

City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2007

Prepared by:

THE FINANCE DEPARTMENT

City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2007

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	i-iv
City Officials	v
Organization Chart	vi
Certificate for Excellence in Financial Reporting	vii
II. FINANCIAL SECTION	
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1-2
MANAGEMENTS'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	3-10
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	15
Statement of Net Assets – Proprietary Funds	16
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund	17
Statement of Cash Flows – Proprietary Fund	18
Notes to Basic Financial Statements	19-33
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	33
Notes to Budgetary Comparison Schedule	34
COMBINING AND INDIVIDUAL FUND STATEMENTS:	35

City of Doral, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2007

TABLE OF CONTENTS

(Continued)

	<u>PAGE</u>
III. STATISTICAL SECTION	
Net Assets by Components	36
Changes in Net Assets	37
Fund Balances of Governmental Funds	38
Changes in Fund Balances of Governmental Funds	39
Net Assessed Value and Estimated Actual Value of Taxable Property	40
Property Tax Rates - Direct and Overlapping Governments	41
Principal Property Taxpayers	42
Property Tax Levies and Collections	43
Ratios of Outstanding Debt by Type	44
Ratios of General Bonded Debt Outstanding	45
Direct and Overlapping Governmental Activities Debt	46
Pledged Revenue Coverage	47
Demographic and Economic Statistics	48
Principal Employers	49
Full-Time Equivalent City Government Employees by Function	50
Operating Indicators by Function/Program	51
Capital Asset Statistics by Function/Program	52
IV. COMPLIANCE SECTION	
Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53-54
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	55-56
Schedule of Findings and Questioned Costs	57-59

INTRODUCTORY SECTION

May 20, 2008

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, 2007.

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

The firm of Rodriguez, Trueba & Company, licensed certified public accountants has audited the City of Doral's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Doral for the fiscal year ended September 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Doral's financial statements for the fiscal year ended September 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Doral, incorporated June 24, 2003, is located in northwestern, Miami-Dade County, Florida approximately 10 miles west of Miami, Florida. The City of Doral occupies a land area of 15 square miles bordered on the west by the Ronald Reagan Turnpike, to the north by the Town of Medley, to the east by the Palmetto Expressway and to the south by the City of Sweetwater. The City serves a population of approximately 34,472. The City of Doral receives tax levies on real and personal property located inside its boundaries.

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

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

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

Factors Affecting Financial Condition

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

Local Economy

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

Long-term Financial Planning

The City celebrated its fourth anniversary of incorporation on June 24, 2007. It is clear that the City is in the beginning of a rapid growth phase that will significantly change the demographic makeup of our community over the next five to seven years. Through a clear and consistent policy of smart growth, we will be able to create a community that provides residents with the amenities they need, while avoiding indiscriminate building of undesirable developments. The City's growing tax base, due to new construction, will continue to enhance its revenue capacity which will provide the means to improve and address infrastructure needs. Projections show that the City can provide a balanced budget through the next three years without the need to raise taxes assuming there are no significant changes in the level of services provided.

Cash Management Policies and Practices

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

Risk Management

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

Pension and Other Post-Employment Benefits

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Doral for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2006. This was the third year that the City submitted and received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2006-2007 fiscal year. This is the third year that the City submitted and received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

Sergio Purrinos
City Manager

Randolph G. White
Finance Director

CITY OF DORAL, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2007

CITY COUNCIL

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

CITY MANAGER

Sergio Purrinos, MURP

CITY CLERK

Barbara Herrera

CITY ATTORNEY

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

FINANCE DIRECTOR

Randolph G. White, P.A.

CITY AUDITORS

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

Citizens of the City of Doral
Flowchart

FINANCIAL SECTION

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Doral, Florida (the City) as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Doral, Florida as of September 30, 2007, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 20, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Management's Discussion and Analysis and the Required Supplementary Information on pages 3-10 and pages 33-34, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Rodriguez Trueba & Company

Rodriguez, Trueba & Co., P.A.
Doral, Florida
May 20, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

Management's Discussion and Analysis

As management of the City of Doral, we offer readers of Doral's (the City) financial statements this narrative overview and analysis of the financial activities of the City of Doral for the fiscal year ended September 30, 2007.

Financial Highlights

- The assets of the City of Doral exceeded its liabilities at the close of the most recent fiscal year by \$69,705,281 (net assets). Of this amount, \$233,366,862 is invested in capital assets, \$3,177,068 is restricted for transportation related uses, \$5,110,253 is restricted for stormwater and drainage related uses, and \$38,051,098 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$31,847,057 this increase is attributable to excess revenues over expenses for 2007.
- As of the close of the current fiscal year, Doral's governmental funds reported an ending fund balance of \$64,430,424. Of this amount, \$38,051,098 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$43,759,009, or 167.7 % of total general fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 13 - 15 of this report.

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 32 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$69,705,281 at the close of the most recent fiscal year.

A portion of the City's net assets, \$23,366,862 or 34 %, reflects an investment in capital assets (e.g., land and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Net Assets

