

2014



City of Doral, Florida

**Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2014**

CITY OF DORAL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2014

Prepared by:
THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION



March 31, 2015

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, 2014.

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 control 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 Alberni, Caballero & Fierman, LLP, 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 financial statements of the City of Doral for the fiscal year that ended September 30, 2014, 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 unmodified opinion that the City of Doral's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' 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 the 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. The remainder of the letter provides an overview of the City government as well as local economic conditions and prospects for the future.

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 52,889. 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 Council members. The Council is responsible among other things, for adopting 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 directives of the Council, for overseeing the daily operations of the government, and for appointing the heads of various departments.

The City offers a wide range of services, including, police protection, public works maintenance, a full service building department, planning and zoning, parks and recreation and stormwater services. Educational services are provided through the County School System, Libraries and Fire & Rescue Service 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 in a line item based format. These requests are the foundation for developing a proposed budget. The City Manager will review and present 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, both by fund and department for the purpose of meeting Florida Statutes. No department may legally expend in excess of the amount appropriated for that department within an individual fund. The City Manager may authorize transfers of appropriations within a departments operating and capital accounts of up to \$15,000. Transfers between departments and funds require the approval of City Council. The City Council may approve supplemental appropriations through an Ordinance.

Budget to actual comparisons are provided in this report for the general fund, transportation fund, park impact fee fund and the police impact fee fund for which an appropriated annual budget has been adopted. These reports are presented in the required supplemental information and combining financial statements sections of this report.

Economic Condition and Outlook

In fiscal year 2014 the City of Doral continued to experience increases in construction and new investments that have helped to maintain the City's tax base fairly stable and estimated at \$8.8 billion for this fiscal year. Additionally, our regional economic base remains diversified, comprised of wholesale and retail trade, construction, light manufacturing, and tourism. Located in the center of a hemispheric market, and easily accessible to South and Central America, and the Caribbean, Doral's strategic location and international commerce infrastructure make it the ideal location for international trade. As a result of expanding economies in several Latin American countries, international trade continues to grow in the Doral area.

Airport

The City of Doral proximity to the Miami International Airport (MIA) provides a great venue for increased activity in the industries dealing in international trade. In 2014, MIA served 40.9 million passengers, with 49% of those being international. MIA also shipped 2.2 million tons of domestic and international cargo during the year. MIA ranks number 1 in domestic airports for international freight and number 2 in international passenger volume among all U.S. airports. MIA completed its \$6.4 billion Capital Improvement Program including encompassing all aspects of airport operations, from a terminal and roadways to the cargo facilities and a new runway.

Public/Private Development Ventures

The City of Doral has a continuing collaboration with its local schools. Our Parks and Recreation Division have joint use agreements with various local schools to allow them the use of our parks facilities for athletic competitions and practices. In turn, the schools permit the City to use their facilities for events. The City budget makes available grants of \$5,000 per school every year in support of the Parent Teacher Association and or Parent Teacher Student Associations of our local schools.

Long-Term Financial Planning

In order to meet the service demands of residents and visitors, the City continues to address the long-term planning necessary to fund the capital projects essential to the creation, improvement, enhancement, and preservation of public facilities and infrastructure. Through a clear and consistent policy of smart growth, we continue to enhance the community by providing residents with the amenities they need, while avoiding the indiscriminate building of undesirable developments. New construction in the City continues to enhance its revenue capacity which will provide the means to improve and address additional infrastructure needs.

The City's construction of police and public works facility is almost complete; Phase II is currently being designed. Public Works continues to pursue its infrastructure growth plan by completing several improvements that include construction of stormwater improvements, roadways, and sidewalks and roadway repairs. The City has also expanded the trolley system with the addition of three new trolleys. Council has approved the conceptual park design for the NW 114th Ave Park acquired in 2011 and the Doral North Park. The City is in negotiations to acquire the land adjacent to the Doral Downtown Park, which will be used to expand the park.

Awards and Acknowledgements

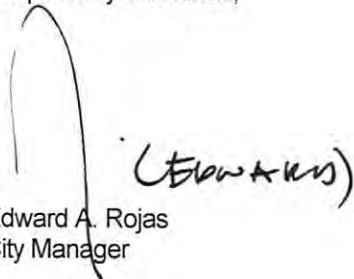
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Doral for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013. This was the tenth year that the City submitted and received 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.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire Finance staff of the City of Doral. We would like to express our appreciation to all of the departments who assisted and contributed to the preparation of this report and to Alberni, Caballero & Fierman, LLP, our independent auditors, for their assistance and efforts in helping the City prepare this CAFR.

We wish to thank the Mayor and the City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Doral's finances.

Respectfully submitted,



Edward A. Rojas
City Manager



Matilde G. Menendez, CPA, CGMA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Doral
Florida**

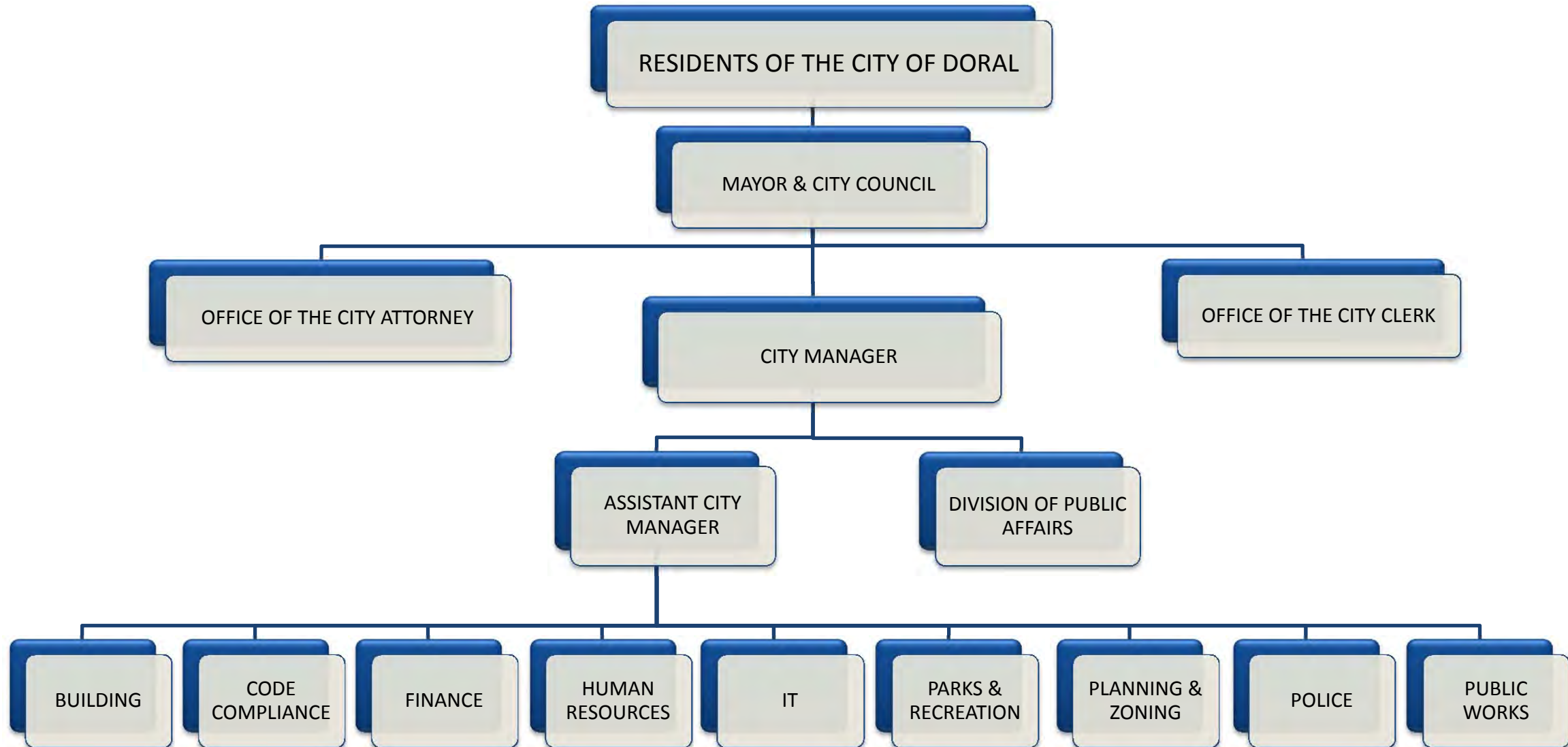
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



ORGANIZATIONAL CHART



CITY OF DORAL, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2014

CITY COUNCIL

Luigi Boria, Mayor
Sandra Ruiz, Vice Mayor
Pete Cabrera
Christi Fraga
Ana Maria Rodriguez

CITY MANAGER

Edward A. Rojas

INTERIM CITY CLERK

Connie Diaz

CITY ATTORNEY

Weiss Serota Helfman Pastoriza Cole Boniske P.L.

FINANCE DIRECTOR

Matilde Menendez

CITY AUDITORS

Alberni, Caballero & Fierman, LLP
Certified Public Accountants & Consultants

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note I to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules on pages 3-10 and 45-47, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 nonmajor fund financial statements, budgetary comparison schedules, statistical section, and schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organization*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 31, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

Management's Discussion and Analysis

As management of the City of Doral (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$257,884,773 (net position). Of this amount, \$153,442,816 is the net investment in capital assets, \$11,748,689 is restricted for transportation related uses, \$15,286,069 is restricted for storm water and drainage related uses, \$1,845,505 is restricted for public safety related uses, \$273,200 is restricted for capital improvement projects, \$6,768,488 is restricted for parks and recreation related projects, \$68,520,006 is (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$22,239,063 from \$235,645,710 in FY 2013 to \$257,884,773 in FY2014. The increase is attributable to an overall increase of \$19,761,068 in governmental activities and an increase of \$2,477,995 in business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported an ending fund balance of \$91,244,823. Of this amount, \$61,431,181 is available for spending at the government's discretion (*unassigned fund balance*).

Committed funds of \$13,739,806 are to be used as follows: \$1,806,284 for the completion of the Public Works/Police facility, \$4,501,113 for Park Construction, \$286,727 for Police Projects, \$2,973,193 for various smaller projects and \$4,172,489 for Transportation projects.

Funds of \$200,816 are for prepaid items and \$15,602,116 has been restricted for use as follows: \$7,576,200 for use in transportation projects, \$6,183,417 for use for in park projects, \$1,423,930 for use for police projects and \$418,569 is restricted by state and federal agencies to be used in approved law enforcement projects.

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$61,431,181 or 183.64% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- Government-wide financial statements, that provide both long-term and short-term information about the City's overall financial status.
- Fund financial statements, that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- Notes to the basic financial statements that explain some of the information in the financial statements and provide more detailed data.

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 City's finances, in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 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 include general government, police, public works and physical environment, planning, zoning and code enforcement, building, and parks and recreation.

The government-wide financial statements include only the City itself (known as the *primary government*) and 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has two fund categories, the governmental funds and a proprietary fund.

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

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

The City maintains several individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balances for the general fund, transportation fund and capital projects fund which are considered to be the major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for the general fund, the transportation fund, the park impact fee fund, police impact fee fund, and the capital improvement project fund. A budgetary comparison statement and budget versus actual schedules have been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 13 to 16 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 Stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Stormwater Fund and can be found on pages 17-19 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 20 to 44 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 48 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$257,884,773 at the close of the most recent fiscal year.

The largest portion of the City's net position, \$153,442,816 or 60% reflects a net investment in capital assets (e.g., land, building, infrastructure and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Net Position

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

Table A-1
Summary of net position

	Governmental Activities		Business-Type Activities		Total		Change
	2013	2014	2013	2014	2013	2014	
Assets:							
Current assets	\$ 76,346,531	\$ 95,366,635	\$ 13,132,390	\$15,119,222	\$ 89,478,921	\$ 110,485,857	\$ 21,006,936
Capital assets	161,320,374	161,815,021	17,600,493	17,937,979	178,920,867	179,753,000	832,133
Total assets	237,666,905	257,181,656	30,732,883	33,057,201	268,399,788	290,238,857	21,839,069
Deferred Outflows of Resources:							
Deferred outflows on							
derivative instrument	2,432,705	2,192,863	-	-	2,432,705	2,192,863	(239,842)
loss on refunding	-	-	-	523,830	-	523,830	523,830
Total deferred outflows on refunding	2,432,705	2,192,863	-	523,830	2,432,705	2,716,693	283,988
Liabilities							
Current liabilities	7,453,316	7,250,786	368,859	753,807	7,822,175	8,004,593	182,418
Long-term liabilities	20,070,506	19,196,735	7,294,102	7,279,307	27,364,608	26,476,042	(888,566)
Total liabilities	27,523,822	26,447,521	7,662,961	8,033,114	35,186,783	34,480,635	(706,148)
Deferred Inflows of Resources:							
Deferred inflows on							
business license tax	-	590,142	-	-	-	590,142	590,142
Net Position:							
Net investment in							
capital assets	141,542,302	143,180,968	9,981,984	10,261,848	151,524,286	153,442,816	1,918,530
Restricted	18,900,716	20,635,882	13,087,938	15,286,069	31,988,654	35,921,951	3,933,297
Unrestricted	52,132,770	68,520,006	-	-	52,132,770	68,520,006	16,387,236
Total net position	\$212,575,788	\$232,336,856	\$ 23,069,922	\$25,547,917	\$ 235,645,710	\$ 257,884,773	\$ 22,239,063

The balance of unrestricted net position \$68,520,006 may be used to meet the government's ongoing obligations to citizens and creditors.

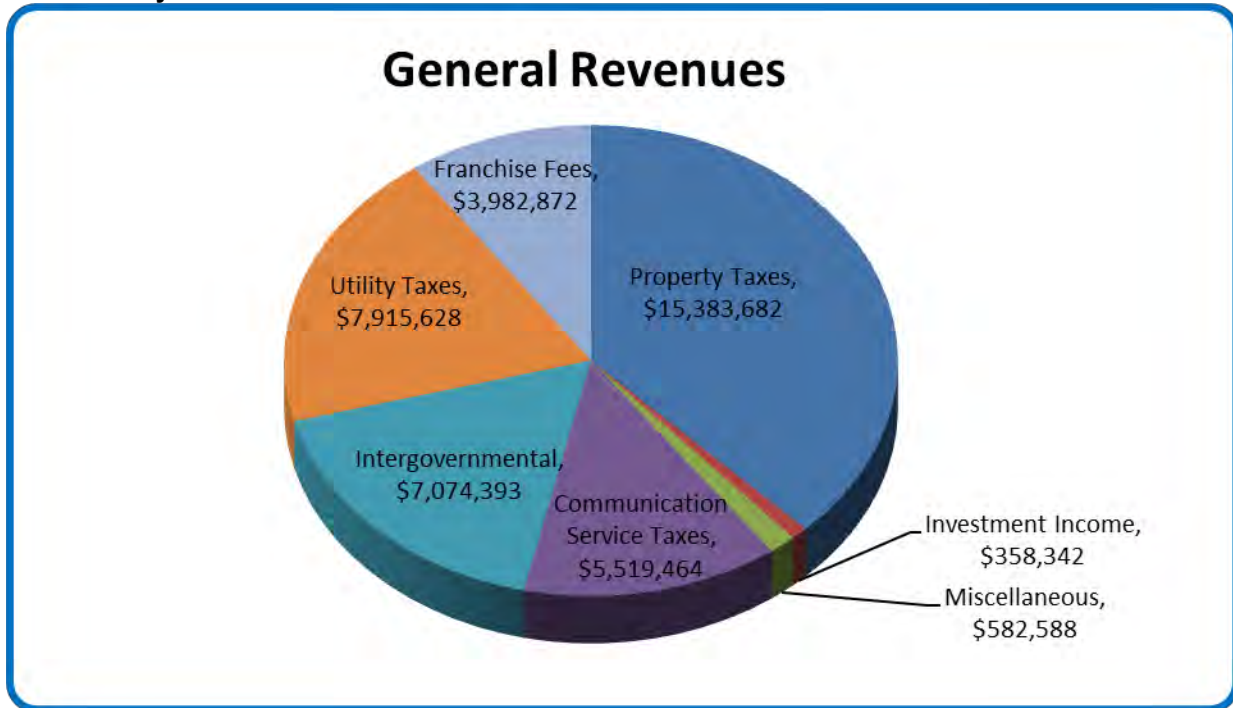
At the end of the current fiscal year, the City of Doral is able to report positive balances in all three categories of net position.

