

City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2006

Prepared by:

THE FINANCE DEPARTMENT

City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2006

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City of Doral, Florida

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INTRODUCTORY SECTION



March 12, 2007

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, 2006.

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, 2006, 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, 2006, 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 third anniversary of incorporation on June 24, 2006. 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, 2005. This was the second 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 GAAP and applicable legal requirements.

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 2005-2006 fiscal year. This is the second 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, 2006

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

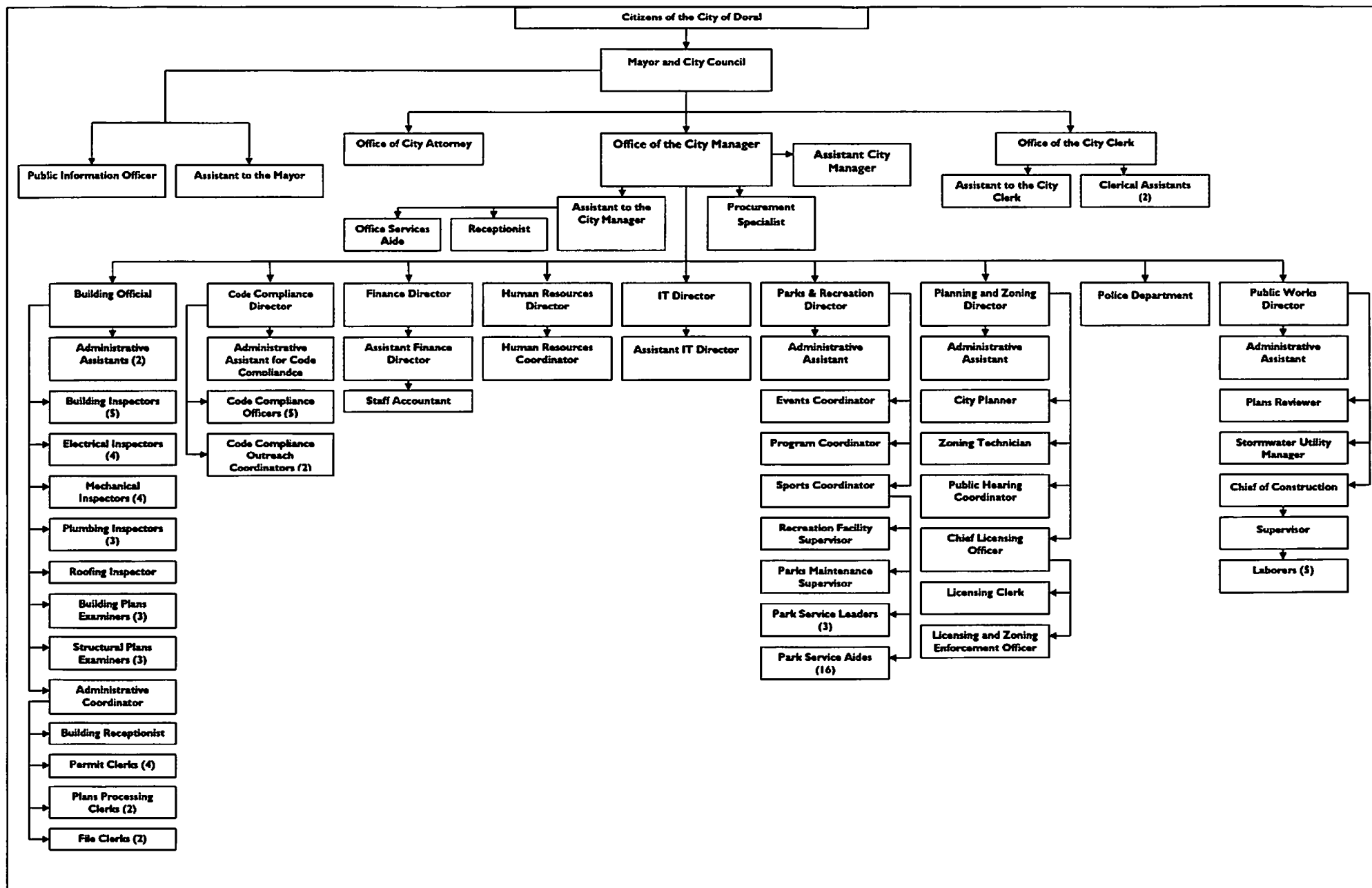
Law Offices of John J. Hearn, P.A.

FINANCE DIRECTOR

Randolph G. White, P.A.

CITY AUDITORS

Rodriguez, Trueba & Co., P.A.
Certified Public Accountants



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, 2005

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, 2006, 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, 2006, 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 March 21, 2007 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 34-36, 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 inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 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
March 21, 2007

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, 2006.

Financial Highlights

- The assets of the City of Doral exceeded its liabilities at the close of the most recent fiscal year by \$37,858,223 (net assets). Of this amount, \$6,052,226 is invested in capital assets, \$1,668,093 is restricted for transportation related uses, \$2,334,304 is restricted for stormwater and drainage use, and \$27,803,600 (*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 \$24,586,900 this increase is attributable to excess revenues over expenses for 2006.
- As of the close of the current fiscal year, Doral's governmental funds reported an ending fund balance of \$35,523,919. Of this amount, \$27,803,600 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 \$22,333,658, or 78.8 % of total general fund expenditures.
- The City issued series 2006 Revenue Bonds in the amount of \$21,450,000 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 spend able resources* as well as on *balances of spend able 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 33 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 \$37,858,223 at the close of the most recent fiscal year.

A portion of the City's net assets, \$6,052,226 or 16 %, 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 2005	Governmental Activities 2006	Business Type Activities 2005	Business Type Activities 2006	Total 2005	Total 2006
Current assets	\$ 14,306,775	\$ 40,053,159	\$ 150,000	\$ 2,334,304	\$ 14,456,775	\$ 42,387,463
Capital assets		27,355,571	-	-	-	27,355,571
Current liabilities	1,132,402	10,645,821	53,050	-	1,185,452	10,645,821
Long term liabilities	-	21,238,990	-	-	-	21,238,990
Net assets:						
Invested in capital assets	1,591,438	6,052,226	-	-	1,591,438	6,052,226
Restricted	1,242,101	1,668,093	96,950	2,334,304	1,339,051	4,002,397
Unrestricted	10,340,834	27,803,600	-	-	10,340,834	27,803,600
Total Net Assets	<u>\$ 13,174,373</u>	<u>\$ 35,523,919</u>	<u>\$ 96,950</u>	<u>\$ 2,334,304</u>	<u>\$ 13,271,323</u>	<u>\$ 37,858,223</u>

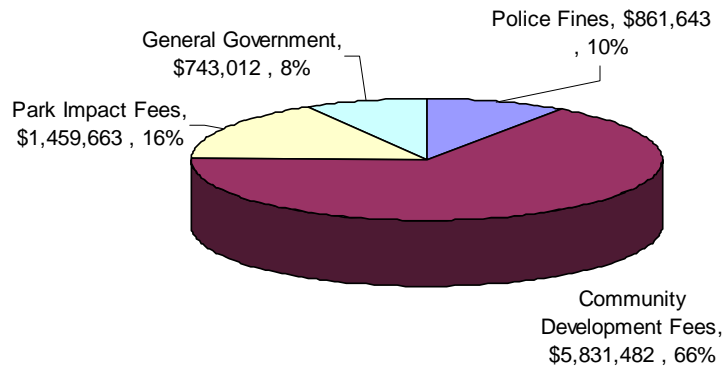
Table A-2
Summary of changes in net assets