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

Table A-1

Summary of net assets

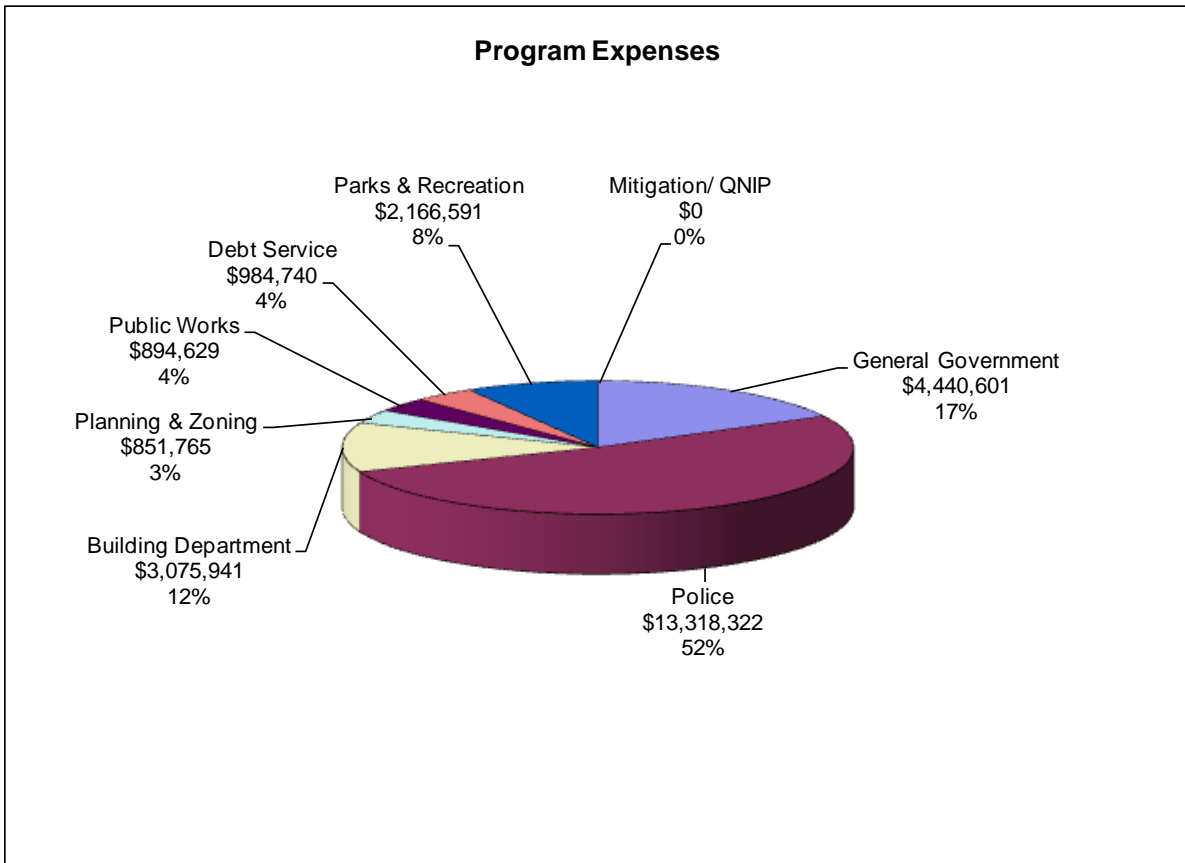
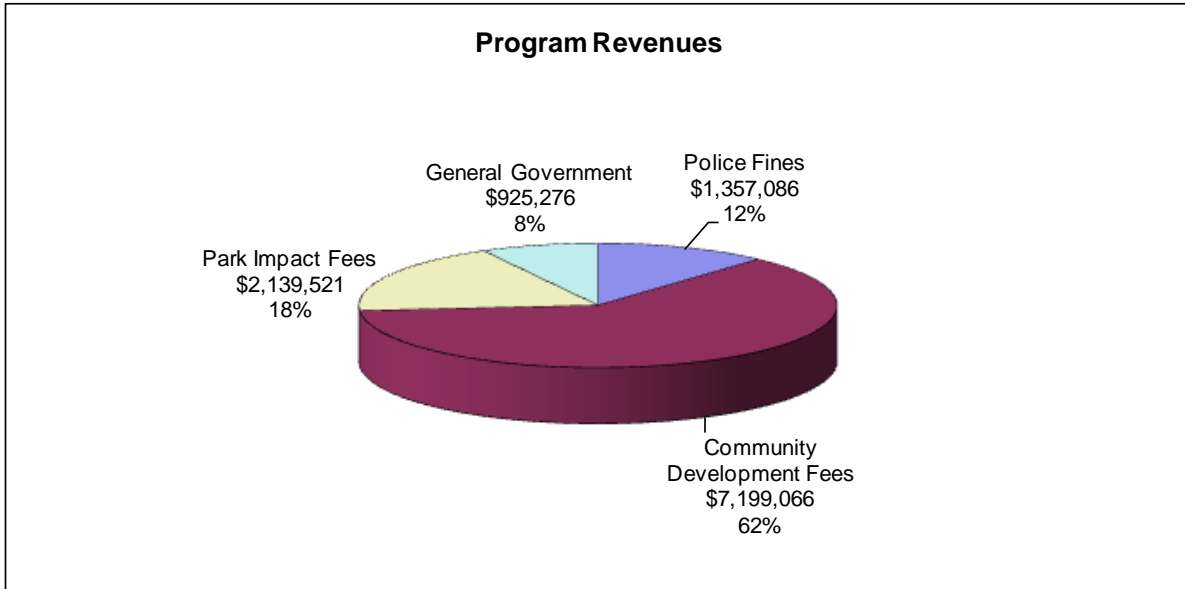
	Governmental Activities 2006	Governmental Activities 2007	Business Type Activities 2006	Business Type Activities 2007	Total 2006	Total 2007
Current assets	\$ 40,053,159	\$ 45,981,328	\$ 2,334,304	\$ 5,169,359	\$ 42,387,463	\$ 51,150,687
Capital assets	27,355,571	43,851,224	-	164,604	27,355,571	44,015,828
Current liabilities	10,645,821	4,841,419	-	59,106	10,645,821	4,900,525
Long term liabilities	21,238,990	20,560,709	-	-	21,238,990	20,560,709
Net assets:						
Invested in capital assets	6,052,226	23,202,258	-	164,604	6,052,226	23,366,862
Restricted	1,668,093	3,177,068	2,334,304	5,110,253	4,002,397	8,287,321
Unrestricted	27,803,600	38,051,098	-	-	27,803,600	38,051,098
Total Net Assets	<u>\$ 35,523,919</u>	<u>\$ 64,430,424</u>	<u>\$ 2,334,304</u>	<u>\$ 5,274,857</u>	<u>\$ 37,858,223</u>	<u>\$ 69,705,281</u>

