operating or capital grants but received contributions from private sources to offset the cost of the Fourth of July parade in the amount of \$12,750.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and deposits held with the State Board of Administration (SBA) Investment Pool.

The SBA Investment Pool is recorded at its value of the pool shares (2A-7 Pool), which is fair value.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

3. Capital Assets

Capital assets which include vehicles, furniture, fixtures and equipment are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$750 or more and an estimated useful life of one year. Such assets are recorded at actual cost.

The costs of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives are not capitalized.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure - Construction in Progress	-
Furniture, fixtures and equipment	3-10
Vehicles	5

4. Compensated Absences

It is the City's policy to permit full-time employees to accumulate limited amounts of earned vacation and sick leave. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee registrations and retirements. The general fund is used to liquidate such amounts.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectibility of receivables and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

6. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

E. New Pronouncements

Statement No. 40: Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3 (Issued 3/03)

This Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates.

Deposit and investment policies related to the risks identified in this Statement also should be disclosed. The Board reconsidered the disclosures required by Statement No. 3, Deposits with

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

E. New Pronouncements (Continued)

Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements. Portions of that Statement are modified or eliminated.

Statement 3 disclosures generally referred to as category 1 and 2 deposits and investments are eliminated. The custodial credit risk disclosures of Statement 3 are modified to limit required disclosures to:

- **Deposits that are not covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name**
- **Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.**

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2004. The City has implemented the provisions of this statement for the year ended September 30, 2005.

* * *

The following statements will become effective for years beginning in October 1, 2005. The City has elected not to early-implement the application of these Statements in the financial statements:

 **Statement No. 47: Accounting for Termination Benefits (Issued 06/05)**

 **Statement No. 46: Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34 (Issued 12/04)**

 **Statement No. 44: Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1 (Issued 5/04)**

 **Statement No. 42: Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries (Issued 11/03)**

NOTE 2. DEPOSITS AND INVESTMENTS

In March 2003, the GASB issued Statement No. 40 Deposits and Investment Risks Disclosures (GASB No. 40), which amends GASB No.3, Deposits with Financial Institutions, Investment (including Repurchase Agreements), and Reverse Purchase Agreements and addresses additional risks to which governments are exposed. GASB 40 is designed to inform financial statement users about deposit and investment risk that could affect a government's ability to provide services and meets its obligations as they become due.

GASB 40 addresses common deposit and investment risk related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires that deposit and investment policies related to the risk be disclosed, as applicable.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

This statement is effective for financial statements for periods beginning after June 15, 2004, and has been adopted for the fiscal year ended September 30, 2005. The adoption of GASB 40 has resulted in changes to the form and content of the deposit and investment note to the financial statements and did not have an impact on the City's financial statement position and results of operations. The following disclosures represents the adoption of GASB 40:

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

The City is authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities and the State Board of Administration Investment Pool (SBA). The State Board of Administration is part of the Local Government Surplus Funds Trust Fund and is governed by Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements of the SEC's Rule 2a-7 of the Investment Company Act of 1940.

Since 2a-7 like pools are similar to money market funds where shares are owned in the fund rather than the actual underlying investments, disclosures for foreign currency risk, custodial credit risk and concentration of credit risk are not applicable. For credit quality risk the State Pool is not rated by a nationally recognized statistical rating agency. The pool funds are reported by the City as cash equivalents. The Investment Pool is reported at its fair value of its position in the Pool, which is the same as the value of the pool shares.

The reconciliation of the deposits and investments on the Statement of Net Assets is as follows:

	<u>Total</u>
Cash and cash equivalents	\$ 11,254,289
Deposits	2,491,630
Investments	8,762,659
	<u>\$ 11,254,289</u>

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 3. RECEIVABLES

Receivables as of September 30, 2005 for the City's individual major fund and nonmajor funds in the aggregate, including the allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Intergovernmental	\$ 1,477,261	-	\$ 1,477,261
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 1,477,261</u>	<u>-</u>	<u>\$ 1,477,261</u>