Table A-2
Summary of changes in net position

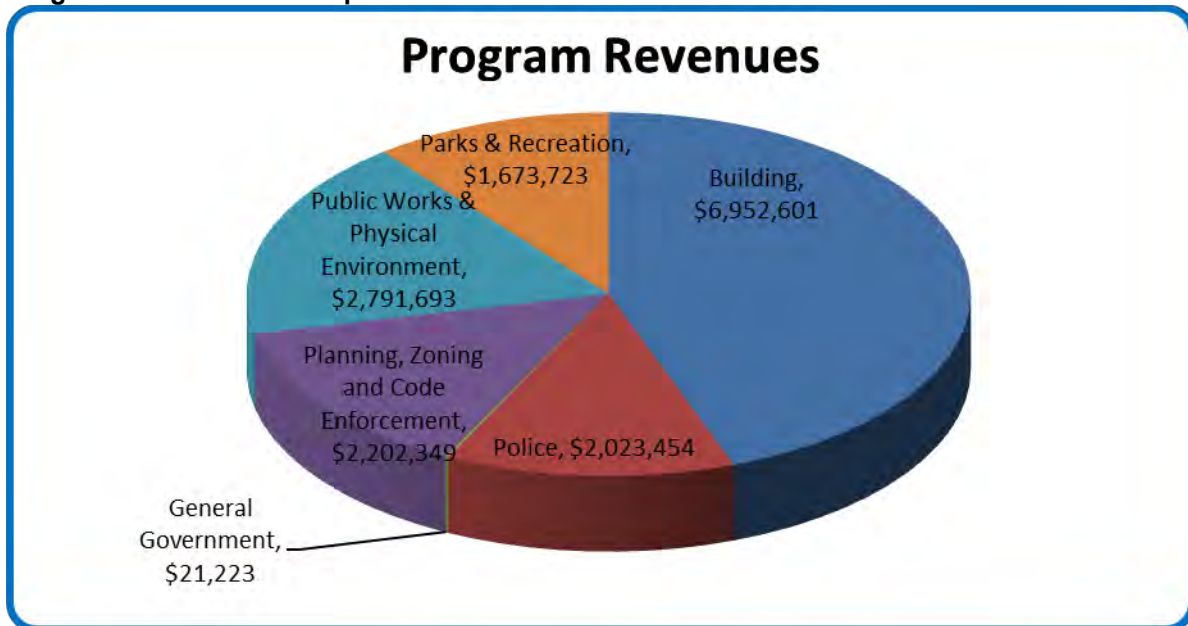
	Governmental Activities		Business-Type Activities		Total		Change
	2013	2014	2013	2014	2013	2014	
Program Revenues:							
Charges for services	\$ 14,513,472	\$ 15,665,043	\$ 3,848,250	\$ 3,733,063	\$ 18,361,722	\$ 19,398,106	\$ 1,036,384
Operating grants & contributions	300,000	91,360	-	-	300,000	91,360	(208,640)
Capital grants and contributions	225,852	1,141,177	257,523	505,487	483,375	1,646,664	1,163,289
General Revenues:							
Property taxes	17,031,372	15,383,682	-	-	17,031,372	15,383,682	(1,647,690)
Utility taxes	7,271,270	7,915,628	-	-	7,271,270	7,915,628	644,358
Franchise fees	4,597,851	3,982,872	-	-	4,597,851	3,982,872	(614,979)
Communication service tax	4,980,273	5,519,464	-	-	4,980,273	5,519,464	539,191
Intergovernmental (Unrestricted)	6,678,764	7,074,393	-	-	6,678,764	7,074,393	395,629
Investment earnings	199,726	358,342	18,154	42,310	217,880	400,652	182,772
Miscellaneous	409,337	582,588	-	-	409,337	582,588	173,251
Total revenues	56,207,917	57,714,549	4,123,927	4,280,860	60,331,844	61,995,409	1,663,565
Expenses:							
General government	8,204,661	8,389,824	-	-	8,204,661	8,389,824	185,163
Building	2,596,095	2,864,600	-	-	2,596,095	2,864,600	268,505
Police	12,489,625	13,407,671	-	-	12,489,625	13,407,671	918,046
Planning, zoning & code enforcement	1,646,449	1,659,889	-	-	1,646,449	1,659,889	13,440
Public works & physical environment	5,532,198	6,080,384	-	-	5,532,198	6,080,384	548,186
Parks and recreation	5,181,129	4,721,102	-	-	5,181,129	4,721,102	(460,027)
Interest of long-term debt	963,412	830,011	-	-	963,412	830,011	(133,401)
Stormwater utility	-	-	2,786,111	1,802,865	2,786,111	1,802,865	(983,246)
Total expenses	36,613,569	37,953,481	2,786,111	1,802,865	39,399,680	39,756,346	356,666
Change in net position	\$ 19,594,348	\$ 19,761,068	\$ 1,337,816	\$ 2,477,995	\$ 20,932,164	\$ 22,239,063	\$ 1,306,899

Governmental activities increased the City's net position by \$19,761,068 during the current fiscal year. Property taxes comprised 26.65% of the total governmental revenues, \$57,714,549. Property taxes decreased in the current year by \$1,647,690, as a result of a voted lower millage rate. The net position in business-type activities increased to \$2,477,995 during the current fiscal year. Charges for services accounted for 87.20% of total business-type activity revenues.

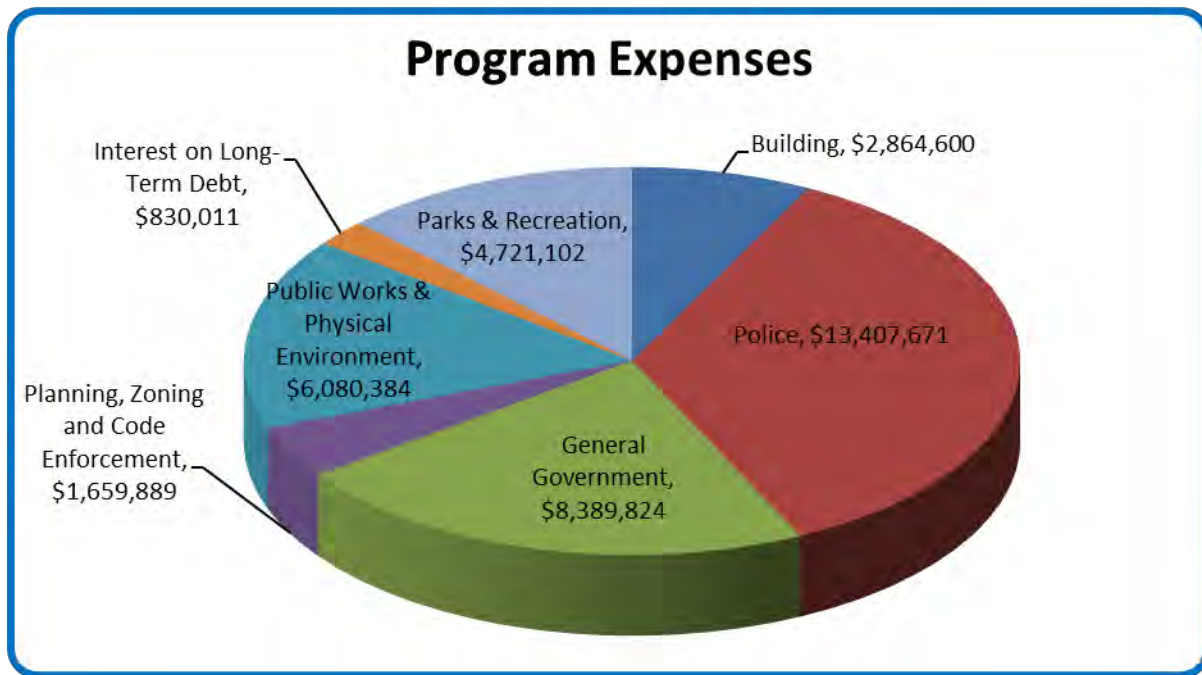
Revenues by Source – Governmental Activities



Program Revenues and Expenses – Governmental Activities



Charges for services accounted for 27.14% of total governmental revenues. Building service revenues comprised 44.38% of the total charges for services.



Total governmental program expenses totaled \$37,953,481, with Police program expenses comprising 35.33% of the total.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City'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, *unassigned 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 \$70,608,941; of this amount \$61,431,181 constitutes *unassigned fund* balance, which is available for spending at the City's discretion, \$8,976,944 is *committed* for various projects such as the completion of the Police/Public Works facility, and NW 114 Ave. Park development.

The general fund is the chief operating fund of the City. 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. Unassigned fund balance represents 183.6% of total general fund expenditures.

The change in Transportation Fund balance was an increase of \$1,057,278, which is mainly attributable to approximately \$1,057,278 of excess revenues over operating expenses primarily due to timing delays on roadway improvement projects.

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, 2013 and 2014 follows.

Table B-1
Summary of condensed Balance Sheet

	September 30, 2013	September 30, 2014
Total assets	\$76,346,531	\$95,435,915
Total Liabilities	\$3,496,969	\$3,600,950
Deferred Inflows of Resources	\$0	\$590,142
Nonspendable fund balance	\$161,833	\$200,816
Restricted fund balance	\$14,781,778	\$15,602,116
Committed fund balance	\$11,628,284	\$13,739,806
Assigned fund balance	\$424,703	\$270,904
Unassigned fund balance	\$45,852,964	\$61,431,181
	\$76,346,531	\$95,435,915

Table B-2
Summary of condensed statement of revenues, expenditures, and changes in fund balance

	September 30, 2013	September 30, 2014
Total revenues	\$56,207,917	\$57,714,549
Total expenditures	\$37,108,835	\$39,319,288
Excess of revenues over expenditures	\$19,099,082	\$18,395,261

Governmental activities. Governmental activities increased the City's fund balance by approximately \$18,395,261. Charges for services accounted for 27.14% of total revenues, while Property taxes comprised 26.65%.

General Fund Budgetary Highlights

The original budget was amended by the City Council during 2014 to cover encumbrance carryovers from the prior fiscal year these expenditures were not previously appropriated in the budget. The budgetary comparison schedule on page 45 of the Comprehensive Annual Financial Report ("CAFR") provides variances between the final amended budget and the actual revenues and expenditures. Actual expenditures in the general government, police, public works, parks and recreation departments were significantly less than budgeted. This was as a result of committed construction and other projects that were encumbered but not initiated and/or completed. An explanation for expenditures exceeding appropriated balances can be found in the notes to budgetary comparison schedule on page 47 of the CAFR.

Capital Assets

As of September 30, 2014, the City's capital assets for governmental activities, net of accumulated depreciation were \$161,815,021. The capital assets for business-type activities, net of accumulated depreciation were \$17,937,979. The total increase in capital assets was as follows:

- Public Works repair, replacement and beautification of streets
- Information Technology upgrades and improvement to City's systems
- Park improvements and development
- Additions to the City's fleet of vehicles

Further details may be found on pages 33-34 on the capital assets section of the notes to basic financial statements.

Long-Term Debt

Excluding compensated absences, the City's debt for Governmental Activity totaled approximately \$19.6 million as of September 30, 2014. This represents approximately a \$1 million decrease over the last year's total debt of \$20.6 million. This decrease is attributable to debt payments during the fiscal year.

The Stormwater Utility Revenue Bonds under Business-type Activities increased during the current year as a result of the County's refunding of the 1999 and a portion of the 2004 Bond Series. Although total annual payments to the County have been reduced by \$35,000, the effect of this refunding resulted in a deferred outflow of resources of \$576,213, which are amortized over the life of the new Utility Revenue Bond Series 2013. A detailed schedule of the debt activity can be found on pages 34-36 of the notes to the financial statements.

The City's credit rating was reviewed by Standard & Poor's during this fiscal year. The City received a rating of AA, higher than the AA- previously held.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Doral is 4.5% as of January 2015, which shows a decrease from a rate of 6.0% reported a year ago. This compares favorably to the state's average unemployment rate of 5.6%.
- The City currently has over 2 million square feet in Approved commercial developments, and over 9,000 residential units approved for construction.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$61,431,181. The fiscal year 2015 General Fund budget utilizes \$5,612,707 of fund balance to fund park improvements and construction and land acquisition for the expansion of the police and public works facility.

Requests for Information

This financial report is designed to provide a general overview of the City'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 Finance Department, 8401 N.W. 53rd Terrace, Doral, Florida 33166.

BASIC FINANCIAL STATEMENTS

CITY OF DORAL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 44,676,884	\$ 7,977,554	\$ 52,654,438
Investments	47,444,999	6,446,267	53,891,266
Accounts receivable - net	2,931,892	695,401	3,627,293
Other Assets	112,044	-	112,044
Prepaid items	200,816	-	200,816
Capital assets not being depreciated	74,618,928	501,005	75,119,933
Capital assets being depreciated, net	<u>87,196,093</u>	<u>17,436,974</u>	<u>104,633,067</u>
Total assets	<u>257,181,656</u>	<u>33,057,201</u>	<u>290,238,857</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Derivative instrument	2,192,863	-	2,192,863
Loss on refunding	<u>-</u>	<u>523,830</u>	<u>523,830</u>
Total deferred outflows of resources	<u>2,192,863</u>	<u>523,830</u>	<u>2,716,693</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,951,409	356,983	2,308,392
Accrued interest	169,366	-	169,366
Escrow deposits	1,580,261	-	1,580,261
Derivative instrument - swap liabilities	2,192,863	-	2,192,863
Noncurrent liabilities:			
Due in one year	1,356,887	396,824	1,753,711
Due in more than one year	<u>19,196,735</u>	<u>7,279,307</u>	<u>26,476,042</u>
Total liabilities	<u>26,447,521</u>	<u>8,033,114</u>	<u>34,480,635</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business license tax	<u>590,142</u>	<u>-</u>	<u>590,142</u>
<u>NET POSITION</u>			
Net investment in capital assets	143,180,968	10,261,848	153,442,816
Restricted for:			
Stormwater and drainage	-	15,286,069	15,286,069
Capital Improvement Projects	273,200	-	273,200
Public safety	1,845,505	-	1,845,505
Parks and recreation	6,768,488	-	6,768,488
Transportation	11,748,689	-	11,748,689
Unrestricted	<u>68,520,006</u>	<u>-</u>	<u>68,520,006</u>
Total net position	<u>\$ 232,336,856</u>	<u>\$ 25,547,917</u>	<u>\$ 257,884,773</u>