Table A-2
Summary of changes in net assets

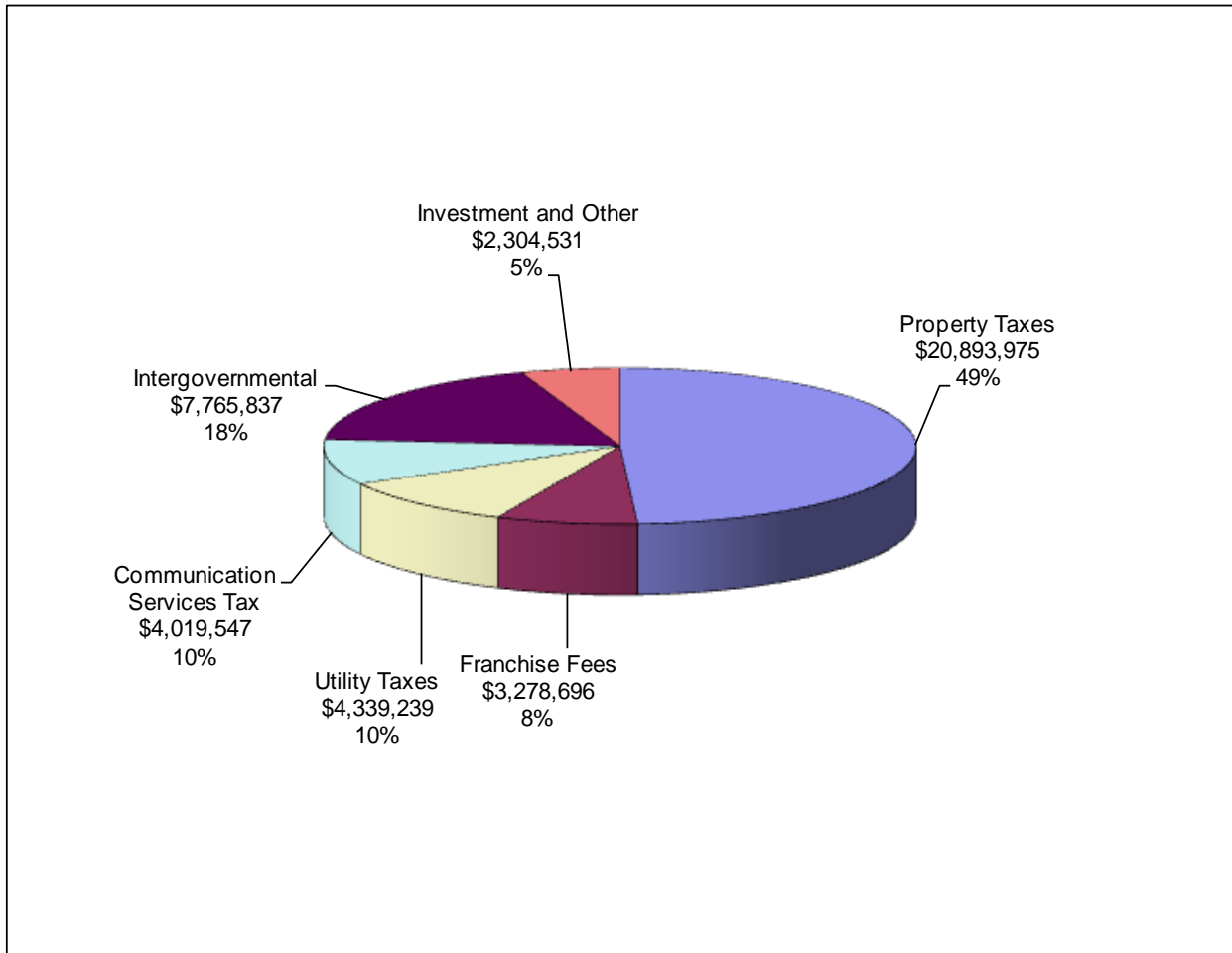
	Governmental Activities 2006	Governmental Activities 2007	Business Type Activities 2006	Business Type Activities 2007	Total 2006	Total 2007
Program						
Revenues:						
Charges for services	\$ 8,895,800	\$ 11,620,949	\$ 2,322,923	\$ 2,990,054	\$ 11,218,723	\$ 14,611,003
Operating Grants and Contributions	91,343	416,319	-	-	91,343	416,319
General Revenues:						
Property taxes	\$ 17,202,696	\$ 20,893,975	\$ -	\$ -	\$ 17,202,696	\$ 20,893,975
Utility taxes	2,469,240	4,339,239	-	-	2,469,240	4,339,239
Franchise fees	2,801,948	3,278,696	-	-	2,801,948	3,278,696
Communications services tax	3,557,442	4,019,547	-	-	3,557,442	4,019,547
Intergovernmental	3,577,547	7,765,837	-	-	3,577,547	7,765,837
Investment	11,911,671	2,304,531	-	-	11,911,671	2,304,531
Income and miscellaneous transfers	-	-	-	-	-	-
Total Revenues	\$ 50,507,687	\$ 54,639,093	\$ 2,322,923	\$ 2,990,054	\$ 52,830,610	\$ 57,629,147
Expenses:						
General government	\$ 3,550,056	\$ 4,440,601	\$ 85,569	\$ 49,501	\$ 3,635,625	\$ 4,490,102
Police	10,967,211	13,318,322	-	-	10,967,211	13,318,322
Community Development	2,956,260	3,927,706	-	-	2,956,260	3,927,706
Public Works	748,229	894,629	-	-	748,229	894,629
Debt Service	450,073	984,740	-	-	450,073	984,740
Parks & Recreation	1,306,101	2,166,591	-	-	1,306,101	2,166,591
Mitigation/QNIP	8,180,211	-	-	-	8,180,211	-
Total expenses	\$ 28,158,141	\$ 25,732,589	\$ 85,569	\$ 49,501	\$ 28,243,710	\$ 25,782,090
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in net assets	\$ 22,349,546	\$ 28,906,504	\$ 2,237,354	\$ 2,940,553	\$ 24,586,900	\$ 31,847,057

The government's net assets increased by \$31,847,057 during the current fiscal year. This increase represents the results of operating under prudent adherence to budgeted allocations and with a streamlined and efficient management of the City's finances.

Program Revenues and Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, fund balance of the general fund was \$43,759,009; this entire amount constitutes *unreserved fund balance*, which is available for spending at the City's discretion.

The general fund is the chief operating fund of the City of Doral. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 167.7 percent of total general fund expenditures.

A comparative summary of the governmental fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balances is presented in Table B-1 and B-2 for September 30, 2006 and 2007 follows.

Table B-1
Summary of condensed Balance Sheet

	September 30, 2006	September 30, 2007
Total assets	\$ 40,239,828	\$ 52,778,840
Total liabilities	\$ 10,638,299	\$ 11,372,703
Unreserved fund balance	\$ 28,038,318	\$ 38,128,824
Reserved fund balance	\$ 1,563,211	\$ 3,277,313
Total liabilities and fund balances	\$ 40,239,828	\$ 52,778,840

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

	Fiscal Year 2006	Fiscal Year 2007
Total revenues	\$ 50,507,687	\$ 54,639,093
Total expenditures	\$ 53,880,633	\$ 42,834,486
Excess of revenues over expenditures	\$ (3,372,946)	\$ 11,804,607

Governmental activities. Governmental activities increased the City of Doral general fund balance by approximately \$26,817,476. Key elements of this increase are as follows:

- Property taxes amounted to \$20,893,975
- Other taxes amounted to \$14,423,697

General Fund Budgetary Highlights

The original budget was not amended.