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Infrastructure Assets - Construction in Progress	\$ -	851,328	-	\$ 851,328
Total capital assets, not being depreciated	-	851,328	-	851,328
Capital assets, being depreciated:				
Furniture, fixtures and equipment	239,864	672,650	-	912,514
Vehicles	131,640	22,881	-	154,521
Total capital assets, being depreciated	<u>\$ 371,504</u>	<u>\$ 695,531</u>	<u>\$ -</u>	<u>\$ 1,067,035</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	\$ (63,536)	\$ (206,157)	\$ -	\$ (269,693)
Vehicles	<u>(26,328)</u>	<u>(30,904)</u>	<u>-</u>	<u>(57,232)</u>
Total accumulated depreciation	\$ (89,864)	\$ (237,061)	\$ -	\$ (326,925)
Total capital assets, being depreciated, net	<u>281,640</u>	<u>458,470</u>	<u>-</u>	<u>740,110</u>
Governmental activities capital assets, net	<u>\$ 281,640</u>	<u>\$ 1,309,798</u>	<u>\$ -</u>	<u>\$ 1,591,438</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 167,157
Police	30,300
Community development	13,296
Public works	19,026
Parks and recreation	7,282
Total depreciation expense - governmental activities	<u>\$ 237,061</u>

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no interfund transfers during the year ended September 30, 2005. The composition of interfund receivables and payables as of September 30, 2005 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General	Capital Projects	\$ 608,957	Park construction costs prior to proceeds from Debt
General	Stormwater	\$ 53,050	Master plan expenditures prior to receipt of stormwater fees
Transportation	General	\$ 219,826	Transportation Revenue collections deposited in General Fund

NOTE 6. LONG TERM DEBT – COMPENSATED ABSENCES

Long-term liability activity for the year ended September 30, 2005, was as follows:

	October 1, 2004	Additions	Payments	September 30, 2005
Governmental Activities:				
Compensated absences	\$ -	\$ 59,540	\$ -	\$ 59,540
Subtotal	-	59,540	-	59,540
Business-type Activities	-	-	-	-
Total Long Term Debt	\$ -	\$ 59,540	\$ -	\$ 59,540

NOTE 7. FUND BALANCES / NET ASSETS

As of September 30, 2005, a deficit undesignated fund balance of \$547,033 exists in the capital projects fund. The deficit resulted from expenditures incurred during the year for engineering, professional services and construction costs related to various ongoing capital projects. The deficit fund balance that existed at September 30, 2005 was offset by proceeds received from Capital Improvement Debt obtained by the City in May of 2006 (See Note 11).

NOTE 8. PROPERTY TAXES

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the City is certified by the Property Appraiser and the City levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1.

Property taxes levied each November 1, by the City and all other taxing authorities within the County, are centrally billed and collected by Miami-Dade County, with remittances to the City of their proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the City for its share of those receipts.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 9. RETIREMENT PLANS

Section 401(A) Money Purchase Retirement Plan

The City as a single-employer contributes to the City of Doral Money Purchase Plan, which is a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). Under the plan, which is available to all full time City employees, the City contributes 12%, and the employees contribute 6%.

Section 457 Deferred Compensation Plan

The City established a deferred compensation plan for the employees and elected officials of the City. The adopted deferred compensation plan was created in accordance with Internal Revenue Code Section 457. The plan is available for all employees and officials who elect to participate. The purpose of the plan is to provide additional benefits to City employees and officials who elect to voluntarily set aside and invest portions of their current income to meet future financial requirements and to supplement existing retirement programs. The plan is administered by an independent plan administrator through an administrative service agreement. The City's administrative involvement is limited to transmitting amounts withheld from payroll to the Plan Administrator, who performs investing functions. Plan assets are held in trust for the benefit of the participants and their beneficiaries. The assets will not be diverted for any other purpose.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Municipal Service Trust Fund

The City is required to contribute municipal property tax revenues into a municipal service Trust Fund (MSTF) of the County. The MSTF will be utilized by the County to (1) maintain police services in the unincorporated areas proximate to the City, and (2) to provide a municipal assistance retainer enabling the City to obtain certain advice, expertise, training, financial planning and technological services, and other assistance from the County. The contribution ("Mitigation Payment") will vary yearly and is based on the Consumer Price Index and other calculations. The mitigation payment by the City to the County for the fiscal year ended September 30, 2005 was \$7,516,763. In subsequent years, the mitigation amount payable from the City to the County will be adjusted by the CPI for the residential area, not exceed 3% over the previous year and by tax growth for the CBI area multiplied by 1.5 mills.