	Governmental Activities 2005	Governmental Activities 2006	Business Type Activities 2005	Business Type Activities 2006	Total 2005	Total 2006
Program						
Revenues:						
Charges for services	\$ 4,209,323	\$ 8,895,800	\$ -	\$ 2,322,923	\$ 4,209,323	\$ 11,218,723
Operating Grants and Contributions	12,750	91,343	-	-	12,750	91,343
General Revenues:						
Property taxes	\$ 14,875,808	\$ 17,202,696	\$ -	\$ -	\$ 14,875,808	\$ 17,202,696
Utility taxes	2,818,505	2,469,240	-	-	2,818,505	2,469,240
Franchise fees	1,864,204	2,801,948	-	-	1,864,204	2,801,948
Communications services tax	2,534,262	3,557,442	-	-	2,534,262	3,557,442
Intergovernmental	3,156,660	3,577,547	-	-	3,156,660	3,577,547
Investment	537,410	11,911,671	-	-	537,410	11,911,671
Income and miscellaneous transfers	-	-	-	-	-	-
Total Revenues	\$ 30,008,922	\$ 50,507,687	\$ -	\$ 2,322,923	\$ 30,008,922	\$ 52,830,610
Expenses:						
General government	\$ 2,874,853	\$ 3,550,056	\$ 53,050	\$ 85,569	\$ 2,927,903	\$ 3,635,625
Police	8,653,831	10,967,211	-	-	8,653,831	10,967,211
Community Development	1,653,632	2,956,260	-	-	1,653,632	2,956,260
Public Works	553,223	748,229	-	-	553,223	748,229
Debt Service	-	450,073	-	-	-	450,073
Parks & Recreation	770,844	1,306,101	-	-	770,844	1,306,101
Mitigation/QNIP	8,094,986	8,180,211	-	-	8,094,986	8,180,211
Total expenses	\$ 22,601,369	\$ 28,158,141	\$ 53,050	\$ 85,569	\$ 22,654,419	\$ 28,243,710
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in net assets	\$ 7,407,553	\$ 22,349,546	\$ (53,050)	\$ 2,237,354	\$ 7,354,503	\$ 24,586,900

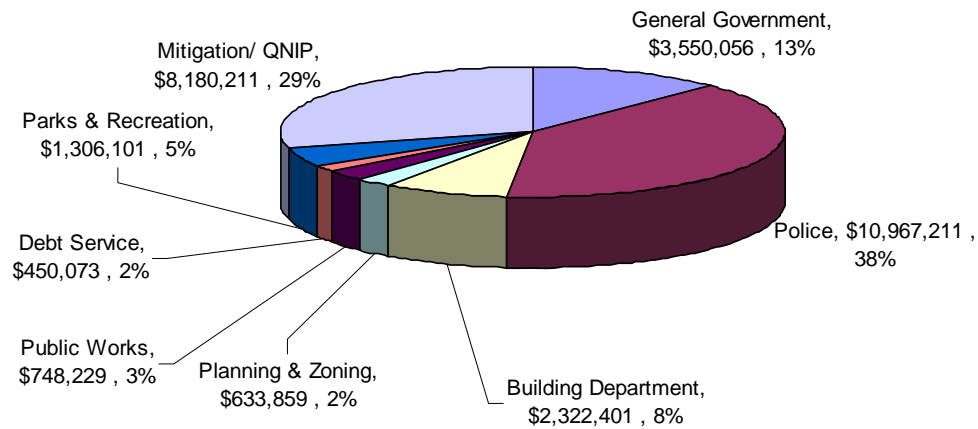
The government's net assets increased by \$24,586,900 during the current fiscal year. This increase represents the results of operating under prudent adherence to budgeted allocations and with a streamlined and efficient management of the City's finances.

Program Revenues and Expenses – Governmental Activities

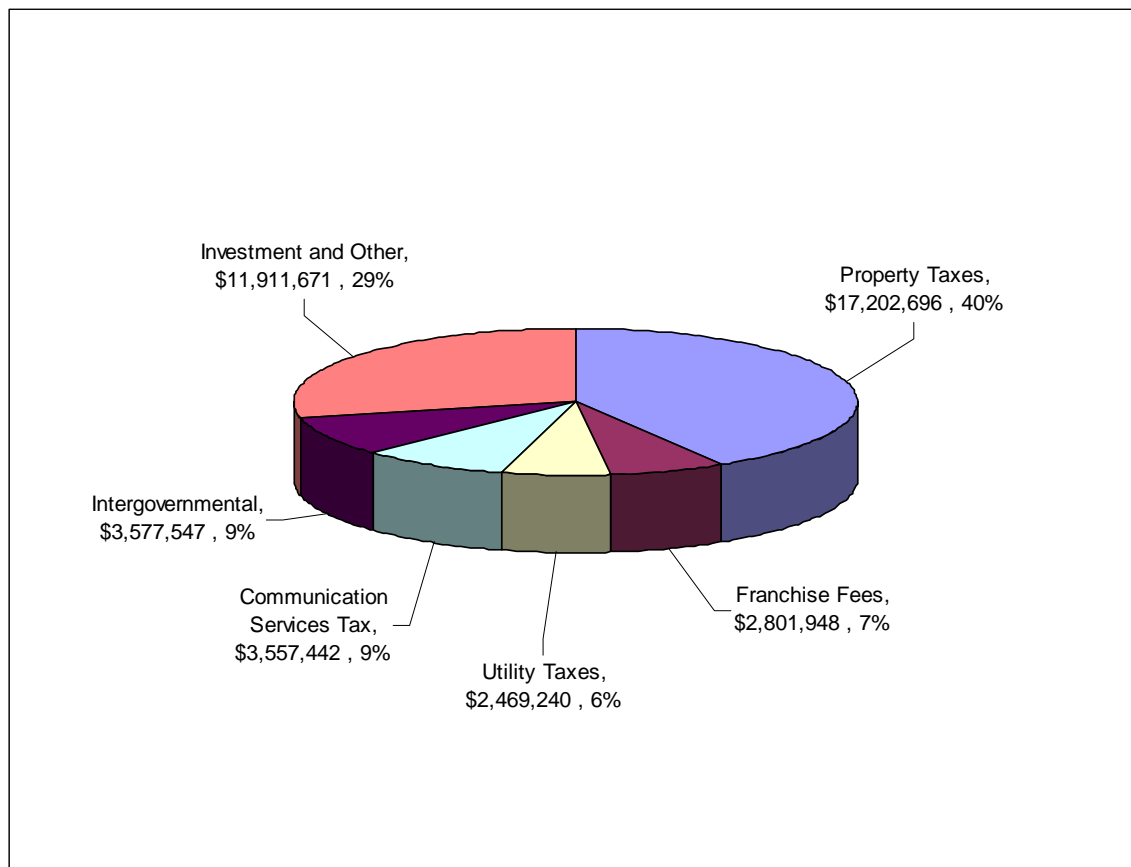
Program Revenues



Program Expenses



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 \$22,333,658; this entire amount 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 97.1 percent of total general fund expenditures; this is also the total fund balance.

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, 2005 and 2006 follows.

Table B-1

Summary of condensed Balance Sheet

	September 30, 2005	September 30, 2006
Total assets	\$13,544,120	\$40,239,828
Total liabilities	\$1,901,645	\$10,638,299
Unreserved fund balance	\$10,468,462	\$28,038,318
Reserved fund balance	\$1,173,913	\$1,563,211
Total liabilities and fund balances	\$11,642,475	\$40,239,828

Table B-2

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

	Fiscal Year 2005	Fiscal Year 2006
Total revenues	\$30,008,922	\$50,507,687
Total expenditures	\$23,851,627	\$53,880,633
Excess of revenues over (under) expenditures	\$6,157,295	(\$3,372,946)

Governmental activities. Governmental activities increased the City of Doral general fund balance by approximately \$17,959,054. Key elements of this increase are as follows:

- Property taxes amounted to \$17,202,696.
- Other taxes amounted to \$12,406,177.