Capital Assets

As of September 30, 2007, the City's investment in capital assets for governmental activities amounted to \$44,222,458. The capital assets in business-type activities amounted to \$164,604. The total increase in capital assets was as follows:

- Park improvements at Doral and Doral Meadows Parks
- Street and Roadway improvement projects
- Purchase of eleven vehicles for various departments
- Purchase of a furniture and computer equipment
- Stormwater infrastructure

Economic Factors and Next Years Budgets and Rates

- The unemployment rate for Miami-Dade County is currently 4.2 percent, which is a decrease from a rate of 4.5 percent a year ago. This compares exactly to the state's average unemployment rate of 4.2 percent and favorable to the national average rate of 4.6 percent.
- The occupancy rate of the government's central business district has remained stable since before incorporation.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Doral's budget for the 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased. The City of Doral has appropriated this entire amount for spending in the 2008 fiscal year budget. It is intended that the use of available fund balance will avoid the need to raise taxes or charges during the 2008 fiscal year, and further build reserve funds.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Doral, Florida
Statement of Net Assets
September 30, 2007

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 43,206,518	\$ 4,436,711	\$ 47,643,229
Receivable, Net	2,154,258	735,725	2,889,983
Internal Balances	3,077	(3,077)	-
Prepays	617,475	-	617,475
Capital Assets Not Being Depreciated	43,201,009	164,604	43,365,613
Capital Assets, Net of Accumulated Depreciation	1,021,449	-	1,021,449
Total Assets	\$ 90,203,786	\$ 5,333,963	\$ 95,537,749
 Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 3,837,956	\$ 59,106	\$ 3,897,062
Escrow Deposits	536,891	-	536,891
Capital Lease Payable - Current	27,314	-	27,314
Long Term Bonds Payable - Current	610,148	-	610,148
Deferred Income and Deposits	200,344	-	200,344
Total Liabilities	5,212,653	59,106	5,271,759
 Non-Current Liabilities			
Compensated Absences	177,971	-	177,971
Long Term Bonds Payable	20,382,738	-	20,382,738
Total Non-Current Liabilities	20,560,709	-	20,560,709
Total Liabilities	25,773,362	59,106	25,832,468
 Net Assets			
Invested in Capital Assets	23,202,258	164,604	23,366,862
Restricted for:			
Stormwater and drainage		5,110,253	5,110,253
Transportation	3,177,068	-	3,177,068
Unrestricted	38,051,098	-	38,051,098
Total Net Assets	\$ 64,430,424	\$ 5,274,857	\$ 69,705,281

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

City of Doral, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2007

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS						
Governmental Activities						
General government	\$ 4,440,601	\$ 925,276	\$ -	\$ (3,515,325)	\$ -	\$ (3,515,325)
Building	3,075,941	7,046,317	-	3,970,376	-	3,970,376
Planning and zoning	851,765	152,749	-	(699,016)	-	(699,016)
Debt service	984,740	-	-	(984,740)	-	(984,740)
Police	13,318,322	1,357,086	-	(11,961,236)	-	(11,961,236)
Public works and physical environment	894,629	-	-	(894,629)	-	(894,629)
Parks and recreation	2,166,591	2,139,521	416,319	389,249	-	389,249
Total Governmental Activities	25,732,589	11,620,949	416,319	(13,695,321)	-	(13,695,321)
Business-type Activities						
Stormwater utility	49,501	2,990,054	-	-	2,940,553	2,940,553
Total Business Activities	49,501	2,990,054	-	-	2,940,553	2,940,553
General Revenues:						
Property taxes				20,893,975	-	20,893,975
Franchise fees based on gross receipts				3,278,696	-	3,278,696
Utility taxes				4,339,239	-	4,339,239
County general obligation bond				4,374,650	-	4,374,650
Communication service tax				4,019,547	-	4,019,547
Intergovernmental				3,391,187	-	3,391,187
Unrestricted investments earnings				2,114,194	-	2,114,194
Other				190,337	-	190,337
Total General Revenues and Transfers				42,601,825	-	42,601,825
				28,906,504	2,940,553	31,847,057
				35,523,920	2,334,304	37,858,224
Net Assets - October 1, 2006				\$ 64,430,424	\$ 5,274,857	\$ 69,705,281
Net Assets - September 30, 2007				<u>64,430,424</u>	<u>5,274,857</u>	<u>69,705,281</u>

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

City of Doral, Florida

Balance Sheet
Governmental Funds
September 30, 2007

	Major Funds		Non-Major Fund	
Assets	General	Capital Projects Fund	Transportation Fund	Total Governmental Funds
Cash and cash equivalents	\$ 38,494,410	\$ 2,027,144	\$ 2,684,964	\$ 43,206,518
Receivables, net	2,106,136	-	48,122	2,154,258
Due from other funds	6,800,589	-	-	6,800,589
Prepays	617,475	-	-	617,475
Total Assets	\$ 48,018,610	\$ 2,027,144	\$ 2,733,086	\$ 52,778,840
 Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 2,904,891	\$ 859,817	\$ 73,248	\$ 3,837,956
Escrow deposits	536,891	-	-	536,891
Deferred revenues	200,344	-	-	200,344
Due to other fund	-	6,797,512	-	6,797,512
Total Liabilities	3,642,126	7,657,329	73,248	11,372,703
 Fund Balances				
Reserved				
Prepays	617,475	-	-	617,475
Transportation	-	-	2,659,838	2,659,838
 Unreserved reported in				
General fund	43,759,009	-	-	43,759,009
Capital projects fund	-	(5,630,185)	-	(5,630,185)
Total Fund Balances	44,376,484	(5,630,185)	2,659,838	41,406,137
Total Liabilities and Fund Balances	\$ 48,018,610	\$ 2,027,144	\$ 2,733,086	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 44,222,458

Long term liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore not reported in the governmental funds (21,198,171)