Quality Neighborhood Improvement Program (QNIP)

The City is required to pay the County its pro rata share for the Public Service Tax Revenue Bonds, Series 1999 and 2002 issued prior to the City's incorporation. The payment for the fiscal year ended September 30, 2005 was \$578,223 and the balance of the remaining payments are estimated to be approximately less than \$500,000 per year until the debt is due in September of 2027.

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

Employment Agreement

On January 14, 2005, the City executed an employment agreement with the prior City Manager which provided an annual salary of \$125,000, with annual increases that the City Council would determine based on performance. The City was to also contribute 12% of the City Manager's salary into a retirement program chosen by the City Manager and provide a \$500 per month automobile allowance and \$75 per month cellular phone allowance. The agreement was effective unless terminated by either party in accordance with the employment agreement. Prior to September 30, 2005, the agreement was terminated.

Agreement for Office Space Leases

City Hall

On June 25, 2004, the City executed a lease agreement for office space commencing on July 16, 2004 for a term of sixty months. The City is to pay both a monthly base rent and operating expenses as determined by the landlord. For the initial twenty-four months of the lease, both the base rent and operating expenses have been abated. Future commitments for base rent approximate \$400,000 per year. The agreement gives the City the right to terminate the lease with a written notice 365 days prior to the desired termination date.

Police and Public Works Warehouse

The City also rents warehouse space on a month to month lease agreement for \$1,255 a month. The space is shared by the City's Police and Public Works Departments.

Police Department

In June of 2004, the City executed a lease agreement for office space commencing on July 2004 for a term of twelve months. The City was to pay \$6,989 monthly. The agreement gives the City the right to terminate the lease with a written notice 60 days prior to the desired termination date.

Construction Contract/Projects

At September 30, 2005, the City had in progress various construction projects with remaining balances totaling approximately \$11.4 Million.

Agreement with Miami-Dade County for Local Police Patrol Services

On June 3, 2005 the City executed an agreement with Miami-Dade County for local police patrol services. The City paid \$8,313,749 for local police services based on a budgeted amount of \$8,509,849. Payments for this initial term will be adjusted to actual labor costs incurred and deducted from the gross revenues due the City from Miami-Dade County. Payments for the services provided by the County for subsequent fiscal years shall be based upon the level of staffing services requested by the City utilizing the actual personnel costs of officers and equipment. The initial term of the agreement is for three years.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

Agreement with Miami-Dade County for Local Police Patrol Services (Continued)

Effective June 3, 2004, the City executed an agreement with Miami-Dade County for specialized police services. The payment for specialized police services in fiscal year ending September 30, 2005 was \$103,165. A payment credit is provided to the City based on the contribution made by Doral residents in their countywide millage for specialized police services. This ensures that there is no double taxation to the residents of Doral. Payments for the services provided by the County for subsequent fiscal years shall be determined by the County based on factors detailed in the agreement. The initial term of the agreement expires in three years, unless otherwise terminated in accordance with Article X of the agreement; the agreement is automatically renewed for consecutive three year terms in perpetuity.

Agreement for Professional Services

On April 14, 2004, the City executed a contract for professional services with a consulting firm to provide all of the City's financial advisory services. Fees for the financial and advisory services total \$115,000 per year and are paid monthly. The City may consider fee adjustments each twelve month period to compensate for market conditions and anticipated type of work to be performed. The agreement is effective unless terminated by either party in accordance with the agreement.

On May 20, 2004, the City executed a contract for professional services with a consulting firm to provide all of the City's comprehensive planning and code enforcement services. Fees for the completion of the services described in the agreement are \$354,770. The fees will be paid on a progress completion basis. The term of the agreement is for four years from the date of execution unless terminated earlier pursuant to terms of the agreement.

NOTE 11. SUBSEQUENT EVENTS

Capital Improvement Debt

In May of 2006, the City entered into an agreement with Regions Bank for a loan facility of \$21,250,000. The proceeds of the debt are to be used to finance the cost of the development of Doral Park and Doral Meadow Park, including financing, architectural, engineering, environmental, legal and planning costs.