General Fund Budgetary Highlights

The original budget was amended on March 8, 2006

Capital Assets

As of September 30, 2006, the City's investment in capital assets for governmental activities amounted to \$27,355,571. There were no capital assets in business-type activities. Please refer to Note 4 to the financial statements for more relevant disclosures related to capital assets. The total increase in capital assets was as follows:

- Purchase of two parcels of land for future park development
- Completion of City Hall build out
- Purchase of vehicles for building department
- Purchase of a vehicle and equipment for police

Economic Factors and Next Years Budgets and Rates

- The unemployment rate for Miami-Dade County is currently 4.5 percent, which is an increase from a rate of 4.1 percent a year ago. This compares unfavorably to the state's average unemployment rate of 3.3 percent and favorable to the national average rate of 4.6 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 2007 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 2007 fiscal year budget. It is intended that the use of available fund balance will avoid the need to raise taxes or charges during the 2007 fiscal year, and further build reserve funds.

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, 2006

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 38,431,283	\$ 1,626,656	\$ 40,057,939
Receivable, Net	1,599,466	707,648	2,307,114
Internal Balances	-	-	-
Prepays	22,410	-	22,410
Capital Assets, Net of Accumulated Depreciation	27,355,571	-	27,355,571
Total Assets	<u>\$ 67,408,730</u>	<u>\$ 2,334,304</u>	<u>\$ 69,743,034</u>
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 10,451,630	\$ -	\$ 10,451,630
Capital Lease Payable	26,106	-	26,106
Long Term Bonds Payable	168,085	-	168,085
Deferred Income and Deposits	-	-	-
Total Liabilities	<u>10,645,821</u>	<u>-</u>	<u>10,645,821</u>
Non-Current Liabilities			
Compensated Absences	129,836	-	129,836
Capital Lease Payable	27,239	-	27,239
Long Term Bonds Payable	21,081,915	-	21,081,915
Total Non-Current Liabilities	<u>21,238,990</u>	<u>-</u>	<u>21,238,990</u>
Total Liabilities	31,884,811	-	31,884,811
Net Assets			
Invested in Capital Assets	6,052,226	-	6,052,226
Restricted for:			
Stormwater and drainage		2,334,304	2,334,304
Transportation	1,668,093	-	1,668,093
Unrestricted	27,803,600	-	27,803,600
Total Net Assets	<u><u>\$ 35,523,919</u></u>	<u><u>\$ 2,334,304</u></u>	<u><u>\$ 37,858,223</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, 2006

	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	\$ 3,550,056	\$ 743,012	\$ -	\$ (2,807,044)	\$ -	\$ (2,807,044)
Building	2,322,401	5,607,313	-	3,284,912	-	3,284,912
Planning and zoning	633,859	224,169	-	(409,690)	-	(409,690)
Debt service	450,073	-	-	(450,073)	-	(450,073)
Police	10,967,211	861,643	-	(10,105,568)	-	(10,105,568)
Public works and physical environment	748,229	-	-	(748,229)	-	(748,229)
Parks and recreation	1,306,101	1,459,663	91,343	244,905	-	244,905
Mitigation/QNIP	8,180,211	-	-	(8,180,211)	-	(8,180,211)
Total Governmental Activities	28,158,141	8,895,800	91,343	(19,170,998)	-	(19,170,998)
Business-type Activities						
Stormwater utility	85,569	2,322,923	-	-	2,237,354	2,237,354
Total Business Activities	85,569	2,322,923	-	-	2,237,354	2,237,354
General Revenues:						
Property taxes				17,202,696	-	17,202,696
Franchise fees based on gross receipts				2,801,948	-	2,801,948
Utility taxes				2,469,240	-	2,469,240
Communication Service Tax				3,557,442	-	3,557,442
Intergovernmental				923,079	-	923,079
Restricted Intergovernmental				2,654,468	-	2,654,468
Unrestricted Investments Earnings				1,268,347	-	1,268,347
Other				10,643,324	-	10,643,324
Transfers				-	-	-
Total General Revenues and Transfers				41,520,544	-	41,520,544
Change in Net Assets				22,349,546	2,237,354	24,586,900
Net Assets - October 1, 2005				13,174,373	96,950	13,271,323
Net Assets - September 30, 2006				<u>\$ 35,523,919</u>	<u>\$ 2,334,304</u>	<u>\$ 37,858,223</u>

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

City of Doral, Florida

Balance Sheet
Governmental Funds
September 30, 2006

	<u>Major Funds</u>		<u>Non-Major Fund</u>	
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Transportation Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 30,769,682	\$ 6,244,549	\$ 1,417,052	\$ 38,431,283
Receivables, Net	1,551,370	-	48,096	1,599,466
Due from other funds	450	-	186,219	186,669
Prepays	22,410	-	-	22,410
Total Assets	<u>\$ 32,343,912</u>	<u>\$ 6,244,549</u>	<u>\$ 1,651,367</u>	<u>\$ 40,239,828</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 9,824,035	\$ 539,439	\$ 88,156	\$ 10,451,630
Deferred revenues	-	-	-	-
Due to other fund	186,219	450	-	186,669
Total Liabilities	<u>10,010,254</u>	<u>539,889</u>	<u>88,156</u>	<u>10,638,299</u>
Fund Balances				
Reserved				
Encumbrances	-	-	-	-
Prepays	-	-	-	-
Transportation	-	-	1,563,211	1,563,211
Unreserved reported in				
General fund	22,333,658	-	-	22,333,658
Capital projects fund	-	5,704,660	-	5,704,660
Total Fund Balances	<u>22,333,658</u>	<u>5,704,660</u>	<u>1,563,211</u>	<u>29,601,529</u>
Total Liabilities and Fund Balances	<u>\$ 32,343,912</u>	<u>\$ 6,244,549</u>	<u>\$ 1,651,367</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.				27,355,571
Long term liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore not reported in the governmental funds				(21,433,181)
Net assets of governmental activities				<u>\$ 35,523,919</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, 2006

	<u>Major Funds</u>		<u>Non-Major Fund</u>	
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Transportation Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 17,202,696	\$ -	\$ -	\$ 17,202,696
Utility taxes	2,469,240	-	-	2,469,240
Franchise fees	2,801,948	-	-	2,801,948
Intergovernmental	2,938,945	-	638,602	3,577,547
Licenses, permits and fines	6,943,370	-	-	6,943,370
Communication service tax	3,557,442	-	-	3,557,442
Charges for services	1,952,430	-	-	1,952,430
Grant Revenue	91,343	-	-	91,343
Interest	1,123,747	144,600	-	1,268,347
Other	643,324	10,000,000	-	10,643,324
Total revenues	<u>39,724,485</u>	<u>10,144,600</u>	<u>638,602</u>	<u>50,507,687</u>
Expenditures				
Current				
General government	3,421,798	-	-	3,421,798
Police	11,068,689	-	-	11,068,689
Public works	860,948	-	113,197	974,145
Parks and recreation	1,260,984	25,442,907	-	26,703,891
Building	2,429,029	-	-	2,429,029
Planning and zoning	624,142	-	-	624,142
Debt				
Principal payments	28,655	-	-	28,655
Interest	450,073	-	-	450,073
Mitigation/QNIP	8,180,211	-	-	8,180,211
Total expenditures	<u>28,324,529</u>	<u>25,442,907</u>	<u>113,197</u>	<u>53,880,633</u>
Excess of revenues over (under) expenditures	<u>11,399,956</u>	<u>(15,298,307)</u>	<u>525,405</u>	<u>(3,372,946)</u>
Other financing sources (uses):				
Bond proceeds	-	21,250,000	-	21,250,000
Proceeds from capital leases	82,000	-	-	82,000
Transfers in	1,097,500	400,000	-	1,497,500
Transfers (out)	(1,397,500)	(100,000)	-	(1,497,500)
Total other financing sources (uses)	<u>(218,000)</u>	<u>21,550,000</u>	<u>-</u>	<u>21,332,000</u>
Net change in fund balances	11,181,956	6,251,693	525,405	17,959,054
Fund balances (deficit), beginning of year	11,151,702	(547,033)	1,037,806	11,642,475
Fund balances, end of year	<u>\$ 22,333,658</u>	<u>\$ 5,704,660</u>	<u>\$ 1,563,211</u>	<u>\$ 29,601,529</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, 2006