See notes to basic financial statements

CITY OF DORAL, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Capital</u> Grants and Contributions	<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
					<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	
<u>Functions/programs</u>							
Governmental activities:							
General government	\$ 8,389,824	\$ 21,223	\$ -	\$ -	\$ (8,368,601)	\$ -	\$ (8,368,601)
Police	13,407,671	2,023,454	91,360	23,112	(11,269,745)	-	(11,269,745)
Building	2,864,600	6,952,601	-	-	4,088,001	-	4,088,001
Planning, zoning and code enforcement	1,659,889	2,202,349	-	-	542,460	-	542,460
Public works and physical environment	6,080,384	2,791,693	-	1,115,394	(2,173,297)	-	(2,173,297)
Parks and recreation	4,721,102	1,673,723	-	2,671	(3,044,708)	-	(3,044,708)
Interest on long-term debt	830,011	-	-	-	(830,011)	-	(830,011)
Total governmental activities	<u>37,953,481</u>	<u>15,665,043</u>	<u>91,360</u>	<u>1,141,177</u>	<u>(21,055,901)</u>	<u>-</u>	<u>(21,055,901)</u>
Business-type activities:							
Stormwater	<u>1,802,865</u>	<u>3,733,063</u>	<u>-</u>	<u>505,487</u>	<u>-</u>	<u>2,435,685</u>	<u>2,435,685</u>
Total business activities	<u>39,756,346</u>	<u>19,398,106</u>	<u>91,360</u>	<u>1,646,664</u>	<u>(21,055,901)</u>	<u>2,435,685</u>	<u>(18,620,216)</u>
General revenues:							
Property taxes					\$ 15,383,682	\$ -	\$ 15,383,682
Utility taxes					7,915,628	-	7,915,628
Franchise fees on gross receipts					3,982,872	-	3,982,872
Communication service tax					5,519,464	-	5,519,464
Intergovernmental (unrestricted)					7,074,393	-	7,074,393
Investment income (unrestricted)					358,342	42,310	400,652
Miscellaneous					582,588	-	582,588
Total general revenues					<u>40,816,969</u>	<u>42,310</u>	<u>40,859,279</u>
Change in net position					<u>19,761,068</u>	<u>2,477,995</u>	<u>22,239,063</u>
Net position, beginning					<u>212,575,788</u>	<u>23,069,922</u>	<u>235,645,710</u>
Net position, ending					<u>\$ 232,336,856</u>	<u>\$ 25,547,917</u>	<u>\$ 257,884,773</u>

See notes to basic financial statements

CITY OF DORAL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Major Funds			
	General	Transportation	Other Governmental Funds	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 23,697,151	\$ 11,834,902	\$ 9,144,831	\$ 44,676,884
Investments	47,444,999	-	-	47,444,999
Accounts receivable - net	2,363,294	567,994	604	2,931,892
Due from other funds	69,280	-	-	69,280
Other Assets	112,044	-	-	112,044
Prepaid items	200,816	-	-	200,816
Total assets	\$ 73,887,584	\$ 12,402,896	\$ 9,145,435	\$ 95,435,915
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 1,199,382	\$ 612,786	\$ 139,241	\$ 1,951,409
Escrow deposits	1,489,119	41,421	49,721	1,580,261
Due to other funds	-	-	69,280	69,280
Total liabilities	2,688,501	654,207	258,242	3,600,950
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Business license tax	590,142	-	-	590,142
<u>FUND BALANCES</u>				
Nonspendable	200,816	-	-	200,816
Restricted	-	7,576,200	8,025,916	15,602,116
Committed	8,976,944	4,172,489	590,373	13,739,806
Assigned	-	-	270,904	270,904
Unassigned	61,431,181	-	-	61,431,181
Total fund balances	70,608,941	11,748,689	8,887,193	91,244,823
Total liabilities, deferred inflows of resources, and fund balances	\$ 73,887,584	\$ 12,402,896	\$ 9,145,435	\$ 95,435,915

See notes to basic financial statements

CITY OF DORAL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Fund balances - total government funds (Page 13) \$ 91,244,823

Amounts reported for governmental activities in the statement of net position are different as a result of:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	238,909,346
Less accumulated depreciation	(77,094,325)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	\$ (15,557,819)	
QNIP bonds	(3,076,234)	
Accrued interest payable	(169,366)	
OPEB liability	(958,000)	
Compensated absences	(961,569)	(20,722,988)

Net position of governmental activities (Page 11) \$ 232,336,856

CITY OF DORAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Major Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Transportation</u>		
Revenues:				
Property taxes	\$ 15,383,682	\$ -	\$ -	\$ 15,383,682
Utility taxes	7,915,628	-	-	7,915,628
Franchise fees	3,982,872	-	-	3,982,872
Intergovernmental revenues	4,558,060	2,516,333	-	7,074,393
Licenses, permits and fines	11,059,336	-	243,817	11,303,153
Communication service tax	5,519,464	-	-	5,519,464
Charges for services	634,133	2,432,085	1,295,672	4,361,890
Grant revenues	25,783	1,115,394	-	1,141,177
Investment income	358,342	-	-	358,342
Miscellaneous	673,948	-	-	673,948
Total revenues	<u>50,111,248</u>	<u>6,063,812</u>	<u>1,539,489</u>	<u>57,714,549</u>
Expenditures:				
Current:				
General government	6,872,927	-	-	6,872,927
Police	12,863,375	-	4,576	12,867,951
Public works	1,991,099	1,436,832	-	3,427,931
Parks and recreation	3,028,267	-	-	3,028,267
Building	2,700,697	-	-	2,700,697
Planning and zoning	740,026	-	-	740,026
Code enforcement	884,398	-	-	884,398
Capital outlay	2,424,294	3,532,024	857,025	6,813,343
Debt service:				
Principal	1,106,786	37,232	-	1,144,018
Interest	839,284	446	-	839,730
Total expenditures	<u>33,451,153</u>	<u>5,006,534</u>	<u>861,601</u>	<u>39,319,288</u>
Excess of revenues over expenditures	<u>16,660,095</u>	<u>1,057,278</u>	<u>677,888</u>	<u>18,395,261</u>
Net change in fund balances	16,660,095	1,057,278	677,888	18,395,261
Fund balances - beginning	<u>53,948,846</u>	<u>10,691,411</u>	<u>8,209,305</u>	<u>72,849,562</u>
Fund balances - ending	<u>\$ 70,608,941</u>	<u>\$ 11,748,689</u>	<u>\$ 8,887,193</u>	<u>\$ 91,244,823</u>

See notes to basic 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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - total government funds (Page 15) \$ 18,395,261

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays	\$ 6,420,035	
Less current year depreciation	<u>(5,925,388)</u>	
Net adjustment		494,647

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

	Bond principal payments	894,205
	Capital lease principal payments	37,232
	QNIP bond payments	<u>212,581</u>
Net adjustment		<u>1,144,018</u> 1,144,018

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

Compensated absences	(142,577)	
OPEB liability	(140,000)	
Accrued interest payable	<u>9,719</u>	<u>(272,858)</u>

Change in net position of governmental activities (Page 12) \$ 19,761,068

CITY OF DORAL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2014

	<u>Business-type Activites Enterprise Fund Major Fund</u>
	<u>Stormwater</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 7,977,554
Investments	6,446,267
Accounts receivable	695,401
Total current assets	<u>15,119,222</u>
Capital assets:	
Capital assets not being depreciated	501,005
Capital assets being depreciated, net	17,436,974
Total noncurrent assets	<u>17,937,979</u>
Total assets	<u>33,057,201</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Loss on refunding	<u>523,830</u>
Total deferred outflows of resources	<u>523,830</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable and accrued liabilities	356,983
Revenue bonds	396,824
Total current liabilities	<u>753,807</u>
Non-current liabilities:	
Revenue bonds	<u>7,279,307</u>
Total noncurrent liabilities	<u>7,279,307</u>
Total liabilities	<u>8,033,114</u>
<u>NET POSITION</u>	
Net investment in capital assets	10,261,848
Restricted for stormwater and drainage	<u>15,286,069</u>
Total net position	<u>\$ 25,547,917</u>

See notes to basic financial statements

CITY OF DORAL, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Business-type</u> <u>Activites</u> <u>Enterprise Fund</u> <u>Major Fund</u>
	<u>Stormwater</u>
Operating revenues:	
Stormwater fees	\$ 3,733,063
Total operating revenues	<u>3,733,063</u>
Operating expenses:	
Operating, administrative and maintenance	1,175,064
Depreciation	<u>412,637</u>
Total operating expenses	<u>1,587,701</u>
Operating income	<u>2,145,362</u>
Non-operating revenues (expenses):	
Interest income	72,971
Unrealized loss on investments	(30,661)
Interest expense	<u>(215,164)</u>
Total non-operating revenues (expenses)	<u>(172,854)</u>
Capital contributions	<u>505,487</u>
Change in net position	<u>2,477,995</u>
Net position, beginning	<u>23,069,922</u>
Net position, ending	<u>\$ 25,547,917</u>

See notes to basic financial statements.

CITY OF DORAL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Business-type Activities Enterprise Fund Major Fund</u>
	<u>Stormwater</u>
Cash flows from operating activities:	
Cash received from customers	\$ 3,261,070
Cash paid to suppliers and vendors	(782,796)
Cash paid for employees	(110,398)
Net cash provided by operating activities	<u>2,367,876</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(750,123)
Principal retirements of capital debt	(518,592)
Capital contributions	505,487
Interest paid on capital debt	(162,780)
Net cash (used in) capital and related financing activities	<u>(926,008)</u>
Cash flows from investing activities:	
Purchase of investment securities	(42,310)
Interest and other income	72,971
Net cash provided by investing activities	<u>30,661</u>
Net increase in cash and cash equivalents	1,472,529
Cash and cash equivalents, October 1	<u>6,505,025</u>
Cash and cash equivalents, September 30	<u>\$ 7,977,554</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ <u>2,145,362</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	412,637
Unrealized loss on investments	(30,661)
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(471,993)
Increase (decrease) in:	
Accounts payable and accrued liabilities	312,531
Total adjustments	<u>222,514</u>
Net cash provided by operating activities	<u>\$ 2,367,876</u>
Noncash capital and related financing activities	
Deferred loss on refunding	\$ (576,213)
Total noncash capital and related financing activities	<u>\$ (576,213)</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DORAL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Financial Reporting Entity*

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, fire or hospital facilities; those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the City. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The more significant of the City's accounting policies are described below:

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these 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 are 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 provided 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 and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as other governmental or other proprietary funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Basis of 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 the 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 receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, franchise taxes, 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 revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – This 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.

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

The City reports the following major proprietary fund:

Stormwater Fund – This fund accounts for the maintenance of and construction of the City’s stormwater system.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the City follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government wide and proprietary fund financial statements. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The City has elected not to follow subsequent FASB 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, and 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 stormwater fund is charges to customers. Operating expenses for the 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.

When both restricted and unrestricted resources are available for use, it is City policy to use restricted resources first, and then unrestricted resources as needed.

Implementation of Governmental Accounting Standards Board Statements

During the fiscal year ended September 30, 2014, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities.

D. Deposits and Investments

The City's cash and cash equivalents, for purpose of the statement of cash flows, include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City maintains a cash pool that is available for use by all funds. Interest earned on pooled cash is allocated to each of the funds, based on the fund's average equity balance on a monthly basis.

Investment holdings consist of United States Government Securities, United States Government Agencies Asset Backed/Collateralized Mortgage Obligation (CMO) and Mortgage Backed Securities, Federal Instrumentalities, Federal Instrumentalities Mortgage-Backed Securities (MBS), Corporate Notes, Commercial Paper, and Registered Investment Companies (Mutual Funds), which are reported at fair value, which is based on quoted market prices.

Section 218.415, Florida Statutes, limits the types of investments that the City can invest in unless specifically authorized in the City's investment policy. The City has a formal investment policy that allows for the following investments: the Florida Prime Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Mutual Funds), Intergovernmental Investment Pool, Corporate Obligations or Corporate Notes, Corporate Obligations (FDIC Insured), Mortgage-Backed Securities (MBS), and Bond Funds.

E. Receivables and Payables

Activity 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."

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on the property. Tax bills are mailed for the City by Miami Dade County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters, which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Council and the Miami-Dade County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the fiscal year ended September 30, 2014 was 1.9280 mills (\$1.9280 per \$1,000 of taxable assessed valuation).

H. Restricted Assets

Proceeds from the local option gas taxes and impact fees are classified as restricted since these resources may only be used for specific purposes (ex. Road and transportation, public safety, recreation).

I. Capital Assets

Capital assets which include infrastructure – construction in progress, public domain and system infrastructure, parks and recreational facilities, vehicles, furniture, fixtures and equipment are reported in the applicable governmental 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 in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life 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>
Building		50
Infrastructure		40-50
Public domain and system infrastructure		20-25
Parks and recreational facilities		20
Furniture, fixtures and equipment		3-10
Vehicles		5

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City reports a derivative instrument and a loss on refunding in this category.

The derivative instrument represents the corresponding deferred outflow of resources to offset all swap liabilities on the statement of net position. The balance of all cumulative changes in fair value of all swap liabilities as of September 30, 2014, is \$2,192,863.

The loss on refunding of \$523,830 represents the aggregate difference between the refunding and the refunded debt of the Stormwater Utility Revenue Bonds. The deferred loss on refunding is amortized over the shorter of the life of the new debt or the remaining life of the old debt. The unamortized loss on refunding is reported in both the statement of net position (proprietary fund) and the government-wide statement of net position as a deferred outflow of resources and the amortized amount for fiscal year ended September 30, 2014 \$52,383 is included in interest expenses in the statement of revenues, expenses, and changes in fund net position (proprietary fund) and the statement of activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category is unearned revenue. The source of this unearned revenues is local business license tax collected in advance of \$590,142 is reported in both the governmental funds and the government-wide statement of net position. This amount is deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

K. *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. Additionally, during December of each year the City allows employees to "sell" their accumulated earned vacation and sick leave to the City. 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 resignations and retirements. The general fund is used to liquidate such amounts.

L. *Post Employment Benefits Other Than Pensions (OPEB)*

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirement of the City. The City is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City records a Net OPEB obligation in its government-wide financial statements related to the implicit subsidy. For governmental activities, the net other postemployment benefit obligation typically will be liquidated by the general fund. The OPEB plan does not issue separate financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs are amortized over the term of the related debt. For proprietary fund types, bonds payable are reported net of the applicable bond premium, discount, and issuance costs. For governmental activities, the net other postemployment benefit obligation will be liquidated by the general fund.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

N. Net Position

Total equity as of September 30, 2014, is classified into three components of net position:

Net investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

Restricted net position – This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.

Unrestricted net position – This category includes all of the remaining net position that do not meet the definition of the other two categories.

O. Fund Balance

As of September 30, 2014, fund balances of the governmental funds are classified as follows:

Non-spendable — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. Ordinances and resolutions approved by the City Council are the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council. Ordinances and resolutions are equally binding.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

Assigned — Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the City Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delegated to the City Manager by the Council. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned — This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

	<u>General</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Prepays	\$ 200,816	\$ -	\$ -	\$ 200,816
Restricted:				
Transportation	-	7,576,200	-	7,576,200
Park impact fees	-	-	6,183,417	6,183,417
Police impact fees	-	-	1,423,930	1,423,930
Police forfeitures (LETf)	-	-	418,569	418,569
Committed:				
Transportation	-	4,172,489	-	4,172,489
Park impact fees	-	-	585,071	585,071
Police forfeitures (LETf)	-	-	3,006	3,006
Capital Projects	8,854,620	-	2,296	8,856,916
Public Safety	37,070	-	-	37,070
Subsequent year's budget	85,254	-	-	85,254
Assigned:	-	-	270,904	270,904
Unassigned:	<u>61,431,181</u>	<u>-</u>	<u>-</u>	<u>61,431,181</u>
Total Fund Balances	<u>\$ 70,608,941</u>	<u>\$ 11,748,689</u>	<u>\$ 8,887,193</u>	<u>\$ 91,244,823</u>
Fund Balances:				
Nonspendable	\$ 200,816	\$ -	\$ -	\$ 200,816
Restricted	-	7,576,200	8,025,916	15,602,116
Committed	8,976,944	4,172,489	590,373	13,739,806
Assigned	-	-	270,904	270,904
Unassigned	<u>61,431,181</u>	<u>-</u>	<u>-</u>	<u>61,431,181</u>
Total Fund Balances	<u>\$ 70,608,941</u>	<u>\$ 11,748,689</u>	<u>\$ 8,887,193</u>	<u>\$ 91,244,823</u>

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

Minimum Level of Unassigned Fund Balance Policy

The City has a formal minimum fund balance policy for the General Fund. The policy requires that the unassigned fund balance at fiscal year end be equal to not less than 15% of operating expenditures and transfers out budgeted for the General Fund in the subsequent year.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

P. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 collectability of receivables, OPEB, 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. The City has no material violations of finance-related legal and contractual obligations.