Facility Series 2006A: 2006 Line of Credit, is a tax-exempt, bank qualified line of credit in the amount of \$10 million and a taxable line of credit in the amount of \$11,250,000, which expire 1 year from the closing date and convert into a term loan upon maturity. Payments of interest only are due quarterly. The bank qualified portion of the credit line will bear interest at a variable rate equal to the bank qualified 65% of 3-month Libor plus .45% (approximately 3.19%) and the taxable portion of the credit line shall bear interest at a variable rate equal to the 3-month Libor plus .45%.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 11. SUBSEQUENT EVENTS (Continued)

Capital Improvement Debt (Continued)

Facility Series 2006B: 3 Year Fixed Rate for \$10,000,000 of Bank Qualified Portion of Facility A. Following the line of credit maturity date, the interest rate of \$10,000,000 of bank qualified portion of Facility A will have been fixed by the bank for a term of 3 years. This facility will mature 20 years following the maturity for the line of credits. Payments of principal and interest will be due quarterly. Should any portion of the principal amount of Facility C remain unpaid following the 3 year fixed rate period the City will continue to pay equal payments of principal and interest at a new subsequent rate, in accordance with the loan agreement. There will be no prepayment penalty on this Facility.

Facility Series 2006C: 3 Year Fixed Rate for \$1,250,000 Taxable Portion of Facility A. Following the line of credit maturity date, the interest rate on the \$1,250,000 taxable portion of Facility A will have been fixed by the bank for a term of 3 years. This facility will mature 20 years following the maturity for the line of credits. Payments of principal and interest will be due quarterly. Should any portion of the principal amount of Facility C remain unpaid following the 3 year fixed rate period the City will continue to pay equal payments of principal and interest at a new subsequent rate, in accordance with the loan agreement. There will be no prepayment penalty on this Facility.

REQUIRED SUPPLEMENTARY INFORMATION

City of Doral, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 15,080,202	\$ 15,080,202	\$ 14,875,808	\$ (204,394)
Utility taxes	2,580,000	2,580,000	2,818,505	238,505
Franchise fees	2,300,000	2,300,000	1,864,204	(435,796)
Intergovernmental	2,325,751	2,325,751	2,580,539	254,788
Grant revenues	1,809,280	1,809,280	-	(1,809,280)
Licenses, permits and fines	2,907,000	2,907,000	2,658,154	(248,846)
Communication service Tax	1,138,426	1,138,426	2,534,262	1,395,836
Charges for services	374,620	374,620	1,551,169	1,176,549
Interest	107,194	107,194	376,831	269,637
Other	500	500	173,329	172,829
County General Obligation	4,607,000	4,607,000	-	(4,607,000)
Revenue contingency	-	-	-	-
Total revenues	33,229,973	33,229,973	29,432,801	(3,797,172)
Expenditures				
Current				
General government				
Elected officials	401,954	401,954	349,596	52,358
Manager's office	436,561	436,561	490,282	(53,721)
City Clerk	262,813	262,813	315,492	(52,679)
Finance Department	134,500	134,500	130,500	4,000
City Attorney	306,000	306,000	217,683	88,317
General Government	985,444	985,444	818,444	167,000
Total general government	2,527,272	2,527,272	2,321,997	205,275
Police	8,883,404	8,883,404	8,696,157	187,247
Community development	1,530,946	1,530,946	1,614,376	(83,430)
Public works	779,594	779,594	528,564	251,030
Parks and recreation	1,211,149	1,211,149	765,909	445,240
Mitigation/QNIP	8,337,478	8,337,478	8,094,986	242,492
Total expenditures	23,269,843	23,269,843	22,021,989	1,247,854
Other financing uses:				
Transfers out	8,216,280	8,216,280	-	8,216,280
Total other financing uses	8,216,280	8,216,280	-	8,216,280
Net change in fund balance	\$ 1,743,850	\$ 1,743,850	\$ 7,410,812	\$ 5,666,962

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

CITY OF DORAL, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is prepared for the general fund. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The City Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d) The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During fiscal year ended September 30, 2005, there were no supplemental appropriations.
- e) Formal budgetary integration is employed as a management control device for the general fund.
- f) The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2. EXPENDITURES EXCEEDING APPROPRIATED BALANCES

Revisions that alter the total expenditures of any department within a fund must be approved by the City Council. Actual expenditures and operating transfers out may not exceed budget appropriations at the individual fund level. Appropriations which are neither expended, encumbered, nor specifically designated to be carried over, lapse at the end of the fiscal year.

For the fiscal year ended September 30, 2005, expenditures exceeded appropriations in the following City Departments; City Manager, City Clerk and Community Development. Although these Departments exceeded their appropriations the overall actual expenditures in the general fund did not exceed overall appropriations.