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

Net Change in Fund Balances - Total Governmental Funds	\$	17,959,054
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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	26,141,505	
Depreciation expense	<u>(377,372)</u>	25,764,133

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

Bonds Issued during the year	(21,250,000)	
Change in long-term compensated absences	(70,296)	
Proceeds from capital lease	(82,000)	
Payments on capital lease	<u>28,655</u>	(21,373,641)

Change in Net Assets of Governmental Fund Activities	<u>\$</u>	<u>22,349,546</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, 2006

	Business-type Activities	
	<u>Enterprise Fund</u>	
	<u>Storm Water Fund</u>	
Assets		
Current Assets:		
Cash and cash equivalents	\$	1,626,656
Accounts receivable		707,648
Total Assets		<u>2,334,304</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities		-
Due to other fund		-
Total Liabilities		<u>-</u>
Net Assets		
Unrestricted		2,334,304
Total Net Assets	\$	<u><u>2,334,304</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, 2006

	Business-type Activities
	<u>Enterprise Fund</u>
	<u>Storm Water fund</u>
Operating Revenues	
Service revenues	\$ -
Stormwater fees	2,322,923
Total Operating Revenue	<u>2,322,923</u>
Operating Expenses	
Operating, administrative and maintenance	85,569
Depreciation	-
Total Operating Expenses	<u>85,569</u>
Operating Income (Loss)	2,237,354
Nonoperating Revenues	
Interest Income	-
Interest expense	-
Total Nonoperating Revenues	<u>-</u>
Income (Loss) Before Contributions and Transfers	2,237,354
Other Financing Sources:	
Transfers in	150,000
Transfers out	<u>(150,000)</u>
	<u>-</u>
Changes In Net Assets	2,237,354
Net Assets, beginning	<u>96,950</u>
Net Assets, ending	<u><u>\$ 2,334,304</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, 2006

	<u>Business-type Activities - Enterprise Funds</u>
	Storm Water Fund
Cash Flows from Operating Activities	
Operating Income (loss)	2,237,354
Change in Assets and Liabilities	
Decrease (Increase) in Receivables	(707,648)
Increase (Decrease) in Other Liabilities	(53,050)
Net Cash Provided by (Used In) Operating Activities	<u>1,476,656</u>
Cash Flows from Noncapital Financing Activities	
Transfers from other funds	\$ <u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	1,476,656
Cash and Cash Equivalents at Beginning of Year	<u>150,000</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>1,626,656</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 2,237,354
Changes in Current Assets and Current Liabilities	
Decrease (Increase) in Receivables	(707,648)
Increase (Decrease) in Other Liabilities	(53,050)
Increase in amounts due to other funds	<u>-</u>
Net Cash Flows from Operating Activities	\$ <u><u>1,476,656</u></u>
Cash and cash equivalents per statement of net assets:	
Unrestricted	\$ <u>1,626,656</u>
Restricted	<u>-</u>
	\$ <u><u>1,626,656</u></u>

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, 2006

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, 2006

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 funds:

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

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 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.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 received reimbursement grants related to the construction and project management of Doral Park. No expenses have been incurred, consequently no revenues have been recognized in relation to these grants. The City received FEMA and Florida grants related to hurricane relief amounting to \$517,586. The City received contributions from private sources to offset the cost of events benefiting the community aggregating \$91,343.

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".

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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. Payments of compensated absences during the year amounted to \$11,206.

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.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. New Pronouncements

In July 2004, the GASB issued Statement No. 47, Accounting for Termination Benefits. Employers should recognize a liability and expense for voluntary termination benefits (such as early retirement incentives) when the offer is accepted and the amount can be estimated. Employers should recognize a liability and expense for involuntary termination benefits (such as severance benefits) when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employees, and the amount can be estimated. Governmental fund financial statements should recognize those liabilities and expenditures to the extent the liabilities are normally expected to be liquidated with expendable available financial resources. Statement No. 47 provides an exception to the general recognition requirements for termination benefits that affect defined benefit postemployment benefits, such as pensions or retiree health care. Specifically, those termination benefits should be accounted for in the same manner as defined benefit pensions or other postemployment benefits, although any increase in an actuarial accrued liability associated with a termination benefit should be separately disclosed. Statement No. 47 generally is effective for financial statements for periods beginning after June 15, 2005. The City complied with the applicable provisions of GASB Statement No. 47.

In December 2004 the GASB issued Statement No. 46, Net Assets Restricted by Enabling Legislation – an Amendment to GASB Statement No. 34. GASB Statement No. 34 requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. In the process of applying this provision, some governments have had difficulty interpreting the requirement that those restrictions be “legally enforceable.” This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. This Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2005. The City complied with the applicable provisions of GASB Statement No. 46.

In June and April 2004 GASB issued Statements No. 45 and No. 43, respectively, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (“OPEB”). Statement No. 43, addresses financial statement and disclosure requirements for reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports. The Statements require for the employer to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer’s annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over-contributions. The ARC is defined as the employer’s required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years. For financial reporting purposes, an actuarial valuation is required at least biennially for OPEB plans with a total membership 200 or more, or at least triennially for plans with a total membership of fewer than 200. A sole employer in a plan with fewer than one hundred total plan members has the option to apply a simplified alternative measurement method instead of obtaining actuarial valuations. The City has elected not to early implement the applicable provisions of GASB Statements Nos. 43 and 45.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. New Pronouncements (continued)

If the sole or largest participating employer's GASB Statement No. 34 phase was:	The plan should apply GASB Statements Nos. 43 and 45 and for periods beginning after:
Phase 1	December 15, 2005
Phase 2	December 15, 2006
Phase 3	December 15, 2007

In May 2004 GASB issued Statement No. 44, Economic Condition Reporting – an Amendment to NCGA Statement 1. This Statement amends the portions of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, that guide the preparation of the statistical section. The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. The statistical section is a required part of a comprehensive annual financial report (CAFR), although governments are not required to prepare a statistical section if they do not present their basic financial statements within a CAFR. These circumstances are not altered by this Statement. However, this Statement does apply to any statistical section that accompanies a government's basic financial statements. This Statement establishes the objectives of the statistical section and the five categories of information it contains—financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information. The provisions of this Statement are effective for statistical sections prepared for periods beginning after June 15, 2005. The City complied with the applicable provisions of GASB Statement No. 44.

In November 2003 the GASB issued Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries. This Statement establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries. Impaired capital assets that will no longer be used by the government should be reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the government should be measured using the method that best reflects the diminished service utility of the capital asset. Impairment of capital assets with physical damage generally should be measured using a restoration cost approach, an approach that uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. Impaired capital assets that are idle should be disclosed, regardless of whether the impairment is considered permanent or temporary. An insurance recovery associated with events or changes in circumstances resulting in impairment of a capital asset should be netted with the impairment loss. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2004. Earlier application is encouraged. The City complied with the applicable provisions of GASB Statement No.42.