1. Fund Accounting Requirements

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, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

2. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Impact Fees	Park and police construction, development and improvements
Police Forfeitures	Law Enforcement
Federal, State and Local grants	Grant specific projects or programs

For the fiscal year ended September 30, 2014, the City complied, in all material respects, with these revenue restrictions.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

3. Excess of expenditures over appropriations

For the year ended September 30, 2014 the City attorney's department for the General fund's expenditures exceeded the amended budget by \$89,878. This excess of expenditures was funded by surpluses in other departments.

For the year ended September 30, 2014 the Law Enforcement Trust fund's expenditures exceeded the amended budget by \$4,576; this over-expenditure was funded with excess revenues received in the current year.

III. DEPOSITS AND INVESTMENTS

Cash & Cash Equivalents and Investment Portfolio

The City has a formally adopted comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, and maturity limits to protect the City's cash and investment assets.

Cash & Cash Equivalents

On September 30, 2014, the carrying amount of the City's bank deposit account was 52,654,438. The City's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

Investment Portfolio

Investment holdings consist of 53,891,266 in United States Government Securities, United States Government Agencies Asset Backed/Collateralized Mortgage Obligation(CMO) and Mortgage Backed Securities, Federal Instrumentalities, Federal Instrumentalities Mortgage-Backed Securities (MBS), Municipal Obligations, Corporate Notes, Commercial Paper, and Registered Investment Companies (Mutual Funds), which are reported at fair value in accordance with GASB requirements for Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Section 218.415, Florida Statutes, limits the types of investments that the City can invest in unless specifically authorized in the City's investment policy. The City has a formal investment policy that allows for the following investments: the Florida Prime Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Mutual Funds), Intergovernmental Investment Pool, Corporate Obligations or Corporate Notes, Corporate Obligations (FDIC Insured), Mortgage-Backed Securities (MBS), and Bond Funds.

As of September 30, 2014, the City had the following investments presented in terms of years:

Security Type	Fair Value	Duration (Years)
U.S. Treasury Notes	\$29,297,954	1.93
Government Agency Mortgage Backed Securities Pass-through	1,515,822	3.80
Federal Instrumentalities	6,633,167	1.65
Federal Instrumentalities Mortgage Backed Securities Pass-through	372,595	3.66
Municipal Obligations	1,346,180	1.5858
Corporate Notes	10,681,993	1.86
Commercial Paper	3,890,008	0.33
Fidelity Institutional Government Class I Money Market Fund	153,547	50 days*
Total	\$53,891,266	1.82

*Source: Bloomberg is the source of the Fidelity Institutional Government Class I Money Market Mutual Fund's weighted average duration. A Money Market Fund's duration is based on weighted average duration in days.

III. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months.

Investments of bond reserves, construction funds, and other non-operating funds (“core funds”) shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years.

The City utilizes “weighted average duration” as a measurement of interest rate risk and as of September 30, 2014, the investments had a weighted average duration of 1.82 years.

The City has securities with embedded call options.

CUSIP	Description	Maturity Date	Market Value	Call Option	Next Call Date
3130A1CR7	FEDERAL HOME LOAN BANKS (CALLABLE)	3/27/2017	\$1,182,834	Once Only	3/27/2015
3130A1CR7	FEDERAL HOME LOAN BANKS (CALLABLE)	3/27/2017	176,167	Once Only	3/27/2015
Total			\$1,359,000		

The City has \$1,888,417 invested in United States Government Agencies Asset Backed/Collateralized Mortgage Obligation and Federal Instrumentalities Mortgage pass-through securities (MBS) with a weighted average life of 3.79 years. The Investment Policy requires a maximum length to maturity for an investment in any MBS to be five (5) years from the date of purchase. Maturity shall be defined by the Average Life of a MBS.

CUSIP	Description	Maturity Date	Market Value	Average Life*
313603MP4	FNMA MBS POOL 1989-99 H	12/1/2019	\$61,179	1.61
31410C6G2	FNMA MBS POOL 885671	10/1/2036	8,921	3.79
31410WAC2	FNMA MBS POOL 899203	10/1/2036	143,650	3.77
31410WCJ5	FNMA MBS POOL 899273	11/1/2036	90,572	3.81
31411BQJ5	FNMA MBS POOL 903257	10/1/2036	15,865	3.72
31413HYP7	FNMA MBS POOL 946318	9/1/2037	11,408	3.83
31413VAM9	FNMA MBS POOL 956412	11/1/2037	41,000	3.83
36202ESE0	GNMA MBS POOL 4117	4/1/2038	160,239	4.25
36202ESV2	GNMA MBS POOL 4132	5/1/2023	121,636	2.77
36202ETK5	GNMA MBS POOL 4154	6/1/2023	162,145	2.77
36202EWX3	GNMA MBS POOL 4262	10/1/2038	34,310	5.09
36292DWC2	GNMA MBS POOL # 646043	10/1/2037	66,749	4.15
36294XCV6	GNMA MBS POOL 662584	9/1/2037	107,908	4.09
36295DXN4	GNMA MBS POOL 667685	10/1/2038	460,715	3.85
36295FC51	GNMA MBS POOL 668892	6/1/2037	198,941	4.42
36295QV56	GNMA MBS POOL 677536	11/1/2037	41,147	4.13
36296B6P2	GNMA MBS POOL 686778	6/1/2038	54,862	4.17
38375YEK4	GNMA MBS POOL 2008-82 A	9/1/2038	107,170	4.40
Total			\$1,888,417	3.79

*Source: Bloomberg is the source of the Average Life for each MBS.

III. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

The City's investment policy permits for investments in the following investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:

The Florida Prime Fund shall be rated "AAAm" or better by Standard & Poor's, or the equivalent by another rating agency.

Commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies.

Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" Standard & Poor's.

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

Registered Investment Companies (Mutual Funds) shall be rated "AAAm" by Standard & Poor's, or the equivalent by another rating agency.

Intergovernmental Investment Pool shall be rated "AAAm" by Standard & Poor's, or the equivalent by another rating agency.

Corporate obligations or notes shall have two of the following 3 minimum ratings: A-, A3, or A-, as rated by Standard and Poor's, and/or Moody's, and/or Fitch Investors Services rating services. However, if such obligations are rated by only one rating service, then such rating shall be at least AA-, Aa3, or AA- by Standard & Poor's, or Moody's or Fitch.

Mortgage-Backed Securities ("MBS") shall be AA rated or better by Standard & Poor's or the equivalent by another rating agency.

Bonds funds shall be AAA rated or better by Standard & Poor's or the equivalent by another rating agency.

The City's bank balance of 52,654,438 deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of September 30, 2014, the City had the following credit quality:

Security Type	Standard & Poor's Credit Rating Category	Portfolio Asset Allocation
U.S. Treasury Notes	AA	54.36%
Government Agency Mortgage Backed Securities Pass-through	AA	2.81%
Federal Instrumentalities	AA	12.31%
Federal Instrumentalities Mortgage Backed Securities Pass-through	AA	0.69%
Municipal Obligations	AA	2.50%
Corporate Notes	AA	6.79%
Corporate Notes	A	13.03%
Commercial Paper	A-1	7.22%
Fidelity Institutional Government Class I Money Market Fund	AAAm	0.28%
Total		100%

III. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by, the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2014, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

Concentration of Credit Risk

The City's investment policy has established asset allocation and issuer limits on the following investments which are designed to reduce concentration of credit risk of the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida Prime Fund, 100% of available funds may be invested in United States Government Securities, 25% of available funds may be invested in United States Government Agencies with a 10% limit on individual Issuers, 75% of available funds may be invested in Federal Instrumentalities with a 25% limit on individual Issuers, 50% of available funds may be invested in Interest Bearing Time Deposit or Saving Accounts of deposit with a 25% limit on individual issuers, 25% of available funds may be invested in Repurchase Agreements excluding one (1) business day agreements and overnight sweep agreements with a 10% limit on individual Issuers, 25% of available funds may be directly invested in Commercial Paper with a 10% limit on individual issuers, 25% of available funds may be directly invested in Bankers' Acceptances with a 10% limit on individual issuers, 20% of available funds may be directly invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 5% limit on individual issuers, 50% of available funds may be directly invested in Registered Investment Companies (Mutual Funds) with a 25% limit on individual issuers, 25% of available funds may be directly invested in Intergovernmental Investment Pool, 20% of available funds may be directly invested in Corporate Obligations or Corporate Notes with a 5% limit on individual issuers, 50% of available funds may be directly invested in Corporate Obligations (FDIC Insured) with a 25% limit on individual issuers, 15% of available funds may be directly invested in Mortgage-Backed Securities (MBS) with a 5% limit on individual issuers, and 25% of available funds may be directly invested in Bond Funds with a 10% limit on individual issuers.

As of September 30, 2014, the City had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
U.S. Treasury Notes/Bonds	\$29,297,954	54.36%
Federal National Mortgage Association Notes (FNMA)	2,473,633	4.59%
Federal National Mortgage Association Mortgage Backed Securities (FNMA)	372,595	0.69%
Federal Home Loan Mortgage Corporation Notes (FHLMC)	562,677	1.04%
Federal Home Loan Bank Notes (FHLB)	3,596,857	6.67%
Government National Mortgage Association Mortgage Backed Securities (GNMA)	1,515,822	2.81%
Regional Transportation Authority Taxable Revenue Bonds	1,346,180	2.50%
American Express Corporate Notes	1,141,914	2.12%
American Honda Corporate Notes	441,506	0.82%
Apple Inc. Global Corporate Notes	319,331	0.59%
Bank of New York Mellon (Callable) Corporate Notes	851,063	1.58%
Bank of Tokyo Mitsubishi Commercial Paper	1,298,456	2.41%
Berkshire Hathaway Fin Corporate Notes	391,423	0.73%
BNP Paribas Fin Commercial Paper	1,637,592	3.04%
Caterpillar Financial Se Corporate Notes	503,525	0.93%

Continued

III. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

Security Type	Fair Value	Portfolio Asset Allocation
Coca-Cola Corporate Notes	289,655	0.54%
General Electric Capital Corp Corporate Notes	1,028,844	1.91%
HSBC USA Corporate Notes	449,652	0.83%
IBM Corporation Corporate Notes	1,000,395	1.86%
John Deere Capital Corporate Notes	820,674	1.52%
JPMorgan Chase & Co Global Corporate Notes	1,305,355	2.42%
PepsiCo Inc. Global Corporate Notes	400,861	0.74%
Toyota Motor Credit Corporate Notes	631,469	1.17%
Wells Fargo Commercial Paper	953,961	1.77%
Wells Fargo & Company (Floating) Corporate Notes	1,106,325	2.05%
Fidelity Institutional Government Class I Money Market Mutual Fund	153,547	0.28%
Total	\$53,891,266	100%

Foreign Currency Risk

The City investment policy does not allow for investments in foreign currency therefore the City has no exposure to foreign currency risk.

IV. RECEIVABLES

Receivables at year-end are as follows:

	<u>Intergovernmental</u>	<u>Grants</u>	<u>Other</u>	<u>Totals</u>
General Fund	\$ 2,264,033	\$ -	\$ 99,261	\$ 2,363,294
Transportation Fund	488,051	70,084	9,859	567,994
Stormwater Fund	201,440	493,961	-	695,401
Non-Major Funds	-	-	604	604
	<u>\$ 2,953,524</u>	<u>\$ 564,045</u>	<u>\$ 109,724</u>	<u>\$ 3,627,293</u>

V. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at September 30, 2014 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund_ Payable</u>
General Fund	\$ 69,280	\$ -
Law Enforcement Trust Fund	-	69,280
	<u>\$ 69,280</u>	<u>\$ 69,280</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

VI. CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2014 was as follows:

Governmental activities	Beginning	Additions	Deletions	Transfers	Ending
Capital assets not being depreciated:					
Land	\$ 72,979,638	\$ -	\$ -	\$ -	\$ 72,979,638
Infrastructure assets - construction in progress	690,616	1,281,813	-	(333,139)	1,639,290
Total capital assets not being depreciated	73,670,254	1,281,813	-	(333,139)	74,618,928
Capital assets being depreciated:					
Buildings	25,268,803	2,530	-	-	25,271,333
Infrastructure - roads	78,868,374	2,520,534	-	333,139	81,722,047
Public domain and system infrastructure	7,193,940	-	-	-	7,193,940
Parks and recreation facilities	33,452,829	231,179	(175)	-	33,683,833
Furniture, fixtures and equipment	9,910,263	954,849	(25,133)	-	10,839,979
Vehicles	4,262,653	1,429,130	(112,497)	-	5,579,286
Total capital assets being depreciated	158,956,862	5,138,222	(137,805)	333,139	164,290,418
Less accumulated depreciation for:					
Buildings	(606,272)	(505,406)	-	-	(1,111,678)
Infrastructure - roads	(52,596,432)	(1,854,751)	-	-	(54,451,183)
Public domain and system infrastructure	(1,736,519)	(359,697)	-	-	(2,096,216)
Parks and recreation facilities	(7,570,411)	(1,645,624)	175	-	(9,215,860)
Furniture, fixtures and equipment	(5,370,753)	(1,076,493)	25,133	-	(6,422,113)
Vehicles	(3,426,355)	(483,417)	112,497	-	(3,797,275)
Total accumulated depreciation	(71,306,742)	(5,925,388)	137,805	-	(77,094,325)
Total capital assets being depreciated, net	87,650,120	(787,166)	-	333,139	87,196,093
Governmental activities capital assets, net	\$ 161,320,374	\$ 494,647	\$ -	\$ -	\$ 161,815,021
Business-type activities					
Capital assets not being depreciated:					
Infrastructure assets - construction in progress	\$ -	\$ 501,005	\$ -	\$ -	\$ 501,005
Total capital assets not being depreciated	-	501,005	-	-	501,005
Capital assets being depreciated:					
Infrastructure -stormwater improvements	20,316,552	248,310	-	-	20,564,862
Furniture, fixtures and equipment	4,907	808	-	-	5,715
Vehicles	47,779	-	-	-	47,779
Total capital assets being depreciated	20,369,238	249,118	-	-	20,618,356
Less accumulated depreciation for:					
Infrastructure - stormwater improvements	(2,736,268)	(407,505)	-	-	(3,143,773)
Furniture, fixtures and equipment	(3,833)	(716)	-	-	(4,549)
Vehicles	(28,644)	(4,416)	-	-	(33,060)
Total accumulated depreciation	(2,768,745)	(412,637)	-	-	(3,181,382)
Total capital assets being depreciated, net	17,600,493	(163,519)	-	-	17,436,974
Business-type activities capital assets, net	\$ 17,600,493	\$ 337,486	\$ -	\$ -	\$ 17,937,979

VI. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City are as follows:

<u>Governmental activities</u>	
General government	\$ 1,059,959
Police	420,587
Public works	2,620,717
Parks and recreation	1,664,799
Building	138,900
Planning and zoning	20,426
Total depreciation expense – governmental activities	<u>\$ 5,925,388</u>
<u>Business- type activities</u>	
Total depreciation expense – business- type activities	<u>\$ 412,637</u>

VII. LONG-TERM DEBT

REVENUE BONDS

Capital Improvement Bonds Payable: On May 4, 2006 the City issued \$21,250,000 of Capital Improvement Revenue Bonds, Series 2006A (tax-exempt bonds) for \$10,000,000 and Series 2006B (taxable bonds) 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. In January of 2007, the City refunded the 2006B bonds with Capital Improvement Revenue Refunding Bonds Series 2007A for \$10 million (tax-exempt) and 2007B for \$1.25 million (taxable) bonds.