CITY OF DORAL, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 3. BUDGET/GAAP RECONCILIATION

The following schedule reconciles the amounts on the budgetary comparison schedule to the amounts on the statement of revenues, expenditures and changes in fund balances-governmental funds in the General Fund:

Net change in fund balance - actual amounts - budgetary basis - as reported on the budgetary comparison schedule (Page 28)	\$ 7,410,812
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Differences - budget to GAAP:

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP financial reporting purposes

Encumbrances outstanding in 2004	(1,055,180)
Encumbrances outstanding in 2005	76,870

Net change in fund balance - General Fund - GAAP basis - as reported on the statement of revenues, expenditures and changes in fund balances governmental funds (Page 14)	<u><u>\$ 6,432,502</u></u>
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**COMBINING AND
INDIVIDUAL FUND STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

Transportation – This fund accounts for the revenues received from the transportation surtax and expenditures for related transportation costs.

Capital Projects Fund

Capital Projects – This fund accounts for the acquisition and construction of various major capital projects.

City of Doral, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2005

	<u>Special Revenue</u> Transportation <u>Fund</u>	<u>Capital Projects</u> Capital Projects <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Assets			
Cash and cash equivalents	\$ 847,500	\$ 100,000	\$ 947,500
Accounts receivable:			
Intergovernmental	-	-	-
Due from other funds	219,826	-	219,826
Total Assets	<u>\$ 1,067,326</u>	<u>\$ 100,000</u>	<u>\$ 1,167,326</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 29,520	\$ 38,076	\$ 67,596
Due to other funds	-	608,957	608,957
Total liabilities	<u>29,520</u>	<u>647,033</u>	<u>676,553</u>
Fund balances:			
Unreserved, undesignated	1,037,806	(547,033)	490,773
Total fund balances	<u>1,037,806</u>	<u>(547,033)</u>	<u>490,773</u>
Total liabilities and fund balances	<u>\$ 1,067,326</u>	<u>\$ 100,000</u>	<u>\$ 1,167,326</u>

City of Doral, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2005

	Transportation <u>Fund</u>	Capital Projects <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:			
Intergovernmental	\$ 576,121	\$ -	\$ 576,121
Total revenues	<u>576,121</u>	<u>-</u>	<u>576,121</u>
Expenditures:			
Public works	204,295	-	204,295
Parks and recreation	<u>-</u>	<u>647,033</u>	<u>647,033</u>
Total expenditures	<u>204,295</u>	<u>647,033</u>	<u>851,328</u>
Excess of revenues over (under) expenditures	<u>371,826</u>	<u>(647,033)</u>	<u>(275,207)</u>
Other financing sources:			
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	371,826	(647,033)	(275,207)
Fund balances, beginning	<u>665,980</u>	<u>100,000</u>	<u>765,980</u>
Fund balances (deficits), ending	<u><u>\$ 1,037,806</u></u>	<u><u>\$ (547,033)</u></u>	<u><u>\$ 490,773</u></u>

STATISTICAL SECTION

The City of Doral, Florida

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS

Governmental Activities							
<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Works</u>	<u>Police</u>	<u>Parks and Recreation</u>	<u>Community Development</u>	<u>Mitigation QNIP</u>	<u>Total</u>
2003	\$174,272	\$43,208	\$1,212,410	\$81,143	\$206,438	\$2,048,839	\$3,766,310
2004	\$2,045,250	\$272,985	\$7,445,612	\$359,329	\$642,407	\$7,697,611	\$18,463,194
2005	\$3,300,307	\$528,564	\$8,696,157	\$765,909	\$1,614,376	\$8,094,986	\$23,000,299

The City of Doral, Florida

GOVERNMENT-WIDE REVENUES

LAST TEN FISCAL YEARS

Fiscal Year	Program Revenues			General Revenues			Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes (1)	Unrestricted Investment Earnings	Miscellaneous	
2003	\$497,165	\$0	\$0	\$4,744,655	\$12,685	\$0	\$5,254,505
2004	\$1,150,385	\$0	\$0	\$21,423,826	\$2,551	\$33,416	\$22,610,178
2005	\$4,209,323	\$12,750	\$0	\$25,249,439	\$376,831	\$160,579	\$30,008,922

(1) Includes property taxes, utility taxes, franchise fees and intergovernmental

The City of Doral, Florida

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Police Department</u>	<u>Parks and Recreation</u>	<u>Public Works</u>	<u>Mitigation QNIP</u>	<u>Total</u>
2003	\$380,710	\$1,212,410	\$81,143	\$43,208	\$2,048,839	\$3,766,310
2004	\$2,687,657	\$7,445,612	\$359,329	\$272,985	\$7,697,611	\$18,463,194
2005	\$4,914,683	\$8,696,157	\$765,909	\$528,564	\$8,094,986	\$23,000,299

Note: Includes general fund only (GAAP basis)

Note: General government includes economic development, community development, capital outlay, and non- departmental expenditures.