Net assets of governmental activities \$ 64,430,424

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

City of Doral, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2007

	<u>Major Funds</u>		<u>Non-Major Fund</u>	
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Transportation Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 20,893,975	\$ -	\$ -	\$ 20,893,975
Utility taxes	4,339,239	-	-	4,339,239
County general obligation bond	4,374,650	-	-	4,374,650
Franchise fees	3,278,696	-	-	3,278,696
Intergovernmental	2,786,215	-	604,972	3,391,187
Licenses, permits and fines	8,911,239	-	-	8,911,239
Communication service tax	4,019,547	-	-	4,019,547
Charges for services	1,687,926	-	1,021,784	2,709,710
Grant Revenue	416,319	-	-	416,319
Interest	2,010,678	103,516	-	2,114,194
Other	190,337	-	-	190,337
Total revenues	<u>52,908,821</u>	<u>103,516</u>	<u>1,626,756</u>	<u>54,639,093</u>
Expenditures				
Current				
General government	4,361,334	-	-	4,361,334
Police	13,321,448	-	-	13,321,448
Public works	1,002,302	-	530,130	1,532,432
Parks and recreation	1,763,581	16,213,011	-	17,976,592
Building	3,136,195	-	-	3,136,195
Planning and zoning	840,422	-	-	840,422
Debt				
Principal payments	283,145	-	-	283,145
Interest	984,740	-	-	984,740
QNIP	398,178	-	-	398,178
Total expenditures	<u>26,091,345</u>	<u>16,213,011</u>	<u>530,130</u>	<u>42,834,486</u>
Excess of revenues over (under) expenditures	<u>26,817,476</u>	<u>(16,109,495)</u>	<u>1,096,626</u>	<u>11,804,607</u>
Other financing sources (uses):				
Transfers in	-	4,774,650	-	4,774,650
Transfers (out)	(4,774,650)	-	-	(4,774,650)
Total other financing sources (uses)	<u>(4,774,650)</u>	<u>4,774,650</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,042,826	(11,334,845)	1,096,626	11,804,607
Fund balances, beginning of year	22,333,658	5,704,660	1,563,212	29,601,530
Fund balances (deficit), end of year	<u>\$ 44,376,484</u>	<u>(5,630,185)</u>	<u>\$ 2,659,838</u>	<u>\$ 41,406,137</u>

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

City of Doral, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities

Fiscal Year Ended September 30, 2007

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

Net Change in Fund Balances - Total Governmental Funds \$ 11,804,607

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

The details of the difference are as follows:

Capital Outlay	17,375,320	
Depreciation expense	<u>(508,433)</u>	16,866,887

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

Bonds principal payments	257,114	
Change in long-term compensated absences	(48,135)	
Payments on capital lease	<u>26,031</u>	235,010

Change in Net Assets of Governmental Fund Activities \$ 28,906,504

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

City of Doral, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2007

	Business-type Activities	
	Enterprise Fund	
	Storm Water Fund	
Assets		
Current Assets:		
Cash and cash equivalents	\$	4,436,711
Accounts receivable		735,725
Construction in progress		164,604
Total Assets		5,337,040
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities		59,106
Due to other fund		3,077
Total Liabilities		62,183
 Net Assets		
Restricted for stormwater and drainage		5,274,857
Total Net Assets	\$	5,274,857

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

City of Doral, Florida
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2007

	Business-type Activities
	Enterprise Fund
	Storm Water fund
Operating Revenues	
Stormwater fees	\$ 2,990,054
Operating Expenses	
Operating, administrative and maintenance	49,501
Depreciation	-
Total Operating Expenses	49,501
Operating Income (Loss)	2,940,553
Nonoperating Revenues	
Interest Income	-
Interest expense	-
Total Nonoperating Revenues	-
Income (Loss) Before Contributions and Transfers	2,940,553
Other Financing Sources:	
Transfers in	-
Transfers out	-
	-
Changes In Net Assets	2,940,553
Net Assets, beginning	2,334,304
Net Assets, ending	\$ 5,274,857

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

City of Doral, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds
	Stormwater Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 2,961,977
Cash paid to suppliers	(20,989)
Cash paid to employees	(28,512)
Net Cash Provided by (Used In) Operating Activities	2,912,476
Cash Flows from Capital and Related Activities	
Payments on construction in progress	(102,421)
Net Cash (Used In) Capital and Related Activities	(102,421)
Cash Flows from Investing Activities	-
Cash Flows from Noncapital Financing Activities	-
Net Increase in Cash and Cash Equivalents	2,810,055
Cash and Cash Equivalents at Beginning of Year	1,626,656
Cash and Cash Equivalents at End of Year	\$ 4,436,711
Reconciliation of Operating Income to Net Cash Flows from Operating Activities	
Operating Income	\$ 2,940,553
Changes in Current Assets and Current Liabilities (Increase) in Receivables	(28,077)
Net Cash Flows from Operating Activities	\$ 2,912,476
Cash and Cash Equivalents Per Statement of Net Assets:	
Restricted for stormwater and drainage improvements	\$ 4,436,711

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The City reports the following governmental funds:

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

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

The City also reports the following nonmajor governmental funds:

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

The City also reports the following nonmajor proprietary fund:

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

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The City received reimbursement grants related to the construction and project management of Doral Park amounting to \$400,000 during the fiscal year ended September 30, 2007. The City received FEMA and Florida grants related to hurricane relief amounting to \$36,203. The City received contributions from private sources to offset the cost of events benefiting the community aggregating \$16,319.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and deposits held with the State Board of Administration (SBA) Investment Pool. (See Note 11 – Subsequent Events)

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

2. Receivables and Payables

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

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. 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.

4. Capital Assets

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

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

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

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

5. Compensated Absences

It is the City's policy to permit full-time employees to accumulate limited amounts of earned vacation and sick leave. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee registrations and retirements. The general fund is used to liquidate such amounts. Payments of compensated absences during the year amounted to \$78,640.

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectibility of receivables, the useful lives of capital assets, and the accrual of expenses. 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.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Equity

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

E. New Pronouncements

During 2006 and 2007 GASB issued the following new pronouncements, none of which came into effect for fiscal year ended September 30, 2007. The City did not elect to early implement any of the newly issued pronouncements:

GASB Statement No. 51 (June 2007)	Accounting and Financial Reporting for Intangible Assets
GASB Statement No. 50 (May 2007)	Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27
GASB Statement No. 49 (November 2006)	Accounting and Financial Reporting for Pollution Remediation Liabilities
GASB Statement No. 48 (September 2006)	Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues

In June 2007 GASB issued GASB Concepts Statement No. 4, Elements of Financial Statements, establishing definitions for the seven elements of historically based financial statements of state and local governments. Elements are the fundamental components of financial statements. The elements of a statement of financial position are defined as follows:

- Assets are resources with present service capacity that the government presently controls.
- Liabilities are present obligations to sacrifice resources that the government has little or no discretion to avoid.
- A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period.
- A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.
- Net position is the residual of all other elements presented in a statement of financial position.