Capital Improvement Revenue Bond Series 2006A: This facility is a bank qualified tax-exempt bond in the amount of \$10 million. This bond bears interest on the outstanding principal at a variable rate equal to 65% of 3-month Libor plus .45%. Principal and interest payments are due quarterly through the maturity of the bonds in April 1, 2027. On April 21, 2006, the City 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 2007A: This facility is a bank qualified tax exempt bond that was issued for the purpose of refunding, on a tax-exempt basis, \$10,000,000 of the City's Capital Improvement Revenue Bonds, Series 2006B (taxable). This bond bears interest on the outstanding principal at a variable rate equal to 65% of 3-month Libor plus .45%. Principal and interest payments are due quarterly through the maturity of the bonds in April 1, 2027. On April 27, 2006, the City entered into a master swap agreement to make the effective interest rate on the outstanding balance of the bonds to be a fixed 4.27%. The details of the swap transactions are discussed below.

Capital Improvement Revenue Bond Series 2007B: This facility is a bank qualified taxable bond that was issued for the purpose of refunding, on a taxable basis, \$1,250,000 of the City's Capital Improvement Revenue Bonds, Series 2006B (taxable). This bond bears interest on the outstanding principal at a variable rate equal to 65% of 3-month Libor plus .45%. Principal and interest payments are due quarterly through the maturity of the bonds in April 1, 2027.

The bonds are all secured by non ad-valorem tax revenues.

VII. LONG-TERM DEBT (Continued)

Debt service requirements to maturity for the fiscal year ending September 30, 2014 are summarized as follows:

<u>Series 2006A</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 441,558	\$ 302,544	\$ 744,102
2016	460,580	283,523	744,103
2017	480,421	263,681	744,102
2018	501,117	242,985	744,102
2019	522,705	221,398	744,103
2020-2024	2,971,328	749,186	3,720,514
2025-2027	<u>1,921,903</u>	<u>134,381</u>	<u>2,056,284</u>
Total	<u>\$ 7,299,612</u>	<u>\$ 2,197,698</u>	<u>\$ 9,497,310</u>

<u>Series 2007A</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 441,081	\$ 304,952	\$ 746,033
2016	460,219	285,815	746,034
2017	480,188	265,846	746,034
2018	501,022	245,012	746,034
2019	522,761	223,273	746,034
2020-2024	2,974,367	755,802	3,730,169
2025-2027	<u>1,926,047</u>	<u>125,546</u>	<u>2,051,593</u>
Total	<u>\$ 7,305,685</u>	<u>\$ 2,206,246</u>	<u>\$ 9,511,931</u>

<u>Series 2007B</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 51,822	\$ 54,880	\$ 106,702
2016	54,937	51,765	106,702
2017	58,239	48,462	106,701
2018	61,740	44,962	106,702
2019	65,451	41,250	106,701
2020-2024	391,217	142,291	533,508
2025-2027	<u>269,116</u>	<u>24,313</u>	<u>293,429</u>
Total	<u>\$ 952,522</u>	<u>\$ 407,923</u>	<u>\$ 1,360,445</u>

Stormwater Utility Revenue Bonds

The City is required to pay the County its pro rata share for the Stormwater Utility Revenue Bonds, Series 1999 and 2004 issued prior to the City's incorporation. On September 16, 2013 the Miami-Dade County Stormwater Utility Revenue Refunding Bonds, Series 2013, refunded all of the outstanding Stormwater Utility Revenue Bonds, Series 1999 and Series 2004, except for the Stormwater Utility Revenue Bonds, Series 2004, maturing on April 1, 2014 and April 1, 2015. As a result of this, the County adjusted the City's required payment schedule. This resulted in a reduction in the amount of interest to be paid over the remaining life and an increase in the amount of principal to be paid. This resulted in a cash flow savings of approximately \$35,000 per year over the life of the new payment plan to the County. As a result of the increase in principal to be paid, the City reported a deferred loss on refunding of \$576,213 in the statement of net position which will be amortized to interest expense over the remaining life of the debt.

The payment for the fiscal year ended September 30, 2014 was \$518,592 and the balance of the remaining principal payments range from \$396,824 to \$642,381 through September 2029.

Debt service requirements to maturity for the fiscal year ending September 30, 2014 are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 396,824	\$ 267,984	\$ 664,808
2016	412,723	251,864	664,587
2017	427,243	237,534	664,777
2018	442,223	222,801	665,024
2019	457,202	207,500	664,702
2020-2024	2,535,245	788,920	3,324,165
2025-2029	<u>3,004,671</u>	<u>318,947</u>	<u>3,323,618</u>
Total	<u>\$ 7,676,131</u>	<u>\$ 2,295,550</u>	<u>\$ 9,971,681</u>

VII. LONG-TERM DEBT (Continued)

Quality Neighborhood Improvement Program (QNIP Bonds)

The City is required to pay the County its pro rata share for the Public Service Tax Revenue Bonds, Series 1999 and 2002 (the QNIP Bonds) issued prior to the City's incorporation. The payment for the fiscal year ended September 30, 2014 was \$212,581 and the balance of the remaining principal payments range from \$132,430 to \$315,290 through September 2027.

During the fiscal year end the County refinanced the Public Service Tax Revenue Bonds, Series 1999 and 2002 with the Public Service Tax Refunding Bonds (UMSA), Series 2011.

Debt service requirements to maturity for the fiscal year ending September 30, 2014 are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 222,425	\$ 126,499	\$ 348,924
2016	231,445	116,821	348,266
2017	240,055	107,461	347,516
2018	248,870	97,752	346,622
2019	258,505	87,683	346,188
2020-2024	1,456,730	272,845	1,729,575
2025-2027	<u>418,204</u>	<u>42,548</u>	<u>460,752</u>
Total	<u>\$ 3,076,234</u>	<u>\$ 851,609</u>	<u>\$ 3,927,843</u>

Long-term debt activity for the fiscal year ended September 30, 2014 was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due within One Year</u>
Governmental Activities					
Capital Improvement Revenue Bonds:					
Series 2006A	\$ 7,722,934	\$ -	\$ (423,322)	\$ 7,299,612	\$ 441,558
Series 2007A	7,728,222	-	(422,537)	7,305,685	441,081
Series 2007B	<u>1,000,868</u>	-	<u>(48,346)</u>	<u>952,522</u>	<u>51,822</u>
Total Bonds	<u>16,452,024</u>	<u>-</u>	<u>(894,205)</u>	<u>15,557,819</u>	<u>934,461</u>
Other liabilities:					
Capital leases	37,232	-	(37,232)	-	-
QNIP bonds	3,288,815	-	(212,581)	3,076,234	222,425
OPEB liability	818,000	140,000	-	958,000	-
Compensated absences	<u>818,992</u>	<u>1,071,904</u>	<u>(929,327)</u>	<u>961,569</u>	<u>200,000</u>
Governmental activities long-term liabilities	<u>\$ 21,415,063</u>	<u>\$ 1,211,904</u>	<u>\$ (2,073,345)</u>	<u>\$ 20,553,622</u>	<u>\$ 1,356,886</u>
Business-type activities					
Stormwater Utility Revenue Bonds	<u>\$ 7,618,510</u>	<u>\$ 576,213</u>	<u>\$ (518,592)</u>	<u>\$ 7,676,131</u>	<u>\$ 396,824</u>
Business-type activities long-term liabilities	<u>\$ 7,618,510</u>	<u>\$ 576,213</u>	<u>\$ (518,592)</u>	<u>\$ 7,676,131</u>	<u>\$ 396,824</u>

VIII. INTEREST RATE SWAPS

In June 2008, the GASB issued Statement 53, Accounting and Financial Reporting for Derivative Instruments (GASB 53). GASB 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The City adopted GASB 53 in Fiscal Year 2010. All derivatives are to be reported on the statement of net position at fair value, and all hedges must be tested for effectiveness to qualify for hedge accounting. The tests are outlined in GASB 53. Depending on the test results, the changes in fair value are either reported on the statement of net position as a deferral, or in the statement of activities as investment revenue or loss.

An independent party was engaged to perform the valuations and required tests on the swaps. Using the Consistent Critical Terms method of effectiveness testing, the City's swaps qualify for hedge accounting under GASB 53, therefore all cumulative changes in fair value as of September 30, 2014, all swap liabilities, are offset by a corresponding deferred outflow of resources on the statement of net position.

Both pay-fixed swap transactions are associated with variable debt. Combining a pay-fixed receive-variable rate swap with variable debt results in what is termed "synthetic" fixed rate debt. It is called synthetic because the economics are similar to fixed rate debt, but another instrument is involved unlike regular fixed rate debt. The fair values of the swaps take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap.

The following table provides a summary of the basic terms of the swap agreements as of September 30, 2014:

Associated Bonds	Initial Notional	Current Notional	Effective Date	Maturity Date	Rate Paid	Rate Received	Fair Value	Bank Counterparty	Counterparty Ratings Moody's/S&P/Fitch
Series 2006 A	\$10,000,000	\$7,299,612	5/4/2006	4/1/2027	4.24%	65% of 3-month LIBOR + 0.45%	(\$1,088,656)	Regions Bank	Baa3/BBB/BBB-
Series 2007 A	\$10,000,000	\$7,305,685	1/16/2007	4/1/2027	4.27%	65% of 3-month LIBOR + 0.45%	<u>(\$1,104,207)</u> <u>(\$2,192,863)</u>	Regions Bank	Baa3/BBB/BBB-

Series 2006 A and Series 2007 A Interest Rate Swaps

Objectives of the Interest Rate Swaps: To reduce its interest rate risk, the City entered into an interest rate swap effective May 4, 2006 in connection with its \$10,000,000 Series 2006 A Bonds, and another swap effective January 16, 2007 in connection with its \$10,000,000 Series 2007 A Bonds. The intention of the swaps is to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 4.24% and 4.27% respectively.

Terms: The bonds and the related swap agreements mature on April 1, 2027, and the swap's notional amounts of \$10 million matches the \$10 million variable-rate bonds. The notional amounts of the swap and the principal amounts of the associated debt begin to decline at the same amounts. The City pays the counterparty a fixed payment of 4.24% and 4.27% and receives a variable payment computed at 65% of the 3-month London Interbank Offered Rate (LIBOR) plus 0.45%, just like the underlying variable rate bonds.

Fair Value: Long-term interest rates have declined since the execution of the swaps and as of September 30, 2014 the swaps had a negative fair value of (\$1,088,656) and (\$1,104,207) for the Series 2006 A and Series 2007 A swaps respectively. The fair market value of the swap was calculated using the zero-coupon method. The zero-coupon method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit Risk: As of September 30, 2014, the City was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the derivative's fair value if there was an early termination. The swap counterparty was rated Baa3 by Moody's, BBB by Standard & Poor's, and BBB- by Fitch as of September 30, 2014.

VIII. INTEREST RATE SWAPS (Continued)

Basis Risk: The basis risk is the difference between the interest paid on the variable rate bonds and the floating amount received from the interest rate swap. There is no basis risk on the swaps.

Termination Risk: The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The counterparty does not have an option to terminate the transactions, and is expected to perform through their maturity. If either swap were terminated, the variable-rate bonds would no longer carry a synthetic fixed interest rate. If either swap were terminated and at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

IX. EMPLOYEE RETIREMENT PLANS

Florida Retirement System Plan

The City participates in the Florida Retirement System (the "System"), a multiple-employer cost sharing Public Employee Retirement System ("PERS"). The Division of Retirement, Department of Administration of the State of Florida administers the System. All budgeted City employees are eligible to participate in the System. The City's payroll for the 109 employees covered by the System for the year ended September 30, 2014 was approximately \$6.877 million.

The 2011 Florida Legislative session passed Senate Bill 2100, making substantive changes to the FRS. The bill was signed into law effective July 1, 2011. The bill requires all FRS Investment and Pension Plan members to make 3% employee contributions on a pretax basis. Employees who are in the Deferred Retirement Option Program (DROP) are not required to pay employee contributions. The bill changes the annual interest rate of the DROP from 6.5% to 1.3% per year. Furthermore, the bill eliminates the cost-of-living adjustment (COLA) on FRS services earned on or after July 1, 2011. However, a reduced COLA will be calculated if a member's retirement or DROP participation date is effective on or after August 1, 2011.

Under the bill, the Pension Plan's vesting requirement changes from 6 years to 8 years. For new employees initially enrolled in the Pension Plan on or after July 1, 2011, those members will be vested upon completion of 8 years of creditable services. For existing employees, vesting will remain at 6 years of creditable service.

The bill also changes the Pension Plan's normal retirement date. For Special Risk Class, the age increases from 55 to 60 years of age, and the years of creditable service increases from 25 to 30 years. For all other classes, the age increases from 62 to 65 years of age, and the years of creditable service increases from 30 to 33 years. Upon vesting, those members are entitled to an annual retirement benefit payable monthly for life. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

Early retirement may be taken any time after vesting; however, there is a five percent benefit reduction for each year prior to normal retirement age or date. The System also provides disability and survivor benefits.

Funding Policy

The City required contribution rates are established by the Florida Legislature. Employees within 5 years of retirement may elect to participate in the DROP program. The City contributes 12.28% of salaries for participants of the DROP program. During 2014 the City had no employees participating in this program.

Effective July 1, 2011 employees were required to pay 3% towards their retirement. The employer contribution for regular employees, senior management, and special risk members applicable to the last three fiscal years are as follows:

Employer Contribution Rates	Regular Employees	Senior Management	Special Risk Members
Effective 7/1/12	5.18%	6.30%	5.91%
Effective 7/1/13	6.95%	18.31%	35.96%
Effective 7/1/14	7.37%	21.14%	42.07%

IX. EMPLOYEE RETIREMENT PLANS (Continued)

Florida Retirement System Plan (Continued)

The City's contribution to the FRS for the last three years were as follows:

	2014	2013	2012
Employer contribution	\$ 1,254,454	\$ 924,864	\$ 734,295
Percentage contributed	100%	100%	100%

Actuarial Accrued Liability

The "net pension obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to indicate the system's funding status on a going concern basis, assets progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among public employee retirement systems and employers. The system does not make separate measurements of assets and pension benefit obligations of participating employers.

The System does not make separate measurements of assets and the actuarial accrued liability for individual employers. The actuarial liability, which is the actuarial present value of credited projected benefits, is a standardized disclosure measurement of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The actuarial accrued liability at June 30, 2014 for the System as a whole, determined through an actuarial valuation update performed as of that date, was \$160.1 billion. The System's valuation assets were \$138.6 billion, leaving an under-funded actuarial accrued liability of approximately \$21.5 billion. Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2014 annual report.

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%. Additionally, 18% is contributed to the City Council.

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.

X. COMMITMENTS AND CONTINGENCIES

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 coverage in any of the past three fiscal years.

X. COMMITMENTS AND CONTINGENCIES (Continued)

Litigation

The City is involved in several lawsuits incidental to its operations. In the opinion of management and legal counsel, the ultimate outcome of such matters would not have a material adverse effect upon the financial condition of the City.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the City. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Leases

Police Department- In December 2008, the City executed a lease agreement with the Board of Trustees of the Internal Improvement Trust of the State of Florida (the "Trust") for the land used for construction and operation of the City's police station. The lease expires in December 2058. Under the terms of the lease, the City shall manage the premises in accordance with the terms of the lease. The City will pay the Trust an annual administration fee of \$300 in accordance with the terms of the lease. The City was required to commence construction of the City police station within three years of the commencement date of the lease. An amendment was made to the lease to commence construction until no later than August 18, 2013. The City renegotiated a three year extension to the agreement giving the City until August 18, 2016 to commence construction.

Construction Commitments

At September 30, 2014, the City is in the process of constructing the NW 114th Ave Park and Recreation Center. The cost of the work is approximately \$669,000 and is currently in the design and engineering construction phase.

XI. OTHER POST EMPLOYMENT BENEFITS

Plan Description and Provisions

The City of Doral has a single employer defined benefit healthcare plan which offers health insurance for retired employees. Any employee, who retires with a service retirement benefit from the Florida Retirement System, can purchase health insurance from the City at the full published rates. Access at the full published rates is also extended to dependents and beneficiaries. Deferred retirements are not allowed to elect coverage at the time of retirement.