NOTE 2. DEPOSITS AND INVESTMENTS

GASB issued Statement No. 40 Deposits and Investment Risks Disclosures (GASB No. 40), amended 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.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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 follows:

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	<u>\$ 40,057,939</u>
Deposits	9,276,251
Investments	30,781,688
	<u>\$ 40,057,939</u>

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 3. RECEIVABLES

Receivables as of September 30, 2006 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	\$ 1,551,370	\$ 48,096	\$ 1,599,466
Less allowance for uncollectibles	-	-	-
Net total receivables	<u>\$ 1,551,370</u>	<u>48,096</u>	<u>\$ 1,599,466</u>

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ -	\$ 19,070,028	\$ -	\$ 19,070,028
Infrastructure Assets - Construction in Progress	851,328	6,427,761	-	7,279,089
Total capital assets, not being depreciated	<u>851,328</u>	<u>25,497,789</u>	<u>-</u>	<u>26,349,117</u>
Capital assets, being depreciated:				
Furniture, fixtures and equipment	912,514	324,093	-	1,236,607
Vehicles	154,521	319,623	-	474,144
Total capital assets, being depreciated	<u>\$ 1,067,035</u>	<u>\$ 643,716</u>	<u>\$ -</u>	<u>\$ 1,710,751</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	\$ (269,693)	\$ (290,731)	\$ -	\$ (560,424)
Vehicles	(57,232)	(86,641)	-	(143,873)
Total accumulated depreciation	<u>\$ (326,925)</u>	<u>\$ (377,372)</u>	<u>\$ -</u>	<u>\$ (704,297)</u>
Total capital assets, being depreciated, net	<u>740,110</u>	<u>266,344</u>	<u>-</u>	<u>1,006,454</u>
Governmental activities capital assets, net	<u>\$ 1,591,438</u>	<u>\$ 25,764,133</u>	<u>\$ -</u>	<u>\$ 27,355,571</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 184,672
Police	64,309
Public Works	44,116
Recreation	16,983
Building	63,489
Plan Zone	3,803
Total depreciation expense - governmental activities	<u>\$ 377,372</u>

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no interfund transfers during the year ended September 30, 2006. The composition of interfund receivables and payables as of September 30, 2006 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General	Capital Projects	\$ 450	Park construction costs prior to proceeds from Debt
Transportation	General	\$ 186,219	Transportation Revenue collections deposited in General Fund

NOTE 6. LONG TERM DEBT

Long-term liability activity for the year ended September 30, 2006, was as follows:

Primary Government	October 1, 2005	Additions	Payments	September 30, 2006
Capital Improvement Revenue Bonds				
Series 2006A	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
Series 2006B	-	11,250,000	-	11,250,000
Total Bonds	-	21,250,000	-	21,250,000
Other Liabilities				
Capital Leases	-	82,000	28,655	53,345
Compensated absences	59,540	\$ 81,332	\$ 11,036	\$ 129,836
Total Other Liabilities	59,540	163,332	39,691	183,181
Total Governmental Activities				
Long Term Liabilities	\$ 59,540	\$ 21,413,332	\$ 39,691	\$ 21,433,181

Annual debt service requirements for the all outstanding debt as of September 30, 2006 are as follows:

Fiscal Year Ended September 30,	Interest	Principal	Total
2007	\$ 1,020,434	\$ 324,027	\$ 1,344,461
2008	907,552	717,994	1,625,546
2009	877,057	721,200	1,598,257
2010	845,209	752,996	1,598,205
2011	811,946	786,204	1,598,150
2012-2016	3,506,710	4,483,140	7,989,850
2017-2021	2,423,020	5,565,070	7,988,090
2022-2026	1,075,335	6,910,580	7,985,915
2027	25,700	1,171,970	1,197,669
Total	\$ 11,492,964	\$ 21,433,181	\$ 32,926,145

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 6. LONG TERM DEBT - continued

Capital Improvement Bonds Payable

On May 4, 2006 the City issued \$21,250,000 of Capital Improvement Revenue Bonds, Series 2006A for \$10,000,000 and Series 2006B for \$11,250,000. The Bonds were issued to finance the acquisition of land for City parks and for improvements to Doral Park and Doral Meadows Park, including financing, architectural, engineering, environmental, legal and planning costs.

Capital Improvement Revenue Bond Series 2006A: This facility is a bank qualified tax-exempt line of credit in the amount of \$10 million, which is to expire 1 year from the closing date and convert into a term loan upon maturity. Payments of interest only are due quarterly. The credit line will bear interest at a variable rate equal to the bank qualified 65% of 3-month Libor plus .45. Commencing on July 1 of 2007 and through the maturity of the bonds in April 1, 2027; principal and interest payments shall be paid quarterly. During the fiscal year 2007 the effective interest rate fluctuated between 3.790% and 4.03%. There is no prepayment penalty on this Facility. On April 21, 2006, Regions Bank and the City of Doral entered into a master swap agreement to make the effective interest rate on the outstanding balance of the bonds to be a fixed 4.24%. The details of the swap transactions are discussed below.

Capital Improvement Revenue Bond Series 2006B: This facility is a bank qualified taxable line of credit in the amount of \$11.25 million, which is to expire 1 year from the closing date and convert into a term loan upon maturity. Payments of interest only are due quarterly. The credit line will bear interest at a variable rate equal to the bank qualified 3-month Libor plus .45. Commencing on July 1 of 2007 and through the maturity of the bonds in April 1, 2027; principal and interest payments shall be paid quarterly. During the fiscal year 2007 the effective interest rate fluctuated between 5.06% and 5.958%. There is no prepayment penalty on this Facility. In January of 2007, the City refunded these bonds with Capital Improvement Revenue Refunding Bonds Series 2007A for \$10 million (tax-exempt) and 2007B for \$1.25 million (taxable) bonds. See Note 11, Subsequent Events. On April 21, 2006, Regions Bank and the City of Doral entered into a master swap agreement to make the effective interest rate on the outstanding balance of the bonds to be a fixed 5.6% until the bonds were refunded and 4.24% with the 2007A and 2007B issues. The details of the swap transactions are discussed below.

Annual debt service requirements for the bonds outstanding as of September 30, 2006 are as follows:

Fiscal Year Ended					
September 30,	Interest	Principal	Total		
2007	\$ 1,017,961	\$ 168,085	\$ 1,186,046		
2008	\$ 907,552	\$ 690,755	\$ 1,598,307		
2009	\$ 877,057	\$ 721,200	\$ 1,598,257		
2010	\$ 845,209	\$ 752,996	\$ 1,598,205		
2011	\$ 811,946	\$ 786,204	\$ 1,598,150		
2012-2016	\$ 3,506,710	\$ 4,483,140	\$ 7,989,850		
2017-2021	\$ 2,423,020	\$ 5,565,070	\$ 7,988,090		
2022-2026	\$ 1,075,335	\$ 6,910,580	\$ 7,985,915		
2027	\$ 25,700	\$ 1,171,970	\$ 1,197,669		

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 6. LONG TERM DEBT - continued

Capital Improvement Bonds Payable - continued

Bond Covenants

According to the bond indentures, the City agrees to appropriate in its annual budget, from non-ad valorem tax revenues, the amounts necessary to pay the interest and principal due on the Bonds. Additionally, on each interest payment date the City shall deposit into a bond fund account sufficient amount funds to pay the principal and interest due. The City must submit to the owners of the bonds audited annual financial statement within 180 days after fiscal year end and a copy of the operating budget for the upcoming fiscal year end within 30 days of its final adoption. Additionally, the City must maintain the debt service coverage ratio of 1 to 1.

Interest Rate Swaps

The City uses interest rate swaps ("Swaption") to manage interest costs and the risk associated with the changing interest rates of long-term debt. The City does not hold or issue derivative instruments for trading purposes. Derivatives are used for hedging purposes only and must be designated as, and effective as, a hedge of identified risk exposure at the inception of the derivative contract. As of September 30, 2006, the City had the following interest rate swaps:

	Bond Amount	Fair Value	Interest rate		Maturity Date
			Pay Fixed	Received Floating	
Fair value hedges					
Non-amortizing swap	10,000,000	(841)	4.24%	4.03%	April 1, 2027
Non-amortizing swap	11,250,000	(1,593)	5.60%	5.98%	April 1, 2027

The City sold to Regions bank the right to enter into two interest rate swap with the City, in which the City would pay a specified fixed rate and receive a floating rate based on the 1month LIBOR (London Inter Bank Offered Rate) Index. The swaps were effective during 2006. The fixed rate on the swap was set so the City's swap payments and support costs on the variable rate debt are approximately equal to the debt service prior to the refunding. No additional material debt service savings are expected to be achieved from the actual refunding, but rather the entire benefit of the Swaption is realized through the annual payments from Regions Bank.