The City of Doral, Florida

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Licenses Permits Fines</u>	<u>Inter- Governmental</u>	<u>Utility Taxes</u>	<u>Franchise Fees</u>	<u>Charges for Services</u>	<u>Other (1)</u>	<u>Interest</u>	<u>Total</u>
2003	\$3,205,654	\$251,502	\$332,533	\$815,997	\$347,261	\$0	\$245,663	\$12,685	\$5,211,295
2004	\$13,252,700	\$207,312	\$2,563,255	\$4,153,964	\$1,453,907	\$943,073	\$33,416	\$2,551	\$22,610,178
2005	\$14,875,808	\$2,658,154	\$2,580,539	\$5,352,767	\$1,864,204	\$1,551,169	\$173,406	\$376,831	\$29,432,878

Note: Includes general fund only (GAAP basis)

(1) Includes charges for services, grants, contributions and other.

The City of Doral, Florida
UTILITY TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Electricity</u>	<u>Telecom- munications</u>	<u>Gas</u>	<u>Fuel Oil</u>	<u>Water</u>	<u>Total</u>
2003	\$409,487	\$355,400	\$7,110	\$0	\$44,000	\$815,997
2004	\$2,067,753	\$1,530,099	\$38,785	\$0	\$517,327	\$4,153,964
2005	\$2,328,733	\$2,534,262	\$13	\$0	\$489,759	\$5,352,768

FRANCHISE FEE REVENUE BY SOURCE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Electricity</u>	<u>Cable TV/ Telephone (1)</u>	<u>Solid Waste</u>	<u>Total</u>
2003	\$347,261	\$0	\$0	\$347,261
2004	\$1,453,907	\$0	\$0	\$1,453,907
2005	\$1,480,502	\$0	\$383,702	\$1,864,205

(1) Simplified communications tax effective October 1, 2001 replaced the utility tax and franchise fees on telecommunications and cable television.

The City of Doral, Florida

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Tax Year	Fiscal Year	Assessed Value	Tax Levy	Total Collected	Percent Collected	
2002	2003	\$4,912,629,342	\$3,333,787	\$3,205,654	96.16%	(1)
2003	2004	\$5,422,966,898	\$12,606,500	\$13,252,700	105.13%	
2004	2005	\$6,487,084,909	\$15,080,202	\$14,875,808	98.64%	

(1) During the initial period of incorporation, taxes were levied and collected by Miami-Dade County and remitted on an annual basis to the City. The city began to levy its own tax roll on October 1, 2004 for fiscal year 2005.

The City of Doral, Florida

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Net Assessed Property Value</u>	
2003	(1)	(1)	\$4,912,629,342	(1)
2004	\$4,990,338,074	\$432,628,824	\$5,422,966,898	
2005	\$5,846,164,369	\$640,920,540	\$6,487,084,909	

Source: Miami-Dade County Property Appraiser's Office

Note: (1) Detail between real and personal property not available, as the City was not on the tax roll for 2003.
The City received 26.67% of the revenues for fiscal year ended 9/30/2003.

The City of Doral, Florida

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

Fiscal <u>Year</u>	<u>City of Doral</u>	<u>Miami-Dade County</u>			<u>State</u>			<u>School District</u>			<u>Other</u>	<u>Total</u>
	<u>City Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total County Millage</u>	<u>SFWMD Millage</u>	<u>FIND Millage</u>	<u>Total State Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total School Millage</u>		
2003	2.447	5.969	0.285	6.254	0.597	0.039	0.636	8.418	0.682	9.100	1.086	19.523
2004	2.447	5.935	0.285	6.220	0.597	0.039	0.636	8.090	0.597	8.687	1.030	19.020
2005	2.447	5.835	0.285	6.120	0.597	0.039	0.636	7.947	0.491	8.438	4.040	21.680