Funding Policy

Benefits are funded on a pay-as-you-go basis.

Demographic Data

Demographic data as of November 1, 2014 was used in the valuation. This data included current medical coverage for current employees and retirees.

Claims Data

The claims are based on age adjusted premiums.

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

Implicit Subsidy

The published insurance rates for persons prior to Medicare eligibility are based primarily on the healthcare usage of active employees. Since retirees use healthcare at a rate much higher than employees, using these blended rates creates an implicit subsidy for the retiree group. GASB 45 requires that the claims assumption we use for this valuation be based on the actual per-capita retiree cost. The difference between the actual usage of healthcare by retirees and the assumption built into the published rates is identified as the implicit subsidy amount. The liabilities could be reduced by publishing rates for retirees prior to Medicare eligibility that more closely reflect the true cost of healthcare for each group.

Demographic Assumptions

Demographic assumptions mirror those used for the pension plan. All employees are assumed to participate in the Florida Retirement System.

Economic Assumptions

The discount rate is 4.00%. The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in December 2007 and updated in September 2014. The following baseline assumptions were used as input variables into this model:

Rate of Inflation	2.4%
Rate of Growth in Real Income / GDP per capita	1.5%
Extra Trend due to Technology and other factors	1.0%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

Economic Assumptions (Continued)

The pre-65 medical trend was increased to reflect the impact of the Cadillac Tax for this purpose general inflation was assumed to be 2.5% per annum.

Payroll is assumed to increase at 4% per annum. This assumption is used to determine the level percentage of payroll amortization factor.

Benefit Eligibility

Participants must meet the eligibility of the Florida Retirement System which is:

Initially enrolled before July 1, 2011

Regular Class –earlier of

- Age 62 with 6 years of service,
- Age after 62 that member becomes vested, or
- 30 years of service regardless of age.

Special Risk Class – earlier of

- Age 55 with 6 years of special risk service,
- Age after 55 that member becomes vested,
- 25 years of service consisting of both special risk service and up to 4 years of wartime military service and age 52
- 25 years of special risk service regardless of age, or
- 30 years of any credible service, regardless of age

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

Initially enrolled on or after July 1, 2011

Regular Class –earlier of

- Age 65 with 8 years of service,
- Age after 65 that member becomes vested, or
- 33 years of service regardless of age.

Special Risk Class – earlier of

- Age 60 with 8 years of special risk service,
- Age after 60 that member becomes vested,
- 30 years of service consisting of both special risk service and up to 4 years of wartime military service and age 57
- 30 years of special risk service regardless of age, or
- 33 years of any credible service, regardless of age

Members are eligible for early retirement or reduced retirement if they are vested and within the 20 years of normal retirement age. Their FRS benefit is reduced 5% for each year remaining from a member's early retirement age to his/her normal retirement age. General participants are assumed to be eligible for early retirement at age 55 and Police participants at age 50.

Employee Subsidy

The plan is an access only plan. Employees, Spouses, and Beneficiaries are allowed access to the plan but must pay the full cost to participate.

Public Safety Participants receive a \$5 subsidy from FRS for each year of service to help offset the cost of health benefits. This subsidy is capped at a maximum of \$250 per month. There is no liability to the City of Doral for this benefit.

Cost Method

This valuation uses the Projected Unit Credit method, with linear pro-ration to assumed benefit commencement.

Amortization Method

Unfunded liabilities are amortized over a closed 26 year period as a level percentage of payroll for FYE 2014.

Coverage Status and Age of Spouse

Actual coverage status is used; females assumed 3 years younger than male spouse.

30% of employees are assumed to elect to participate in the plan upon retirement/disability.

Medical Trend Assumption

The assumption was developed using the SOA long term medical trend model using following baseline assumptions were used as input variables into the model:

Rate of Inflation	2.4%
Rate of Growth in Real Income / GDP per capita	1.5%
Extra Trend due to Technology and other factors	1.0%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

Medical Trend Assumption (Continued)

The pre-65 medical trend was increased to reflect the impact of the Cadillac Tax for this purpose general inflation was assumed to be 2.5% per year.

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

The City's annual OPEB cost for the fiscal year ended 2014 is as follows:

Annual required contribution (ARC)	\$ 140,000
Interest on net OPEB obligation	33,000
Adjustment to annual required contribution	<u>(33,000)</u>
Annual OPEB cost	140,000
Contributions made	<u>-</u>
Increase in net OPEB obligation	140,000
Net OPEB obligation - beginning of year	<u>818,000</u>
Net OPEB obligation - end of year	<u>\$ 958,000</u>

Schedule of Employer Contributions

<u>Year Ended</u> <u>September 30</u>	<u>Annual OPEB Cost</u>	<u>Net Actual Contribution</u>	<u>Percentage Contributed</u>	<u>OPEB Obligation</u>
2012	\$ 188,000	\$ 3,000	1.5%	\$ 618,000
2013	\$ 203,000	\$ 3,000	1.5%	\$ 818,000
2014	\$ 140,000	\$ -	0.0%	\$ 958,000

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) - (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (a-b)/c</u>
10/1/2012	-	621,000	621,000	0.0%	-	N/A
10/1/2013	-	581,000	581,000	0.0%	-	N/A
10/1/2014	-	715,000	715,000	0.0%	-	N/A

The schedule of funding progress presented as required supplementary information (RSI) above, present multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the AALs for benefits.

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

The City's annual contribution is based on annual actuarial valuations.

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Closed
Amortization Period	30 (as of October 1, 2009)
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions	
Discount Rate:	4.00%
Payroll Increase	4.00%
Medical Trend Model	The trend table is split for Pre-Medicare and Post-Medicare aged participants. The trend is 9.00% for 2012 and decreases gradually. The ultimate rate is 4.24% and is achieved in 2111.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DORAL, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 16,269,251	\$ 16,269,251	\$ 15,383,682	\$ (885,569)
Utility taxes	6,955,000	6,955,000	7,915,628	960,628
Franchise fees	4,610,000	4,610,000	3,982,872	(627,128)
Intergovernmental revenues	4,381,000	4,381,000	4,558,060	177,060
Licenses, permits and fines	11,982,807	11,982,807	11,059,336	(923,471)
Communication service tax	5,100,000	5,100,000	5,519,464	419,464
Charges for services	639,400	639,400	634,133	(5,267)
Grant revenues	-	-	25,783	25,783
Investment income	250,000	250,000	358,342	108,342
Miscellaneous	442,466	442,466	673,948	231,482
Total revenues	<u>50,629,924</u>	<u>50,629,924</u>	<u>50,111,248</u>	<u>(518,676)</u>
Expenditures:				
General government				
Elected officials	533,406	575,705	542,094	33,611
Manager's office	731,931	737,257	659,073	78,184
Public affairs	548,540	743,040	410,216	332,824
City clerk	487,836	563,700	474,294	89,406
Finance department	891,432	922,095	730,873	191,222
City attorney	585,981	585,981	675,859	(89,878)
Human resources	399,265	402,127	333,271	68,856
Information technology	2,234,981	2,289,657	1,719,852	569,805
General government	<u>4,146,227</u>	<u>3,941,406</u>	<u>3,738,801</u>	<u>202,605</u>
Total general government	<u>10,559,599</u>	<u>10,760,968</u>	<u>9,284,333</u>	<u>1,476,635</u>
Police	14,193,453	15,057,719	13,765,159	1,292,560
Public works	4,556,003	5,691,803	2,474,516	3,217,287
Parks and recreation	3,405,437	8,739,008	3,381,926	5,357,082
Building	3,275,117	3,432,708	2,916,579	516,129
Planning and zoning	986,894	1,210,880	740,461	470,419
Code enforcement	<u>981,193</u>	<u>998,661</u>	<u>888,179</u>	<u>110,482</u>
Total expenditures	<u>37,957,696</u>	<u>45,891,747</u>	<u>33,451,153</u>	<u>12,440,594</u>
Net change in fund balance	<u>\$ 12,672,228</u>	<u>\$ 4,738,177</u>	<u>\$ 16,660,095</u>	<u>\$ 11,921,918</u>

See notes to budgetary comparison schedule

CITY OF DORAL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 2,416,000	\$ 2,416,000	\$ 2,516,333	\$ 100,333
Charges for services	1,700,000	1,700,000	2,432,085	732,085
Grant revenues	<u>-</u>	<u>183,500</u>	<u>1,115,394</u>	<u>931,894</u>
Total revenues	<u>4,116,000</u>	<u>4,299,500</u>	<u>6,063,812</u>	<u>1,764,312</u>
Expenditures:				
Current:				
Public Works	<u>6,213,895</u>	<u>9,739,552</u>	<u>5,006,534</u>	<u>4,733,018</u>
Total expenditures	<u>6,213,895</u>	<u>9,739,552</u>	<u>5,006,534</u>	<u>4,733,018</u>
(Deficiency) of revenues over expenditures before other financing sources	<u>(2,097,895)</u>	<u>(5,440,052)</u>	<u>1,057,278</u>	<u>6,497,330</u>
Other financing sources				
Appropriation of prior year fund balance	<u>2,097,895</u>	<u>5,440,052</u>	<u>-</u>	<u>(5,440,052)</u>
Total other financing uses	<u>2,097,895</u>	<u>5,440,052</u>	<u>-</u>	<u>(5,440,052)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,278</u>	<u>\$ 1,057,278</u>

See notes to budgetary comparison schedule

CITY OF DORAL, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2014

Notes to Budgetary Comparison Schedules

Annual appropriated budgets are prepared for the General Fund, Transportation Fund, Park Impact Fee Fund, Police Impact Fee Fund and the Capital Improvement Projects Fund. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During the fiscal year ended September 30, 2014, there were supplemental appropriations of \$7,934,051 in the General Fund and of \$3,525,657 in the Transportation Fund.
5. Formal budgetary integration is employed as a management control device for the General Fund.
6. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Enforcement Trust Fund – This fund accounts for proceeds received from the sale of property seized and forfeited through Local, State and Federal agencies. Funds are to be expended in compliance with applicable Federal, State and Local law, regulations and orders.

Park Impact Fee Fund – This fund accounts for a fee applied to each unit of new construction single-family, duplex and multifamily buildings for the purpose of park construction, development and improvements.

Police Impact Fee Fund – This fund accounts for a fee applied to each unit of new construction single-family, duplex and multifamily buildings for the purpose of police department improvements.

Capital Projects Fund

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

CITY OF DORAL, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue			Capital Projects	Total
	Law Enforcement Trust Fund	Park Impact Fee Fund	Police Impact Fee Fund	Capital Improvement Projects Fund	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 539,972	\$ 6,907,729	\$ 1,423,930	\$ 273,200	\$ 9,144,831
Accounts receivable - net	604	-	-	-	604
Total assets	\$ 540,576	\$ 6,907,729	\$ 1,423,930	\$ 273,200	\$ 9,145,435
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$ -	\$ 139,241	\$ -	\$ -	\$ 139,241
Escrow deposits	49,721	-	-	-	49,721
Due to other funds	69,280	-	-	-	69,280
Total liabilities	119,001	139,241	-	-	258,242
<u>FUND BALANCES</u>					
Restricted	418,569	6,183,417	1,423,930	-	8,025,916
Committed	3,006	585,071	-	2,296	590,373
Assigned	-	-	-	270,904	270,904
Total fund balances	421,575	6,768,488	1,423,930	273,200	8,887,193
Total liabilities and Fund balances	\$ 540,576	\$ 6,907,729	\$ 1,423,930	\$ 273,200	\$ 9,145,435

CITY OF DORAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue			Capital Projects	Total
	Law Enforcement Trust Fund	Park Impact Fee Fund	Police Impact Fee Fund	Capital Improvement Projects Fund	
Revenues:					
Charges for services	\$ -	\$ 1,060,813	\$ 234,859	\$ -	\$ 1,295,672
Fines and forfeitures	243,817	-	-	-	243,817
Total revenues	243,817	1,060,813	234,859	-	1,539,489
Expenditures:					
Current:					
Police	4,576	-	-	-	4,576
Capital outlay	71,600	536,860	95,001	153,564	857,025
Total expenditures	76,176	536,860	95,001	153,564	861,601
Excess (deficiency) of revenues over (under) expenditures	167,641	523,953	139,858	(153,564)	677,888
Net change in fund balance	167,641	523,953	139,858	(153,564)	677,888
Fund balances, beginning	253,934	6,244,535	1,284,072	426,764	8,209,305
Fund balances, ending	\$ 421,575	\$ 6,768,488	\$ 1,423,930	\$ 273,200	\$ 8,887,193

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Law Enforcement Trust Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ 243,817	\$ 243,817
Expenditures:				
Current:				
Police	-	-	4,576	(4,576)
Capital outlay	-	71,600	71,600	-
Total expenditures	-	71,600	76,176	(4,576)
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	(71,600)	167,641	239,241
Other financing sources (uses)				
Appropriation of prior year fund balance	-	71,600	-	(71,600)
Total other financing sources (uses)	-	71,600	-	(71,600)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,641</u>	<u>\$ 167,641</u>

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Park Impact Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 2,993,904	\$ 2,993,904	\$ 1,060,813	\$ (1,933,091)
Expenditures:				
Current:				
Parks and recreation	7,577,500	7,577,500	536,860	7,040,640
Total expenditures	7,577,500	7,577,500	536,860	7,040,640
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(4,583,596)	(4,583,596)	523,953	5,107,549
Other financing sources (uses)				
Appropriation of prior year fund balance	4,583,596	4,583,596	-	(4,583,596)
Total other financing sources (uses)	4,583,596	4,583,596	-	(4,583,596)
Net change in fund balance	\$ -	\$ -	\$ 523,953	\$ 523,953

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Police Impact Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 180,000	\$ 180,000	\$ 234,859	\$ 54,859
Expenditures:				
Current:				
Police	1,469,369	1,469,369	95,001	1,374,368
Total expenditures	1,469,369	1,469,369	95,001	1,374,368
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(1,289,369)	(1,289,369)	139,858	1,429,227
Other financing sources (uses)				
Appropriation of prior year fund balance	1,289,369	1,289,369	-	(1,289,369)
Total other financing sources (uses)	1,289,369	1,289,369	-	(1,289,369)
Net change in fund balance	\$ -	\$ -	\$ 139,858	\$ 139,858

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Capital Improvement Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Grant revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public Works	525,417	525,417	153,564	371,853
Total expenditures	525,417	525,417	153,564	371,853
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(525,417)	(525,417)	(153,564)	371,853
Other financing sources (uses)				
Appropriation of prior year fund balance	525,417	525,417	-	(525,417)
Total other financing sources (uses)	525,417	525,417	-	(525,417)
Net change in fund balance	\$ -	\$ -	\$ (153,564)	\$ (153,564)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Doral's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:</i>	54-57
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	58-61
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	62-65
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	66-67
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	68-70