As of September 30, 2006, the City was not exposed to credit risk because the Swaption had a negative fair value. However, should interest rates change and the value of the Swaption become positive, the City could be exposed to credit risk in the amount of the Swaption's fair value. As of September 30, 2006, the Swaption does not expose the City to basis risk.

The Swaption provides for certain events that could cause the Counterparty of the City to terminate the swap. The swap may be terminated by the Counterparty or the City if the other party fails to perform under the terms of the swap agreement. The City has the right to optionally terminate the Swaption agreement at any time. The termination amount owed by either the City or the Counterparty is determined by market quotation.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 6. LONG TERM DEBT - continued

Capital Lease

The City has acquired property under capital leases with bargain purchase options. Properties acquired under capital leases were included in fixed assets under furniture, fixtures and equipment. Additions and payments related to capital leases during the current year are detailed above.

Compensated Absences

Additions and payments related to liabilities for compensated absences during the current year are detailed above. Payments of compensated absences during the year amounted to \$11,206. Estimated payments for the fiscal year ending in September 2007 are approximately \$20,000.

NOTE 7. FUND BALANCES / NET ASSETS

There are no fund balance deficits at September 30, 2006. As of September 30, 2005, a deficit undesignated fund balance of \$(547,033) existed 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.

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%.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 9. RETIREMENT PLANS – continued

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, 2006 was \$181,507 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.

Agreement for Office Space Leases

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.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

Agreement for Office Space Leases - (Continued)

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. Rent expense for the year ended September 30, 2006 approximated \$245,000. 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.

Construction Contract/Projects

At September 30, 2006, the City had in progress various construction projects related to Doral Park and Miami-West Park (renamed J.C. Bermudez Park) with remaining balances totaling approximately \$14.3 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 \$10,509,717 for local police services based on a budgeted amount of \$10,864,135. 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.

Agreement with Miami-Dade County for Local Police Patrol Services

Effective June 3, 2004, the City executed an agreement with Miami-Dade County for specialized police services. A payment or 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.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

Agreement for Professional Services - (Continued)

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 were 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. The agreement was terminated effective October 1, 2005.

During 2005 and 2006 the City has executed other professional service agreements related to governmental consulting services, audit, engineering and project management required to carry out its regular operations and services in the normal course of business. These contracts are for periods not ranging from two to five years (some with options to renew) and are easily cancelled with notice by the City or the service provider.

NOTE 11. SUBSEQUENT EVENTS

Capital Improvement Debt

In January of 2007, the City refunded these bonds with Capital Improvement Revenue Refunding Bonds Series 2007A for \$10 million (tax-exempt) and 2007B for \$1.25 million (taxable) bonds. Note 6 – Long Term Debt, includes the required debt service information as if the refunding took place as of September 30, 2006.

Municipal Service Trust Fund

In May 2007, the Florida Legislature resolved to eliminate mitigation payments to Miami-Dade County by local governments incorporated after the year 2000. The Miami Dade County Board of County Commissioners resolved to sue the State over this law.

REQUIRED SUPPLEMENTARY INFORMATION

City of Doral, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 17,362,280	\$ 17,362,280	\$ 17,202,696	\$ (159,584)
Utility taxes	2,665,000	2,665,000	2,469,240	(195,760)
Franchise fees	2,375,000	2,375,000	2,801,948	426,948
Intergovernmental	2,594,189	2,594,189	2,938,945	344,756
Licenses, permits and fines	2,972,000	2,972,000	6,943,370	3,971,370
Communication service Tax	2,177,886	2,177,886	3,557,442	1,379,556
Charges for services	1,705,000	1,705,000	1,952,430	247,430
Grant revenues	1,169,280	1,169,280	91,343	(1,077,937)
Interest	125,000	125,000	1,123,747	998,747
Other	46,000	46,000	643,324	597,324
County General Obligation	4,607,000	4,607,000	-	(4,607,000)
Revenue contingency	-	-	-	-
Total revenues	<u>37,798,635</u>	<u>37,798,635</u>	<u>39,724,485</u>	<u>1,925,850</u>
Expenditures				
Current				
General government				
Elected officials	416,491	416,491	544,242	(127,751)
Manager's office	564,382	564,382	386,213	178,169
City Clerk	268,986	268,986	351,178	(82,192)
Finance Department	155,965	155,965	161,581	(5,616)
City Attorney	282,080	282,080	268,262	13,818
General Government	<u>1,250,746</u>	<u>1,250,746</u>	<u>1,633,452</u>	<u>(382,706)</u>
Total general government	2,938,650	2,938,650	3,344,928	406,278
Police	11,291,406	11,291,406	11,068,689	222,717
Community development	-	-	-	-
Public works	862,691	862,691	860,948	1,743
Parks and recreation	1,281,811	1,281,811	1,260,984	20,827
Building	2,762,054	2,762,054	2,429,029	333,025
Planning and zoning	680,721	680,721	624,142	56,579
Debt	875,620	875,620	478,728	396,892
Mitigation/QNIP	<u>7,992,127</u>	<u>7,992,127</u>	<u>8,180,211</u>	<u>188,084</u>
Total expenditures	<u>28,685,080</u>	<u>28,685,080</u>	<u>28,247,659</u>	<u>437,421</u>
Other financing uses:				
Transfers in			1,097,500	1,097,500
Transfers (out)	<u>-</u>	<u>-</u>	<u>(1,397,500)</u>	<u>(1,397,500)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
Net change in fund balance	<u>\$ 9,113,555</u>	<u>\$ 9,113,555</u>	<u>\$ 11,176,826</u>	<u>\$ 2,063,271</u>

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, 2006

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 that 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, 2006, expenditures exceeded appropriations in the following City Departments; Elected Officials and General Government. 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, 2006

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:

General Fund

Net change in fund balance - actual amounts - budgetary basis - as reported on the budgetary comparison schedule (Page 34)	\$ 11,476,826
--	---------------

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 2005	(76,870)
Encumbrances outstanding in 2006	-

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>\$ 11,399,956</u>
---	----------------------

**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.

This fund is the City's only non-major fund and has been presented in a column with the City's Fund financial statements

STATISTICAL SECTION

THE CITY OF DORAL, FLORIDA

NET ASSETS BY COMPONENT

LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 281,640	\$ 1,591,438	\$ 6,052,226
Restricted	-	1,242,101	1,668,093
Unrestricted	<u>5,485,179</u>	<u>10,340,834</u>	<u>27,803,600</u>
Total governmental activities net assets	<u>5,766,819</u>	<u>13,174,373</u>	<u>35,523,919</u>
Business-type activities:			
Invested in capital assets, net of related debt	-	-	-
Restricted	-	-	-
Unrestricted	<u>150,000</u>	<u>96,950</u>	<u>2,334,304</u>
Total business-type activities net assets	<u>150,000</u>	<u>96,950</u>	<u>2,334,304</u>
Total government:			
Invested in capital assets, net of related debt	281,640	1,591,438	6,052,226
Restricted	-	1,242,101	1,668,093
Unrestricted	<u>5,635,179</u>	<u>10,437,784</u>	<u>30,137,904</u>
Total government net assets	<u>\$ 5,916,819</u>	<u>\$ 13,271,323</u>	<u>\$ 37,858,223</u>