The elements of the resource flows statements are defined as follows:

- An outflow of resources is a consumption of net assets by the government that is applicable to the reporting period.
- An inflow of resources is an acquisition of net assets by the government that is applicable to the reporting period.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 2. DEPOSITS AND INVESTMENTS

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

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

Deposits

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

Investments

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

Since 2a-7 like pools are similar to money market funds where shares are owned in the fund rather than the actual underlying investments, disclosures for foreign currency risk, custodial credit risk and concentration of credit risk are not applicable. For credit quality risk the State Pool is not rated by a nationally recognized statistical rating agency. The pool funds are reported by the City as cash equivalents. The Investment Pool is reported at its fair value of its position in the Pool, which is the same as the value of the pool shares. (See Note 11 – Subsequent Events)

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

	<u>Total</u>
Cash and cash equivalents	\$ 47,643,229
Deposits	14,836,356
Investments	32,806,873
	<u>\$ 47,643,229</u>

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 3. RECEIVABLES

Receivables as of September 30, 2007 for the City's individual major fund and nonmajor funds in the aggregate, including the allowances for uncollectible accounts are as follows:

	General	Nonmajor	Total
Intergovernmental	\$ 2,106,136	\$ 48,122	\$ 2,154,258
Less allowance for uncollectibles	-	-	-
Net total receivables	\$ 2,106,136	48,122	\$ 2,154,258

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2007 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 19,070,028	\$ -	\$ -	\$ 19,070,028
Infrastructure Assets - Construction in Progress	7,279,089	16,851,892	-	24,130,981
Total capital assets, not being depreciated	26,349,117	16,851,892	-	43,201,009
Capital assets, being depreciated:				
Furniture, fixtures and equipment	1,236,607	300,493	-	1,537,100
Vehicles	474,144	222,935	-	697,079
Total capital assets, being depreciated	\$ 1,710,751	\$ 523,428	\$ -	\$ 2,234,179
Less accumulated depreciation for:				
Furniture, fixtures and equipment	\$ (560,424)	\$ (360,018)	\$ -	\$ (920,442)
Vehicles	(143,873)	(148,415)	-	(292,288)
Total accumulated depreciation	\$ (704,297)	\$ (508,433)	\$ -	\$ (1,212,730)
Total capital assets, being depreciated, net	1,006,454	14,995	-	1,021,449
Governmental activities capital assets, net	\$ 27,355,571	\$ 16,866,887	\$ -	\$ 44,222,458
Business-type activities				
Capital assets, not being depreciated				
Infrastructure Assets - Construction in Progress	-	164,604	-	164,604
Business-type activities capital assets	\$ -	\$ 164,604	\$ -	\$ 164,604

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 240,384
Police	84,062
Public Works	57,446
Recreation	21,394
Building	101,344
Plan Zone	3,803
Total depreciation expense - governmental activities	\$ 508,433

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of September 30, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Capital Projects	\$ 6,797,512	Park construction costs
General	Stormwater	\$ 3,077	Stormwater Utility Manager fees

Transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations. In the fiscal year ended September 30, 2007, the City made a transfer of \$4,774,650 from the general fund to the capital projects fund for ongoing constructions projects.

NOTE 6. LONG TERM DEBT

Long-term liability activity for the year ended September 30, 2007, was as follows:

<u>Primary Government</u>	<u>October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2007</u>	<u>Due Within 1 Year</u>
Capital Improvement Revenue Bonds					
Series 2006A	\$ 10,000,000	\$ -	\$ 80,874	\$ 9,919,126	\$ 327,828
Series 2006B	11,250,000	-	11,250,000	-	-
Series 2007A	-	10,000,000	159,517	9,840,483	247,881
Series 2007B	-	1,250,000	16,723	1,233,277	26,016
Total Bonds	21,250,000	11,250,000	11,507,114	20,992,886	601,725
Other Liabilities					
Capital Leases	53,345	-	26,031	27,314	27,314
Compensated absences	129,836	126,775	78,640	177,971	-
Total Other Liabilities	183,181	126,775	104,671	205,285	27,314
Total Governmental Activities					
Long Term Liabilities	\$ 21,433,181	\$ 11,376,775	\$ 11,611,785	\$ 21,198,171	\$ 629,039

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 6. LONG TERM DEBT (Continued)

Capital Improvement Bonds Payable

On May 4, 2006 the City issued \$21,250,000 of Capital Improvement Revenue Bonds, Series 2006A (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 these 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. During the fiscal year 2007 the effective interest rate fluctuated around 3.934%. On April 21, 2006, Regions Bank and the City of Doral entered into a master swap agreement to make the effective interest rate on the outstanding balance of the bonds to be a fixed 4.24%. The details of the swap transactions are discussed below.

Capital Improvement Revenue Bond Series 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. During the fiscal year 2007 the effective interest rate fluctuated around 3.934%. On April 27, 2006, Regions Bank and the City of Doral entered into a master swap agreement to make the effective interest rate on the outstanding balance of the bonds to be a fixed 4.27%. 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 at a variable rate, initially fixed at 5.88% per annum as of January 1, 2007 through April 1, 2010. Principal and interest payments are due quarterly through the maturity of the bonds in April 1, 2027.

Annual debt service requirements for the bonds outstanding as of September 30, 2007 are as follows:

Fiscal Year Ended September 30,	Interest	Principal	Total
2008	\$ 907,552	\$ 601,725	\$ 1,509,277
2009	877,057	721,200	1,598,257
2010	845,209	752,996	1,598,205
2011	811,946	786,204	1,598,150
2012	1,002,259	1,022,642	2,024,901
2013-2017	3,240,048	4,749,479	7,989,527
2018-2022	2,084,928	5,902,762	7,987,690
2023-2027	703,530	6,455,878	7,159,408
Total	\$ 10,472,530	\$ 20,992,886	\$ 31,465,416

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 6. LONG TERM DEBT (Continued)

Capital Improvement Bonds Payable (Continued)

Bond Covenants

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

Interest Rate Swaps

The City uses interest rate swaps (“Swaption”) to manage interest costs and the risk associated with the changing interest rates of long-term debt. The City does not hold or issue derivative instruments for trading purposes. Derivatives are used for hedging purposes only and must be designated as, and effective as, a hedge of identified risk exposure at the inception of the derivative contract. As of September 30, 2007, the City had the following interest rate swaps:

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

The City sold to Regions bank the right to enter into two interest rate swap with the City, in which the City would pay a specified fixed rate and receive a floating rate based on the 1month LIBOR (London Inter Bank Offered Rate) Index. The swaps were effective during 2006 and 2007. The fixed rate on the swap was set so the City's swap payments and support costs on the variable rate debt are approximately equal to the debt service prior to the refunding. No additional material debt service savings are expected to be achieved from the actual refunding, but rather the entire benefit of the Swaption is realized through the annual payments from Regions Bank.

As of September 30, 2007, the City was not exposed to credit risk because the Swaption had a negative fair value. However, should interest rates change and the value of the Swaption become positive, the City could be exposed to credit risk in the amount of the Swaption's fair value. As of September 30, 2007, the Swaption does not expose the City to basis risk.