Source: Miami-Dade County Property Appraiser's Office

The City of Doral, Florida

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

<u>Fiscal Year</u>	<u>Total Permits Issued</u>	<u>Residential</u>		<u>Commercial</u>		<u>(1) Total of Construction</u>	<u>County Bank Deposits</u>	<u>City Bank Deposits</u>
		<u># of Permits</u>	<u>Valuation</u>	<u># of Permits</u>	<u>Valuation</u>			
2003	0	0	\$0	0	\$0	\$0	\$56,264,000	\$7,441,285
2004	0	0	\$0	0	\$0	\$0	\$62,368,000	\$6,431,351
2005	1,601	645.000	\$301,626	956	\$611,220	\$912,846	\$70,222,000	\$7,280,858

Note: (1) For fiscal years 2003 and 2004, Permits were processed and issued through Miami-Dade County. The City assumed this responsibility on October 1, 2004.

Source: Bank deposits information from Federal Deposit Insurance Corporation.

The City of Doral, Florida

PRINCIPAL TAXPAYERS

September 30, 2005

	Taxable Valuation	% Total Assessed Valuation
PSBP Industrial Park LTD	\$151,696,443	2.91%
West Dade County Associates	\$131,068,939	2.51%
Koala Miami Real Estate Holdings	\$90,584,584	1.74%
New World Ventures	\$82,371,777	1.58%
Acacia Credit Fund	\$60,766,790	1.17%
AMB Property LTD	\$53,048,348	1.02%
KSL Hotel Corporation	\$47,499,500	0.91%
Metropolitan Life	\$40,500,403	0.78%
Adler Office Associates LTD	\$39,589,410	0.76%
AMB HTD Beacon Centre LLC	<u>\$38,771,631</u>	0.74%
	<u><u>\$735,897,825</u></u>	14.11%

Source: Miami-Dade County Property Appraiser's Office

The City of Doral, Florida

DEMOGRAPHIC STATISTICS

SEPTEMBER 30, 2005

	Fiscal 2003	Fiscal 2004	Fiscal 2005
	(1)		
POPULATION	27,000	29,670	32,485
UNEMPLOYMENT RATES			
	5.7	5.0	3.9

(1) Estimated at time of incorporation

COMPLIANCE SECTION



Report on Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor, City Council and City Manager
City of Doral, Florida

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Doral, Florida, (the City) as of and for the fiscal year ended September 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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Honorable Mayor, City Council and City Manager
City of Doral, Florida
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This report is intended solely for the information of the Mayor, City Council, management and regulatory bodies and is not intended to be and should not be used by anyone other than those specified parties.

Rodriguez Trueba & Company

Rodriguez, Trueba & Co., P.A.
Doral, Florida
June 27, 2006



Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

Honorable Mayor, City Council and City Manager
City of Doral, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Doral, Florida (the City), as of and for the fiscal year ended September 30, 2005, and have issued our report thereon dated June 27, 2006.

We conducted our audit in accordance with United States generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over financial reporting and on Compliance Based on an Audit of Financial Statements. Disclosures in that report, which are dated June 27, 2006, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA.

1. There were no inaccuracies, shortages, defalcations, fraud, or violations of laws, rules, regulations, or contractual provisions reported in the previous annual financial audit.
2. There were no findings or recommendations made in the preceding annual financial audit.
3. The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2005 financial audit report.
4. The City complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
5. The City is not and was not in a state of financial emergency as a consequence of conditions described in section 218.503(1), Florida Statutes.

6. There were no current year recommendations to improve the City's financial management, accounting procedures and internal controls.
7. There were no violation of laws, rules, regulations and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit.
8. There were no illegal or improper expenditures discovered within the scope of the audit that may or may not materially affect the basic financial statements.
9. There were no matters requiring correction that may or may not materially affect the basic financial statements. (Improper or inadequate accounting procedures, failure to properly record financial transactions or other inaccuracies, shortages, defalcations, or instances of fraud discovered by or that came to our attention.
10. The City of Doral, Florida was created pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There are no component units related to the City.
11. We applied financial condition assessment procedures pursuant to Rule 10.556 (8) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This management letter is intended solely for the information and use of the Mayor, City Council, management and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties.

Rodriguez Trueba & Company

Rodriguez, Trueba & Co., P.A.
Doral, Florida
June 27, 2006