THE CITY OF DORAL, FLORIDA

CHANGES IN NET ASSETS

LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses:			
Governmental activities:			
General government	\$ 1,571,098	\$ 2,874,853	\$ 3,550,056
Public safety	7,395,866	8,653,831	10,967,211
Community development **	790,756	1,653,632	-
Building department **	-	-	2,322,401
Planning & zoning department **	-	-	633,859
Public works	322,410	553,223	748,229
Parks and recreation	419,313	770,844	1,306,101
Mitigation/ QNIP	7,697,611	8,094,986	8,180,211
Interest on long-term debt	-	-	450,073
Total governmental activities	<u>18,197,054</u>	<u>22,601,369</u>	<u>28,158,141</u>
Business-type activities:			
Stormwater utility	-	53,050	85,569
Total business-type activities	<u>-</u>	<u>53,050</u>	<u>85,569</u>
Total government expenses	<u>\$ 18,197,054</u>	<u>\$ 22,654,419</u>	<u>\$ 28,243,710</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 34,250	\$ 2,635,954	\$ 743,012
Building department **	-	-	\$ 5,607,313
Planning & zoning department **	-	-	\$ 224,169
Public safety	324,209	529,332	861,643
Parks/recreation	791,926	1,044,037	1,459,663
Operating grants and contributions			
Parks/recreation	15,500	12,750	91,343
Total governmental activities program revenues	<u>1,165,885</u>	<u>4,222,073</u>	<u>8,987,143</u>
Business-type activities:			
Charges for services:			
Stormwater utility	-	-	2,322,923
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>2,322,923</u>
Total program revenues	<u>\$ 1,165,885</u>	<u>\$ 4,222,073</u>	<u>\$ 11,310,066</u>
(continued)			
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (expense) revenue:			
Governmental activities	\$ (17,031,169)	\$ (18,379,296)	\$ (19,170,998)
Business-type activities	-	(53,050)	2,237,354
Total net expense	<u>\$ (17,031,169)</u>	<u>\$ (18,432,346)</u>	<u>\$ (16,933,644)</u>
General revenues:			
Governmental activities:			
Taxes:			
Property taxes	\$ 13,252,700	\$ 14,875,808	\$ 17,202,696
Utility taxes	2,623,865	2,818,505	2,469,240
Communications services tax	1,530,099	2,534,262	3,557,442
Franchise taxes	1,453,907	1,864,204	2,801,948
Grants and contributions not restricted to specific programs	-	-	-
Intergovernmental	2,563,255	3,156,660	3,577,547
Investment earnings and other	2,551	376,831	1,268,347
Miscellaneous	33,416	160,579	10,643,324
Transfers	(150,000)	-	-
Total governmental activities	<u>21,309,793</u>	<u>25,786,849</u>	<u>41,520,544</u>
Business-type activities:			
Operating transfers	150,000	-	-
Total business-type activities	<u>150,000</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>\$ 21,459,793</u>	<u>\$ 25,786,849</u>	<u>\$ 41,520,544</u>
Change in net assets:			
Governmental activities	\$ 4,278,624	\$ 7,407,553	\$ 22,349,546
Business-type activities	150,000	(53,050)	2,237,354
Total change in net assets	<u>\$ 4,428,624</u>	<u>\$ 7,354,503</u>	<u>\$ 24,586,900</u>

** Community development was re-organized into building and planning & zoning for fiscal year 2006.

THE CITY OF DORAL, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST THREE FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund:			
Reserved	\$ 1,121,577	\$ 136,107	\$ -
Unreserved	<u>3,597,623</u>	<u>11,015,595</u>	<u>22,333,658</u>
Total general fund	<u>4,719,200</u>	<u>11,151,702</u>	<u>22,333,658</u>
All other governmental funds:			
Reserved	-	1,037,806	1,563,211
Unreserved, reported in:			
Special revenue funds	665,979	-	-
Capital projects fund	<u>100,000</u>	<u>(547,033)</u>	<u>5,704,660</u>
Total all other governmental funds	<u>765,979</u>	<u>490,773</u>	<u>7,267,871</u>
Total governmental funds	<u>\$ 5,485,179</u>	<u>\$ 11,642,475</u>	<u>\$ 29,601,529</u>

THE CITY OF DORAL, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST THREE FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues:			
Ad valorem taxes	\$ 13,252,700	\$ 14,875,808	\$ 17,202,696
Franchise fees	1,453,907	1,864,204	2,801,948
Utility taxes	2,623,865	2,818,505	2,469,240
Communications services tax	1,530,099	2,534,262	3,557,442
Impact fees	925,098	1,180,974	1,503,516
Licenses, permits and fines	207,312	1,477,180	5,439,854
Intergovernmental revenue	2,563,255	3,156,660	3,577,547
Grants	-	-	91,343
Charges for services	17,975	1,551,169	1,952,430
Investment income	2,551	376,831	1,268,347
Miscellaneous	<u>33,416</u>	<u>173,329</u>	<u>10,643,324</u>
Total revenues	<u>22,610,178</u>	<u>30,008,922</u>	<u>50,507,687</u>
Expenditures:			
Current:			
General government	1,686,572	3,300,307	3,421,798
Public safety	7,445,612	8,696,157	11,068,689
Community development **	845,435	1,614,376	-
Building department **	-	-	2,429,029
Planning & zoning department **	-	-	624,142
Public works	358,619	732,859	974,145
Parks and recreation	429,345	1,412,942	26,703,891
Mitigation/ QNIP	7,697,611	8,094,986	8,180,211
Debt service:			
Principal retirement	-	-	-
Interest and other fiscal charges	-	-	478,728
Total expenditures	<u>18,463,194</u>	<u>23,851,627</u>	<u>53,880,633</u>
Excess (deficiency) of revenues over expenditures	<u>4,146,984</u>	<u>6,157,295</u>	<u>(3,372,946)</u>
Other financing sources (uses):			
Bond proceeds	-	-	21,250,000
Proceeds from capital leases	-	-	82,000
Transfers in	210,000	-	1,497,500
Transfers out	<u>(360,000)</u>	<u>-</u>	<u>(1,497,500)</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>-</u>	<u>21,332,000</u>
Net change in fund balances	<u>\$ 3,996,984</u>	<u>\$ 6,157,295</u>	<u>\$ 17,959,054</u>
Debt service as a percentage of non-capital expenditures	0.00%	0.00%	0.89%

** Community development department re-organized into building and planning & zoning in fiscal year 2006

THE CITY OF DORAL, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	<u>Real Property</u>			Total Net Assessed <u>Value</u>	Total Direct Tax <u>Rate</u>	Estimated Actual <u>Value</u>	Estimated Actual Value as a Percentage of Net Assessed <u>Value</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>				
2003	1,980,974,946	2,539,734,652	391,919,744	4,912,629,342	2.447	\$ 12,021,204	0.24%
2004	2,186,766,144	2,803,571,930	432,628,824	5,422,966,898	2.447	\$ 13,270,000	0.24%
2005	2,561,789,226	3,284,375,143	640,920,540	6,487,084,909	2.447	\$ 15,873,897	0.24%
2006	3,694,495,528	4,736,650,285	727,775,178	9,158,920,991	2.447	\$ 22,411,880	0.24%

Note: Property in the City is reassessed each year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