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF DORAL, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:										
Net investment in capital assets	\$ 1,591,438	\$ 6,052,226	\$ 23,202,258	\$ 39,639,029	\$ 41,662,505	\$ 92,251,381	\$ 119,771,884	\$ 141,379,804	\$ 141,542,303	\$ 143,180,968
Restricted	1,242,101	1,668,093	3,177,068	3,754,632	5,515,965	10,168,722	11,033,844	13,214,721	18,900,716	20,635,882
Unrestricted	<u>10,340,834</u>	<u>27,803,600</u>	<u>38,051,098</u>	<u>24,459,667</u>	<u>48,331,904</u>	<u>50,479,055</u>	<u>38,183,021</u>	<u>39,117,307</u>	<u>52,132,770</u>	<u>68,520,006</u>
Total governmental activities net position	<u>13,174,373</u>	<u>35,523,919</u>	<u>64,430,424</u>	<u>67,853,328</u>	<u>95,510,374</u>	<u>152,899,158</u>	<u>168,988,749</u>	<u>193,711,832</u>	<u>212,575,789</u>	<u>232,336,856</u>
Business-type activities:										
Net investment in capital assets	-	-	164,604	869,798	1,090,316	3,558,431	6,974,941	9,998,262	9,981,984	10,261,848
Restricted	-	-	5,110,253	6,947,066	9,060,722	11,335,185	10,614,726	11,675,417	13,087,937	15,286,069
Unrestricted	<u>96,950</u>	<u>2,334,304</u>	-	-	-	-	-	-	-	-
Total business-type activities net position	<u>96,950</u>	<u>2,334,304</u>	<u>5,274,857</u>	<u>7,816,864</u>	<u>10,151,038</u>	<u>14,893,616</u>	<u>17,589,667</u>	<u>21,673,679</u>	<u>23,069,921</u>	<u>25,547,917</u>
Total government:										
Net investment in capital assets	1,591,438	6,052,226	23,366,862	40,508,827	42,752,821	95,809,812	126,746,825	151,378,066	151,524,287	153,442,816
Restricted	1,242,101	1,668,093	8,287,321	10,701,698	14,576,687	21,503,907	21,648,570	24,890,138	31,988,653	35,921,951
Unrestricted	<u>10,437,784</u>	<u>30,137,904</u>	<u>38,051,098</u>	<u>24,459,667</u>	<u>48,331,904</u>	<u>50,479,055</u>	<u>38,183,021</u>	<u>39,117,307</u>	<u>52,132,770</u>	<u>68,520,006</u>
Total government net position	<u>\$ 13,271,323</u>	<u>\$ 37,858,223</u>	<u>\$ 69,705,281</u>	<u>\$ 75,670,192</u>	<u>\$ 105,661,412</u>	<u>\$ 167,792,774</u>	<u>\$ 186,578,416</u>	<u>\$ 215,385,511</u>	<u>\$ 235,645,710</u>	<u>\$ 257,884,773</u>

CITY OF DORAL, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 2,874,853	\$ 3,550,056	\$ 4,042,423	\$ 6,392,127	\$ 9,254,163	\$ 9,395,586	\$ 9,377,567	\$ 8,798,055	\$ 8,204,661	\$ 8,389,824
Public safety	8,653,831	10,967,211	13,318,322	15,608,252	13,272,872	13,309,746	13,075,987	12,965,522	12,489,625	13,407,671
Community development **	1,653,632	-	-	-	-	-	-	-	-	-
Building department **	-	2,322,401	3,075,941	3,431,312	2,681,306	2,409,914	2,385,076	2,233,942	2,596,095	2,864,600
Planning & zoning department **	-	633,859	851,765	1,271,656	1,490,300	1,756,263	1,611,160	1,675,114	1,646,449	1,659,889
Public works	553,223	748,229	894,629	1,596,806	2,449,170	4,436,348	4,185,763	4,252,964	5,532,198	6,080,384
Parks and recreation	770,844	1,306,101	2,166,591	2,414,919	2,933,542	3,581,420	3,142,369	5,098,902	5,181,129	4,721,102
Mitigation/ QNIP	8,094,986	8,180,211	398,178	17,371,673	380,362	6,407,677	381,493	-	-	-
Interest on long-term debt	-	450,073	984,740	928,928	920,428	1,006,180	1,069,561	868,321	963,412	830,011
Total governmental activities	22,601,369	28,158,141	25,732,589	49,015,673	33,381,943	42,303,134	35,228,976	35,892,820	36,613,569	37,953,481
Business-type activities:										
Stormwater utility	53,050	85,569	49,501	770,723	805,418	2,238,982	1,554,642	1,381,554	2,786,111	1,802,865
Total business-type activities	53,050	85,569	49,501	770,723	805,418	2,238,982	1,554,642	1,381,554	2,786,111	1,802,865
Total government expenses	\$ 22,654,419	\$ 28,243,710	\$ 25,782,090	\$ 49,786,396	\$ 34,187,361	\$ 44,542,116	\$ 36,783,618	\$ 37,274,374	\$ 39,399,680	\$ 39,756,346
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,635,954	\$ 743,012	\$ 925,276	\$ 874,751	\$ 976	\$ 128,823	\$ 112,836	\$ 125,626	\$ 132,997	\$ 21,223
Building department	-	5,607,313	7,046,317	4,841,501	3,263,765	2,812,662	4,412,564	4,957,425	7,021,431	6,952,601
Community development	-	-	-	-	-	-	-	-	-	-
Planning & zoning department	-	224,169	152,749	440,845	855,403	914,770	996,774	1,148,344	1,334,366	2,202,349
Public safety	529,332	861,643	1,357,086	1,059,257	1,420,871	1,186,253	1,281,524	2,387,197	1,902,291	2,023,454
Public works	-	-	-	-	851,038	290,544	908,130	1,925,115	1,890,988	2,791,693
Parks/recreation	1,044,037	1,459,663	2,139,521	532,021	429,071	728,160	1,762,181	2,075,532	2,231,399	1,673,723
Operating grants and contributions										
General government	-	-	-	-	40,586	-	-	-	-	-
Parks/recreation	-	-	416,319	-	-	-	-	-	-	-
Public safety	-	-	-	-	8,863	-	-	-	300,000	91,360
Capital grants and contributions										
General government	-	-	-	-	147,000	-	-	35,372	-	-
Public safety	-	-	-	-	-	-	-	1,686,744	20,986	23,112
Public works	-	-	-	-	764,951	732,460	947,429	161,348	204,866	1,115,394
Parks/recreation	12,750	91,343	-	-	5,828,755	-	-	2,500	-	2,671
Total governmental activities program revenues	4,222,073	8,987,143	12,037,268	7,748,375	13,611,079	6,793,672	10,421,438	14,505,203	15,039,324	16,897,580
Business-type activities:										
Charges for services:										
Stormwater utility	-	2,322,923	2,990,054	3,207,457	2,899,271	3,752,026	3,803,236	3,796,658	3,848,250	3,733,063
Operating grants and contributions	-	-	-	110,845	-	369,815	360,407	-	-	-
Capital grants and contributions										
General government	-	-	-	-	-	-	-	1,595,521	257,523	505,487
Public safety	-	-	-	-	-	-	-	5,392,179	4,105,773	4,238,550
Public works	-	-	-	-	-	-	-	-	-	-
Parks/recreation	12,750	91,343	-	-	-	-	-	2,500	-	2,671
Total business-type activities program revenues	-	2,322,923	2,990,054	3,318,302	2,899,271	4,121,841	4,163,643	5,392,179	4,105,773	4,238,550
Total program revenues	\$ 4,222,073	\$ 11,310,066	\$ 15,027,322	\$ 11,066,677	\$ 16,510,350	\$ 10,915,513	\$ 14,585,081	\$ 19,897,382	\$ 19,145,097	\$ 21,136,130
Net (expense) revenue:										
Governmental activities	\$ (18,379,296)	\$ (19,170,998)	\$ (13,695,321)	\$ (41,267,298)	\$ (19,770,864)	\$ (35,509,462)	\$ (24,807,538)	\$ (21,387,617)	\$ (21,574,245)	\$ (21,055,901)
Business-type activities	(53,050)	2,237,354	2,940,553	2,547,579	2,093,853	1,882,859	2,609,001	4,010,625	1,319,662	2,435,685
Total net expense	\$ (18,432,346)	\$ (16,933,644)	\$ (10,754,768)	\$ (38,719,719)	\$ (17,677,011)	\$ (33,626,603)	\$ (22,198,537)	\$ (17,376,992)	\$ (20,254,583)	\$ (18,620,216)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 14,875,808	\$ 17,202,696	\$ 20,893,975	\$ 24,179,740	\$ 25,389,666	\$ 22,448,001	\$ 19,868,535	\$ 19,766,557	\$ 17,031,372	\$ 15,383,682
Utility taxes	2,818,505	2,469,240	4,339,239	6,020,561	6,151,070	6,452,449	6,600,735	6,803,372	7,271,270	7,915,628
Communications services tax	2,534,262	3,557,442	4,019,547	4,085,310	4,743,877	5,205,814	4,920,479	5,080,171	4,980,273	5,519,464
Franchise taxes	1,864,204	2,801,948	3,278,696	5,586,792	5,703,733	5,887,483	4,344,291	4,947,073	4,597,851	3,982,872
Intergovernmental	3,156,660	3,577,547	7,765,837	3,432,355	2,665,510	3,136,493	3,560,046	4,717,657	6,678,764	7,074,393
Investment earnings and other	376,831	1,268,347	2,114,194	991,239	2,496,612	890,892	765,501	561,988	199,726	358,342
Other revenue	-	-	-	-	-	-	-	3,653,477	-	-
Miscellaneous	160,579	10,643,324	190,337	394,205	277,442	322,575	566,532	580,405	409,337	582,588
Total governmental activities	25,786,849	41,520,544	42,601,825	44,690,202	47,427,910	44,343,707	40,626,119	46,110,700	41,168,593	40,816,969
Business-type activities:										
Investment earnings and other	-	-	-	(5,572)	240,321	264,004	87,050	73,387	18,154	42,310
Total business-type activities	-	-	-	(5,572)	240,321	264,004	87,050	73,387	18,154	42,310
Total general revenues	25,786,849	41,520,544	42,601,825	44,684,630	47,668,231	44,607,711	40,713,169	46,184,087	41,186,747	40,859,279
Debt forgiveness	-	-	-	-	-	-	271,010	-	-	-
Change in net position:										
Governmental activities	\$ 7,407,553	\$ 22,349,546	\$ 28,906,504	\$ 3,422,904	\$ 27,657,046	\$ 8,834,245	\$ 16,089,591	\$ 24,723,083	\$ 19,594,348	\$ 19,761,068
Business-type activities	(53,050)	2,237,354	2,940,553	2,542,007	2,334,174	2,146,863	2,696,051	4,084,012	1,337,816	2,477,995
Total change in net position	\$ 7,354,503	\$ 24,586,900	\$ 31,847,057	\$ 5,964,911	\$ 29,991,220	\$ 10,981,108	\$ 18,785,642	\$ 28,807,095	\$ 20,932,164	\$ 22,239,063

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

CITY OF DORAL, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Reserved	\$ 136,107	\$ -	\$ 617,475	\$ 17,607,202	\$ 1,899,761	\$ 11,410,036	\$ -	\$ -	\$ -	\$ -
Unreserved and designated	-	-	-	-	-	26,775,000	-	-	-	-
Unreserved	11,015,595	22,333,658	43,759,009	24,617,572	41,344,944	13,063,995	-	-	-	-
Nonspendable	-	-	-	-	-	-	335,440	388,354	161,833	200,816
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	5,335,272	4,141,453	7,934,049	8,976,944
Unassigned	-	-	-	-	-	-	20,888,609	35,075,273	45,852,964	61,431,181
Total general fund	<u>11,151,702</u>	<u>22,333,658</u>	<u>44,376,484</u>	<u>42,224,774</u>	<u>43,244,705</u>	<u>51,249,031</u>	<u>26,559,321</u>	<u>39,605,080</u>	<u>53,948,846</u>	<u>70,608,941</u>
All other governmental funds:										
Reserved	1,037,806	1,563,211	2,659,838	282,636	5,515,965	4,427,304	-	-	-	-
Unreserved and designated, reported in:										
Capital projects fund	-	-	-	-	-	5,559,536	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	242,547	-	-	-	-
Transportation fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	(547,033)	5,704,660	(5,630,185)	3,371,076	5,559,535	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	11,033,844	11,324,481	14,781,778	15,602,116
Committed	-	-	-	-	-	-	12,858,436	225,891	3,694,235	4,762,862
Assigned	-	-	-	-	-	-	-	-	424,703	270,904
Unassigned	-	-	-	-	-	-	-	2,595,027	-	-
Total all other governmental funds	<u>490,773</u>	<u>7,267,871</u>	<u>(2,970,347)</u>	<u>3,653,712</u>	<u>11,075,500</u>	<u>10,229,387</u>	<u>23,892,280</u>	<u>14,145,399</u>	<u>18,900,716</u>	<u>20,635,882</u>
Total governmental funds	<u>\$ 11,642,475</u>	<u>\$ 29,601,529</u>	<u>\$ 41,406,137</u>	<u>\$ 45,878,486</u>	<u>\$ 54,320,205</u>	<u>\$ 61,478,418</u>	<u>\$ 50,451,601</u>	<u>\$ 53,750,479</u>	<u>\$ 72,849,562</u>	<u>\$ 91,244,823</u>

*GASB Statement 54 was implemented in Fiscal Year 2011.

CITY OF DORAL, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Ad valorem taxes	\$ 14,875,808	\$ 17,202,696	\$ 20,893,975	\$ 24,179,740	\$ 25,389,666	\$ 22,448,001	\$ 19,868,535	\$ 19,766,557	\$ 17,031,372	\$ 15,383,682
Franchise fees	1,864,204	2,801,948	3,278,696	5,586,792	5,703,733	5,887,483	4,344,291	4,947,073	4,597,851	3,982,872
Utility taxes	2,818,505	2,469,240	4,339,239	6,020,561	6,151,070	6,452,449	6,600,735	6,803,372	7,271,270	7,915,628
Communications services tax	2,534,262	3,557,442	4,019,547	4,085,310	4,743,877	5,205,814	4,920,479	5,080,171	4,980,273	5,519,464
Impact fees	1,180,974	1,503,516	1,304,751	304,993	-	-	-	-	-	-
Licenses, permits and fines	1,477,180	5,439,854	8,911,239	6,476,391	5,189,771	4,820,997	6,282,078	8,033,873	10,410,450	11,303,153
Intergovernmental revenue	3,156,660	3,577,547	7,765,837	3,432,355	3,238,317	3,136,493	3,560,046	4,717,655	6,678,764	7,074,393
Grants	-	91,343	416,319	-	3,822,869	732,460	1,948,862	1,885,964	225,852	1,141,177
Charges for services	1,551,169	1,952,430	1,404,959	941,671	1,058,346	1,240,215	2,190,498	4,585,368	4,103,022	4,361,890
Investment income	376,831	1,268,347	2,114,194	991,239	2,496,612	890,892	765,501	561,988	199,726	358,342
County contributions	-	-	-	-	2,967,286	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	3,653,477	-	-
Miscellaneous	173,329	10,643,324	190,337	394,205	277,442	322,575	566,532	580,405	709,337	673,948
Total revenues	30,008,922	50,507,687	54,639,093	52,413,257	61,038,989	51,137,379	51,047,557	60,615,903	56,207,917	57,714,549
Expenditures:										
Current:										
General government	3,300,307	3,421,798	4,361,334	12,324,554	7,944,991	7,607,245	7,289,967	7,762,037	7,098,768	6,872,927
Public safety	8,696,157	11,068,689	13,321,448	17,696,614	12,424,819	12,174,931	11,925,430	11,409,610	11,770,981	12,867,951
Community development	-	-	-	-	-	-	-	-	-	-
Building department	-	2,429,029	3,136,195	3,360,946	2,595,514	2,324,468	2,323,994	2,190,425	2,479,507	2,700,697
Planning & zoning department	-	624,142	840,422	1,373,831	660,443	940,664	733,300	763,577	770,265	740,026
Public works	732,859	974,145	1,532,432	4,835,676	4,337,079	2,795,827	2,320,683	2,407,942	3,222,023	3,427,931
Parks and recreation	1,412,942	26,703,891	17,976,592	6,272,388	4,043,174	3,498,325	3,043,217	3,348,673	3,473,086	3,028,267
Mitigation/ QNIP	8,094,986	8,180,211	398,178	379,062	17,752,035	6,407,677	381,493	-	-	-
Code Enforcement	-	-	-	-	827,722	791,819	838,232	884,225	838,762	884,398
Capital outlay *	-	-	-	-	-	4,926,791	30,253,895	26,259,761	5,453,543	6,813,343
Debt service:										
Principal retirement	-	-	283,145	797,827	1,114,022	1,716,599	2,051,185	1,418,030	1,115,679	1,144,018
Interest and other fiscal charges	-	478,728	984,740	900,010	897,471	946,820	1,074,478	872,745	886,221	839,730
Total expenditures	22,237,251	53,880,633	42,834,486	47,940,908	52,597,270	44,131,166	62,235,874	57,317,025	37,108,835	39,319,288
Excess (deficiency) of revenues over expenditures	7,771,671	(3,372,946)	11,804,607	4,472,349	8,441,719	7,006,213	(11,188,317)	3,298,878	19,099,082	18,395,261
Other financing sources (uses):										
Proceeds from debt	-	21,250,000	-	-	-	152,000	161,500	-	-	-
Proceeds from capital leases	-	82,000	-	-	-	-	-	-	-	-
Transfers in	-	1,497,500	4,774,650	11,473,072	6,198,327	1,505,339	18,906,970	4,000,000	2,224,635	-
Transfers out	-	(1,497,500)	(4,774,650)	(11,473,072)	(6,198,327)	(1,505,339)	(18,906,970)	(4,000,000)	(2,224,635)	-
Total other financing sources (uses)	-	21,332,000	-	-	-	152,000	161,500	-	-	-
Net change in fund balances	\$ 7,771,671	\$ 17,959,054	\$ 11,804,607	\$ 4,472,349	\$ 8,441,719	\$ 7,158,213	\$ (11,026,817)	\$ 3,298,878	\$ 19,099,082	\$ 18,395,261
Debt service as a percentage of non-capital expenditures	0.00%	0.89%	2.96%	3.54%	3.82%	6.79%	9.77%	7.38%	6.32%	6.10%