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

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 6. LONG TERM DEBT (Continued)

Capital Lease

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

Compensated Absences

Additions and payments related to liabilities for compensated absences during the current year are detailed above. Payments of compensated absences during the year amounted to \$78,640. Estimated payments for the fiscal year ending in September 2008 are approximately \$20,000.

NOTE 7. FUND BALANCES / NET ASSETS

As of September 30, 2007, a deficit undesignated fund balance of \$(5,258,951) existed in the capital improvement projects fund because the City incurred expenditures in excess of appropriations in the capital projects fund. See Current Year Finding 2007-4 in the accompanying schedule of findings. The deficit resulted from expenditures incurred during the year for engineering, professional services and construction costs related to various ongoing capital projects. The deficit fund balance that existed at September 30, 2007 was created by budgeted grant revenues that were not received and will be offset with General Fund money appropriations in next year's budget and/or the City will seek another grant (in process now).

NOTE 8. PROPERTY TAXES

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

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

NOTE 9. RETIREMENT PLANS

Section 401(A) Money Purchase Retirement Plan

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

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 9. RETIREMENT PLANS (Continued)

Section 457 Deferred Compensation Plan

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

NOTE 10. COMMITMENTS AND CONTINGENCIES

Municipal Service Trust Fund

The City was required to contribute municipal property tax revenues into a municipal service Trust Fund (MSTF) of the County. The MSTF was to be utilized by the County to (1) maintain police services in the unincorporated areas proximate to the City, and (2) to provide a municipal assistance retainer enabling the City to obtain certain advice, expertise, training, financial planning and technological services, and other assistance from the County. The contribution ("Mitigation Payment") varied yearly and was based on the Consumer Price Index and other calculations. The mitigation payment by the City to the County for the fiscal year ended September 30, 2005 was \$7,516,763. In subsequent years, the mitigation amount payable from the City to the County was to be adjusted by the CPI for the residential area, not to exceed 3% over the previous year and by tax growth for the CBI area multiplied by 1.5 mills. In May 2007, the Florida Legislature resolved to eliminate mitigation payments to Miami-Dade County by local governments incorporated after the year 2000. During 2007 the Miami Dade County Board of County Commissioners resolved to sue the State over this law.

Quality Neighborhood Improvement Program (QNIP)

The City is required to pay the County its pro rata share for the Public Service Tax Revenue Bonds, Series 1999 and 2002 issued prior to the City's incorporation. The payment for the fiscal year ended September 30, 2007 was \$398,178 and the balance of the remaining payments are estimated to be approximately less than \$500,000 per year until the debt is due in September of 2027.

Risk Management

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

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

Agreement for Office Space Leases

City Hall

The City executed various lease agreements for office space commencing on July 16, 2004 and expiring through November 2011. The City is to pay both a monthly base rent and operating expenses as determined by the landlord. Rent expense for the year ended September 30, 2007 approximated \$727,000. Future commitments for base rent approximate \$700,000 per year. The agreement gives the City the right to terminate the lease with a written notice 365 days prior to the desired termination date.

Police and Public Works Warehouse

The City also rents warehouse space on a month to month lease agreement for \$3,240 a month. The space is shared by the City's Police and Public Works Departments.

Construction Contract/Projects

At September 30, 2007, the City had in progress various construction projects related to Doral Park and Miami-West Park (renamed J.C. Bermudez Park) with remaining balances totaling approximately \$302,191.

Agreement with Miami-Dade County for Local Police Patrol Services

On June 3, 2005 the City executed an agreement with Miami-Dade County for local police patrol services. During the fiscal year, the City paid \$12,577,349 for local police services based on a budgeted amount of \$15,369,607. Payments for this initial term will be adjusted to actual labor costs incurred and deducted from the gross revenues due the City from Miami-Dade County. Payments for the services provided by the County for subsequent fiscal years shall be based upon the level of staffing services requested by the City utilizing the actual personnel costs of officers and equipment. The initial term of the agreement is for three years.

Agreement with Miami-Dade County for Local Police Patrol Services

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

Agreement for Professional Services

On April 14, 2004, the City executed a contract for professional services with a consulting firm to provide all of the City's financial advisory services. Fees for the financial and advisory services total \$186,000 per year and are paid monthly. The City may consider fee adjustments each twelve month period to compensate for market conditions and anticipated type of work to be performed. The agreement is effective unless terminated by either party in accordance with the agreement.

CITY OF DORAL, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 10. COMMITMENTS AND CONTINGENCIES (Continued)

Agreement for Professional Services (Continued)

During 2007 the City has executed other professional service agreements related to governmental consulting services, audit, engineering and project management required to carry out its regular operations and services in the normal course of business. These contracts are for periods not ranging from two to five years (some with options to renew) and are easily cancelled with notice by the City or the service provider.

Operating Agreements

The City has executed various operating lease agreements to provide for the operational use of office equipment and a vehicle. Future monthly payments approximate \$16,000 expiring through September 2012.

NOTE 11. SUBSEQUENT EVENTS

Pool Investments

As described in Note 2 –Deposits and Investments, at September 30, 2007, the City had \$32,806,873 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. As of November 30, 2007, the City had transferred all monies invested in the Pool into its operating account.