THE CITY OF DORAL, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

		City of Doral		Overlapping Rates (1)													Total
				Miami-Dade County			Miami-Dade Fire & Rescue			Miami-Dade Schools							Total
					Debt	Total		Debt	Total		Debt	Total				Total	Direct and
Fiscal	Tax Roll	General	Total	Operating	Service	County	Operating	Service	Fire	Operating	Service	School	Other	SFWMD	FIND	State	Overlapping
Year	Year	Operations	Village	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage		Millage	Millage	Millage	Rates
2003	2002	2.447	2.447	5.969	0.285	6.254	2.582	0.079	2.661	8.418	0.682	9.100	1.086	0.597	0.039	0.636	22.184
2004	2003	2.447	2.447	5.935	0.285	6.220	2.582	0.079	2.661	8.090	0.597	8.687	1.030	0.597	0.039	0.636	21.681
2005	2004	2.447	2.447	5.835	0.285	6.120	2.592	0.069	2.661	7.947	0.491	8.438	1.014	0.597	0.039	0.636	21.316
2006	2005	2.447	2.447	5.615	0.285	5.900	2.609	0.042	2.651	7.691	0.414	8.105	3.659	0.597	0.039	0.636	23.398

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

Sources: The City of Doral Finance Department and Miami Dade County Property Appraiser's Office.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Doral. Not all overlapping rates apply to all City of Doral property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

THE CITY OF DORAL, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

2006				1997			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Village Net Assessed Value</u>	<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Village Net Assessed Value</u>
Miami Internation Mall	\$ 122,300,000	1	1.34%		\$ -		0.00%
Atlas Property 1 LLC	120,330,040	2	1.31%		-		0.00%
Century Grand One LLP	82,064,800	3	0.90%		-		0.00%
Atlas Property II LLC	70,657,200	4	0.77%		-		0.00%
Cove at the Landings	62,000,000	5	0.68%		-		0.00%
Valencia at Doral LLC	56,937,250	6	0.62%		-		0.00%
Metropolitan Life Insurance Co.	55,001,336	7	0.60%		-		0.00%
Charles B & Claudia G Lemon	52,752,300	8	0.58%		-		0.00%
Carnival Corporation	49,000,000	9	0.53%		-		0.00%
Luxum Development, Inc.	49,000,000	10	0.53%		-		0.00%
	-				-		
	<u>\$ 720,042,926</u>		<u>7.86%</u>		<u>\$ -</u>		0.00%

Source: Tax roll provided by Miami-Dade County Property Appraisers Office.

Note: The City did not exist nine years ago.

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

THE CITY OF DORAL, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Total Taxes Levied for Fiscal <u>Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent <u>Year's</u>	Total Collections to Date	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2003	3,333,787	3,205,654	96.16%	-	3,205,654	96.16%
2004	12,606,500	13,252,700	105.13%	-	13,252,700	105.13%
2005	15,808,202	14,875,808	94.10%	-	14,875,808	94.10%
2006	17,362,280	17,300,211	99.64%	-	17,300,211	99.64%

Source: City of Doral Finance Department and Miami-Dade County County Tax Collector's Office.

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

THE CITY OF DORAL, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	<u>Governmental Activities</u>			<u>Business-Type</u> <u>Activities</u>	<u>Total</u>	Percent of Median Family <u>Income (1)</u>
	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Revenue</u> <u>Bonds</u>	<u>Loans</u> <u>Payable</u>	<u>Revenue</u> <u>Bonds</u>		
2003	-	-	-	-	-	0.00%
2004	-	-	-	-	-	0.00%
2005	-	-	-	-	-	0.00%
2006	-	21,250,000	-	-	21,250,000	28251.04%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

Median family income amounts are disclosed on page xx in the demographic schedule.

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

THE CITY OF DORAL, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

All bonded indebtedness is in the form of revenue bonds.

THE CITY OF DORAL, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2006

<u>Government Unit</u>	2006		
	Net Debt <u>Outstanding</u>	Percentage Applicable to City of <u>Doral</u>	Amount Applicable to City of <u>Doral</u>
Direct:			
City of Doral	\$ 21,250,000	100.00%	\$ 21,250,000
Other debt:			
Miami-Dade County	507,316,000	0.801%	4,063,601
Miami-Dade County School Board	560,574,000	0.801%	<u>4,490,198</u>
Subtotal, Overlapping Debt			<u>8,553,799</u>
Total Direct and Overlapping Debt			<u>\$ 29,803,799</u>

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City of Doral. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

THE CITY OF DORAL, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

None of the City's revenues are pledged for debt service.

THE CITY OF DORAL, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Median Family Income (2)</u>	<u>Unemployment Rate (3)</u>
2003	27,000	68,836	5.7%
2004	29,670	70,901	5.0%
2005	32,485	73,028	3.9%
2006	35,000	75,218	3.7%

Sources:

- (1) University of Florida, Bureau of Economic Research, 2006 estimated
- (2) United States Census Bureau
- (3) Florida Department of Labor.

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

Note: Population amounts are based on surveys conducted during the last quarter of each fiscal year.
Unemployment rate information is an adjusted yearly average, and are Miami-Dade County amounts.
Median family income amounts are based on geographic area.

THE CITY OF DORAL, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	2006			1997		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Carnival Corporation	2,380	1	26.69%			
50 State Security Service, Inc.	850	2	9.53%			
Amadeus North America, LLC	462	3	5.18%			
Ryder Truck Rental	441	4	4.95%			
Blue Cross and Blue Shield of Florida	412	5	4.62%			
Brinks, Inc.	366	6	4.10%			
Post, Buckley, Schuh anf Jernigan	285	7	3.20%			
Wal Mert Stores East LP	285	8	3.20%			
Sears Roebuck & Company	280	9	3.14%			
Isaco International Corporation	250	10	2.80%			
Total	6,011					

Note: The city did not exist nine years ago, incorporated July 23,2003. During fiscal year 2006, there were 8,916 registered employees in the city.

THE CITY OF DORAL, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Number of Employees:										
City Council							-	1	1	2
City Manager's Office							1	4	4	5
City Clerk's Office							-	1	2	3
City Attorney's Office *							1	1	1	1
Finance Department *							1	2	2	2
Administrative Services							-	2	1	1
Police Department *							-	75	93	110
Community Development **							-	15	29	-
Building and Permitting **							-	-	-	18
Planning & Zoning **							-	-	-	7
Code Compliance **							-	-	-	8
Licensing **							-	-	-	2
Public Works							-	6	6	6
Parks and Recreation							-	29	29	28
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Number of Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>136</u>	<u>168</u>	<u>193</u>

Source: City of Doral Finance Department

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

* Includes contractual personnel.

** Community development divided into separate departments; building, planning & zoning, code compliance and licensing

THE CITY OF DORAL, FLORIDA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public safety:										
Police:										
Police personnel and officers							-	75	93	110
Police calls for service							13,346	9,660	13,814	21,258
Planning and development:										
Building permits issued							(A)	55	56	44

Sources: Various City Departments

Note: Indicators are not available for the general government function, the City utilizes Miami-Dade County for Fire & Rescue and Police services.

(A) Information not available

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

THE CITY OF DORAL, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government:										
Number of general government buildings							1	1	1	1
Public safety:										
Police:										
Police stations							1	1	1	1
Patrol units							3	3	3	3
Fire:										
Fire stations							2	2	2	2
Planning and development										
Building permits issued							(A)	(A)	1,631	2,999
Engineering and public works										
Total square miles							15.00	15.00	15.00	15.00
Surface water management										
Miles of storm drainage							13.0	13.0	13.0	13.0
Transportation:										
Miles of streets							175.0	175.0	175.0	175.0
Number of street lights							410	410	410	410
Number of traffic signals							61	61	61	61
Culture and recreation:										
Miles of waterways							11.30	11.30	11.30	11.30
Utility system:										
Miles of mains							203.0	203.0	203.0	203.0
Fire hydrants - City of Doral							2,166	2,166	2,166	2,166
Fire hydrants - Outside the City of Doral							-	-	-	-
Maximum daily capacity (thousands of gallons)										

Sources: Various City Departments

The City was incorporated on July 23, 2003, therefore years prior to 2003 are not applicable.

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, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2007. 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*.

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
March 21, 2007



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, 2006, and have issued our report thereon dated March 21, 2007.

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
March 21, 2007