* Previously reported under department expenditures

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

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>	<u>Tax</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>				
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%
2007	4,609,913,198	5,102,505,640	735,736,830	10,448,155,668	2.447	\$ 25,566,637	0.24%
2008	5,196,232,044	5,200,628,803	644,981,156	11,041,842,003	2.447	\$ 27,019,387	0.24%
2009	3,851,279,699	5,507,774,735	701,979,329	10,061,033,763	2.447	\$ 24,619,350	0.24%
2010	3,222,909,584	5,101,021,138	586,225,597	8,910,156,319	2.447	\$ 21,803,153	0.24%
2011	3,161,978,948	4,748,006,395	579,454,649	8,489,439,992	2.437	\$ 20,688,765	0.24%
2012	3,312,983,103	4,772,615,450	576,831,880	8,662,430,433	2.222	\$ 19,247,920	0.22%
2013	3,551,392,971	4,707,004,491	599,050,879	8,857,448,341	1.928	\$ 17,077,160	0.19%
2014	4,035,545,395	4,783,211,865	687,192,078	9,505,949,338	1.928	\$ 18,327,470	0.19%

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.

CITY OF DORAL, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	City of Doral		Overlapping Rates (1)													Total Direct and Overlapping Rates
		General Operations	Total City	Miami-Dade County			Miami-Dade Fire & Rescue			Miami-Dade Schools			Other	SFWMD Millage	FIND Millage	Total State Millage	
				Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total Fire Millage	Operating Millage	Debt Service Millage	Total School Millage					
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	1.008	0.597	0.039	0.636	20.747
2007	2006	2.447	2.447	4.580	0.285	4.865	2.207	0.042	2.249	7.570	0.378	7.948	0.896	0.535	0.035	0.569	18.973
2008	2007	2.447	2.447	4.838	0.285	5.123	2.185	0.042	2.227	7.533	0.264	7.797	0.893	0.535	0.035	0.569	19.056
2009	2008	2.447	2.447	4.838	0.285	5.123	2.185	0.042	2.227	7.698	0.297	7.995	0.972	0.535	0.035	0.569	19.333
2010	2009	2.447	2.447	5.428	0.445	5.873	2.575	0.020	2.595	7.864	0.385	8.249	0.873	0.535	0.035	0.569	20.606
2011	2010	2.438	2.438	4.805	0.285	5.090	2.450	0.013	2.463	7.765	0.240	8.005	0.742	0.374	0.035	0.408	19.146
2012	2011	2.222	2.222	4.704	0.285	4.989	2.450	0.013	2.463	7.765	0.233	7.998	0.734	0.368	0.035	0.402	18.807
2013	2012	1.928	1.928	4.704	0.422	5.126	2.450	0.013	2.462	7.644	0.333	7.977	0.731	0.352	0.035	0.387	18.611
2014	2013	1.928	1.928	4.667	0.450	5.117	2.421	0.011	2.432	7.775	0.199	7.974	1.010	0.158	0.035	0.193	18.654

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).

CITY OF DORAL, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2014				2005			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>	<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>
PSBP INDUSTRIAL LLC	205,841,283	1	2.33%	PSBP INDUSTRIAL PARK LTD	151,696,443	1	2.59%
WEST DADE COUNTY ASSOCIATES	141,230,000	2	1.60%	WEST DADE COUNTY ASSOCIATES	131,068,939	2	2.24%
FLORDADE LLC	94,018,361	3	1.07%	KOALA MIAMI REAL ESTATE HOLDINGS	90,584,584	3	1.55%
TRUMP ENDEAVOR 12 LC	76,731,880	4	0.87%	NEW WORLD VENTURES	82,371,777	4	1.41%
SUMMIT PROPERTIES PARTNERSHIP	64,372,890	5	0.73%	ACACIA CREDIT FUND	60,766,790	5	1.04%
AERC DORAL WEST LLC	61,300,000	6	0.70%	AMB PROPERTY LTD	53,048,348	6	0.91%
MCP PALMS THE PALMS AT DORAL LLC	56,190,000	7	0.64%	KSL HOTEL CORPORATION	47,499,500	7	0.81%
LIT INDUSTRIAL LIMITED PARTNERSHIP	47,500,000	8	0.54%	METROPOLITAN LIFE	40,500,403	8	0.69%
CC DORAL PEBBLEWALK LLC	46,700,000	9	0.53%	ADLER OFFICE ASSOCIATES LTD	39,589,410	9	0.68%
CARNIVAL CORP	45,600,000	10	0.52%	AMB HTD BEACON CENTRE LLC	38,771,631	10	0.66%
	<u>\$ 839,484,414</u>		<u>9.53%</u>		<u>\$ 735,897,825</u>		<u>12.58%</u>

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

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>
2005	15,080,202	14,875,808	98.64%	-	14,875,808	98.64%
2006	17,362,280	17,300,211	99.64%	-	17,300,211	99.64%
2007	21,198,869	20,893,975	98.56%	-	20,893,975	98.56%
2008	24,219,557	24,179,740	99.84%	-	24,179,740	99.84%
2009	25,676,515	25,389,666	98.88%	-	25,389,666	98.88%
2010	23,229,827	20,938,455	90.14%	1,509,546	22,448,001	96.63%
2011	20,744,000	19,658,043	94.76%	210,492	19,868,535	95.78%
2012	19,668,000	19,343,191	98.35%	423,366	19,766,557	100.50%
2013	18,278,000	17,031,372	93.18%	29,824	17,061,195	93.34%
2014	16,269,251	15,383,682	94.56%	8,744	15,392,426	94.61%

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

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>Total</u>	Percentage of Personal Income (1)	Debt Per Capita
	<u>General</u> Obligation <u>Bonds</u>	<u>Revenue</u> <u>Bonds</u>	<u>QNIP</u> <u>Bonds</u>	<u>Activities</u> Revenue <u>Bonds</u>			
2005	-	-	-	-	-	0.00%	-
2006	-	21,250,000	-	-	21,250,000	1.97%	634
2007	-	20,992,886	-	-	20,992,886	1.89%	609
2008	-	21,198,171	-	-	21,198,171	1.75%	617
2009	-	19,482,208	-	8,798,047	28,280,255	2.25%	821
2010	-	18,916,226	4,016,565	8,519,130	31,451,921	2.80%	824
2011	-	18,130,761	3,562,490	8,230,105	29,923,356	2.14%	643
2012	-	17,309,874	3,368,970	7,930,052	28,608,896	2.09%	611
2013	-	16,452,024	3,288,815	7,618,510	27,359,349	1.96%	555
2014	-	15,557,819	3,076,234	7,676,131	26,310,184	1.80%	497

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

(1) Personal income amounts calculated using U.S. Census Bureau data.

CITY OF DORAL, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

All bonded indebtedness is in the form of revenue bonds.

CITY OF DORAL, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2014

<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>2014 Percentage Applicable to City of Doral</u>	<u>Amount Applicable to City of Doral</u>
Direct:			
City of Doral	\$ 18,634,052	100.00%	\$ 18,634,052
Overlapping Debt:			
Miami-Dade County (1)	1,297,416,000	4.5149%	58,577,456
Miami-Dade County School Board (1)	407,693	4.5149%	<u>18,407</u>
Subtotal, Overlapping Debt			58,595,863
Total Direct and Overlapping Debt			<u>\$ 77,229,915</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) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries, divided by the County's total taxable assessed value.

CITY OF DORAL, FLORIDA
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

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

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>	<u>Total Personal Income (2) (4)</u>
2005	32,485	73,028	3.9%	-
2006	33,500	75,218	3.7%	-
2007	34,472	77,475	4.2%	-
2008	34,322	74,050	4.5%	1,547,135
2009	34,456	74,016	10.7%	1,254,126
2010	38,131	72,629	12.6%	1,121,700
2011	46,516	73,734	12.0%	1,397,713
2012	47,534	71,656	5.9%	1,371,900
2013	49,253	71,695	5.7%	1,396,717
2014	52,889	70,446	4.3%	1,462,010

Sources:

- (1) University of Florida, Bureau of Economic Research, Estimates of Population
- (2) United States Census Bureau
- (3) Florida Department of Labor/United States Department of Labor
- (4) Not available for years prior to 2008 (Total Personal Income=Population x per capita income)

CITY OF DORAL, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2014</u>			<u>Employer</u>	<u>2005</u>		
	<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 CRUISE LINES	2,380	1	3.93%				
TRUMP ENDEAVOR 12 LLC	900	2	1.49%				
UNIVISION NETWORK LTD PARTNERSHIP	800	3	1.32%				
MIAMI HERALD MEDIA COMPANY	635	4	1.05%				
SUPREME INTERNATIONAL CORP	525	5	0.87%				
UNIVISION NETWORK LIMITED	500	6	0.83%				
AMADEUS NORTH AMERICA LLC	450	7	0.74%				
PERRY ELLIS INTERNATIONAL INC	420	8	0.69%				
BLUE CROSS BLUE SHIELD OF FL INC	412	9	0.68%				
BRINKS INCORPORATED	366	10	0.60%				
Total	<u>7,388</u>						

Note: Information not available for 2005.

CITY OF DORAL, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Number of Employees:										
City Council	1	2	2	3	1	1	1	1	2	5
City Manager's Office	4	5	6	5	6	7	8	8	8	7
City Clerk's Office	2	3	4	3	3	3	3	3	4	3
City Attorney's Office *	1	1	1	1	1	1	1	1	1	1
Finance Department	2	2	3	4	6	7	7	7	7	5
Procurement	-	-	-	-	-	-	-	1	2	2
Administrative Services	1	1	2	-	-	-	-	-	-	-
Police Department	93	110	110	130	124	133	135	118	125	125
Community Development **	29	-	-	-	-	-	-	-	-	-
Building and Permitting **	-	18	28	30	30	30	29	29	29	27
Planning & Zoning **	-	7	5	7	7	7	7	8	8	6
Code Compliance **	-	8	10	10	10	12	12	12	14	14
Licensing **	-	2	2	2	-	-	-	-	-	-
Public Works	6	6	10	15	15	17	17	19	21	27
Parks and Recreation	29	28	27	32	36	35	35	34	37	31
Human Resources	1	2	2	3	3	3	3	3	4	3
IT	-	-	-	4	7	7	8	8	7	2
	<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>169</u>	<u>195</u>	<u>212</u>	<u>249</u>	<u>249</u>	<u>263</u>	<u>266</u>	<u>252</u>	<u>267</u>	<u>258</u>

Source: City of Doral Finance Department

The City was incorporated on June 24, 2003.

* Includes contractual personnel.

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

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public safety:										
Police:										
Police personnel and officers	93	110	110	130	124	133	135	118	125	145
Police calls for service	13,814	21,258	35,406	42,545	29,308	46,270	30,291	40,437	36,784	40,877
Planning and development:										
Building permits issued	(A)	(A)	3,500	2,320	3,730	3,755	4,611	5,352	8,743	5,425

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, permits issued by Miami-Dade County

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Shifts	3	3	3	3	3	3	3	3	2	2
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	3
Planning and development										
Building permits issued	(A)	1,631	3,500	2,320	3,730	3,755	4,611	5,352	8,743	5,425
Engineering and public works										
Total square miles	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15
Surface water management										
Miles of storm drainage	13.0	13.0	13.0	13.0	13.0	20.0	20.2	20.7	37.7	39
Transportation:										
Miles of streets	175.0	175.0	175.0	175.0	175.0	200.0	177.0	177.5	204.0	205.0
Number of street lights	410	410	410	410	410	431	453	457	472	5,304 *
Number of traffic signals	61	61	61	61	61	66	71	75	68	69
Culture and recreation:										
Miles of waterways	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.3
Parks acreage	109	109	109	109	109	110	111	121	121	123
Community center	-	-	1	1	1	1	1	1	1	1
Tennis courts	4	4	5	5	5	5	5	5	5	5
Baseball/softball fields	-	2	2	2	2	2	2	2	2	2
Utility system:										
Miles of mains	203.0	203.0	203.0	203.0	203.0	383.0	383.0	384.0	381.0	388.95
Fire hydrants - City of Doral	2,166	2,166	2,166	2,166	2,166	2,342	2,342	2,355	2,342	2,347

Sources: Various City Departments

* Inclusive of the City and County right-of-way as well as private and non-private residential.

COMPLIANCE SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, in accordance with the 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 31, 2015



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MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the financial statements of the City of Doral, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 31, 2015.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required By OMB Circular A-133; and Independent Accountants' Report on Compliance with the Requirements of Section 218.415 Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida. Disclosures in those reports, which are dated March 31, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was created pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There were no component units related to the City.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and state awarding agencies, City Council and applicable management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 31, 2015



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have examined the City of Doral, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Alberni Caballero & Fierman, LLP

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March 31, 2015



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited City of Doral, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2014. The City's major federal programs and are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 31, 2015

**CITY OF DORAL, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Federal Grant Number	Federal Expenditures
<i>U.S. Department of Justice</i>			
<i>Direct Programs:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ- BX-0779	\$ 14,639
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-MU- BX-0011	4,256
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ- BX-0287	<u>4,445</u>
Total U.S. Department Of Justice			<u>\$ 23,340</u>
<i>U.S. Department of Transportation</i>			
<i>Indirect Programs-Passed through the South Florida Regional Transportation Authority:</i>			
Federal Transit - Capital Investment Grants	20.500	Grant#FL04- 0122-00	\$ 365,927
Federal Transit - Capital Investment Grants	20.500	Grant#FL04- 0148-00	<u>313,500</u>
Total U.S. Department of Transportation			<u>\$ 679,427</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 702,767</u>

The accompanying notes are an integral part of this schedule

CITY OF DORAL, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Doral and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

**CITY OF DORAL, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

**CITY OF DORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiencies identified not considered to be material weakness?

_____ yes X None reported

Non-compliance material to financial statements noted?

_____ yes X no

Federal Awards Program

Internal control over major federal awards programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiencies identified not considered to be material weakness?

_____ yes X None reported

Type of auditors' report issued on compliance for major federal awards programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133?

_____ yes X no

Identification of major federal awards programs:

Federal Awards Program

Federal CFDA No.

Federal Transit – Capital Investment Grants

20.500

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$300,00

Auditee qualified as low risk auditee for audit of federal awards programs?

_____ yes X no

**CITY OF DORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.