REQUIRED SUPPLEMENTARY INFORMATION

City of Doral, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 21,198,869	\$ 21,198,869	\$ 20,893,975	\$ (304,894)
Utility taxes	3,034,021	3,034,021	4,339,239	1,305,218
County General Obligation	4,350,000	4,350,000	4,374,650	24,650
Franchise fees	2,931,486	2,931,486	3,278,696	347,210
Intergovernmental	2,897,955	2,897,955	2,786,215	(111,740)
Licenses, permits and fines	6,456,084	6,456,084	8,911,239	2,455,155
Communication service Tax	3,502,641	3,502,641	4,019,547	516,906
Charges for services	2,761,304	2,761,304	1,687,926	(1,073,378)
Grant revenues	180,900	180,900	416,319	235,419
Interest	663,000	663,000	2,010,678	1,347,678
Other	170,257	170,257	190,337	20,080
Revenue contingency	-	-	-	-
Total revenues	<u>48,146,517</u>	<u>48,146,517</u>	<u>52,908,821</u>	<u>4,762,304</u>
Expenditures				
Current				
General government				
Elected officials	665,593	665,593	618,364	47,229
Manager's office	611,587	611,587	575,374	36,213
City Clerk	418,975	418,975	311,670	107,305
Finance Department	227,238	227,238	219,068	8,170
City Attorney	282,080	282,080	327,942	(45,862)
General Government	<u>2,499,122</u>	<u>2,499,122</u>	<u>2,308,916</u>	<u>190,206</u>
Total general government	4,704,595	4,704,595	4,361,334	343,261
Police	16,220,952	16,220,952	13,321,448	2,899,504
Public works	1,615,191	1,615,191	1,002,302	612,889
Parks and recreation	2,300,119	2,300,119	1,763,581	536,538
Building	4,150,444	4,150,444	3,136,195	1,014,249
Planning and zoning	831,878	831,878	840,422	8,544
Debt	1,595,509	1,595,509	1,267,885	327,624
Mitigation/QNIP	<u>8,391,733</u>	<u>8,391,733</u>	<u>398,178</u>	<u>7,993,555</u>
Total expenditures	<u>39,810,421</u>	<u>39,810,421</u>	<u>26,091,345</u>	<u>13,719,076</u>
Other financing uses:				
Transfers in	-	-	-	-
Transfers (out)	<u>(6,125,000)</u>	<u>(6,125,000)</u>	<u>(4,774,650)</u>	<u>1,350,350</u>
Total other financing uses	<u>(6,125,000)</u>	<u>(6,125,000)</u>	<u>(4,774,650)</u>	<u>1,350,350</u>
Net change in fund balance	<u>\$ 14,461,096</u>	<u>\$ 14,461,096</u>	<u>\$ 22,042,826</u>	<u>\$ 19,831,730</u>

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

CITY OF DORAL, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

- a) The City Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d) The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During fiscal year ended September 30, 2007, there were no supplemental appropriations.
- e) Formal budgetary integration is employed as a management control device for the general fund.
- f) The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2. EXPENDITURES EXCEEDING APPROPRIATED BALANCES

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

For the fiscal year ended September 30, 2007, expenditures exceeded appropriations in the following City Department: City Attorney. Although this Department exceeded its appropriations, the overall actual expenditures in the general fund did not exceed overall appropriations.

NOTE 3. BUDGET/GAAP RECONCILIATION

There are no differences to be reconciled between the budgetary comparison schedule and the statement of revenues, expenditures and changes in fund balances-governmental funds.

**COMBINING AND
INDIVIDUAL FUND STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

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

STATISTICAL SECTION

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	36-39
<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>	
Revenue Capacity	40-43
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	44-47
<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>	
Demographic and Economic Information	48-49
<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>	
Operating Information	50-52
<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>	

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

THE CITY OF DORAL, FLORIDA

NET ASSETS BY COMPONENT

LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 1,591,438	\$ 6,052,226	\$ 23,202,258
Restricted	1,242,101	1,668,093	3,177,068
Unrestricted	10,340,834	27,803,600	38,051,098
Total governmental activities net assets	13,174,373	35,523,919	64,430,424
 Business-type activities:			
Invested in capital assets, net of related debt	-	-	164,604
Restricted	-	-	5,110,253
Unrestricted	96,950	2,334,304	-
Total business-type activities net assets	96,950	2,334,304	5,274,857
 Total government:			
Invested in capital assets, net of related debt	1,591,438	6,052,226	23,366,862
Restricted	1,242,101	1,668,093	8,287,321
Unrestricted	10,437,784	30,137,904	38,051,098
Total government net assets	\$ 13,271,323	\$ 37,858,223	\$ 69,705,281

THE CITY OF DORAL, FLORIDA

CHANGES IN NET ASSETS

LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses:			
Governmental activities:			
General government	\$ 2,874,853	\$ 3,550,056	\$ 4,042,423
Public safety	8,653,831	10,967,211	13,318,322
Community development **	1,653,632	-	-
Building department **	-	2,322,401	3,075,941
Planning & zoning department **	-	633,859	851,765
Public works	553,223	748,229	894,629
Parks and recreation	770,844	1,306,101	2,166,591
Mitigation/ QNIP	8,094,986	8,180,211	398,178
Interest on long-term debt	-	450,073	984,740
Total governmental activities	<u>22,601,369</u>	<u>28,158,141</u>	<u>25,732,589</u>
Business-type activities:			
Stormwater utility	53,050	85,569	49,501
Total business-type activities	<u>53,050</u>	<u>85,569</u>	<u>49,501</u>
Total government expenses	<u>\$ 22,654,419</u>	<u>\$ 28,243,710</u>	<u>\$ 25,782,090</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 2,635,954	\$ 743,012	\$ 925,276
Building department **	-	\$ 5,607,313	\$ 7,046,317
Planning & zoning department **	-	\$ 224,169	\$ 152,749
Public safety	529,332	861,643	1,357,086
Parks/recreation	1,044,037	1,459,663	2,139,521
Operating grants and contributions			
Parks/recreation	12,750	91,343	416,319
Total governmental activities program revenues	<u>4,222,073</u>	<u>8,987,143</u>	<u>12,037,268</u>
Business-type activities:			
Charges for services:			
Stormwater utility	-	2,322,923	2,990,054
Total business-type activities program revenues	<u>-</u>	<u>2,322,923</u>	<u>2,990,054</u>
Total program revenues	<u>\$ 4,222,073</u>	<u>\$ 11,310,066</u>	<u>\$ 15,027,322</u>
Net (expense) revenue:			
Governmental activities	\$ (18,379,296)	\$ (19,170,998)	\$ (13,695,321)
Business-type activities	(53,050)	2,237,354	2,940,553
Total net expense	<u>\$ (18,432,346)</u>	<u>\$ (16,933,644)</u>	<u>\$ (10,754,768)</u>
General revenues:			
Governmental activities:			
Taxes:			
Property taxes	\$ 14,875,808	\$ 17,202,696	\$ 20,893,975
Utility taxes	2,818,505	2,469,240	4,339,239
Communications services tax	2,534,262	3,557,442	4,019,547
Franchise taxes	1,864,204	2,801,948	3,278,696
Grants and contributions not restricted to specific programs			
Intergovernmental	3,156,660	3,577,547	7,765,837
Investment earnings and other	376,831	1,268,347	2,114,194
Miscellaneous	160,579	10,643,324	190,337
Transfers	-	-	-
Total governmental activities	<u>25,786,849</u>	<u>41,520,544</u>	<u>42,601,825</u>
Business-type activities:			
Operating transfers	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>\$ 25,786,849</u>	<u>\$ 41,520,544</u>	<u>\$ 42,601,825</u>
Change in net assets:			
Governmental activities	\$ 7,407,553	\$ 22,349,546	\$ 28,906,504
Business-type activities	(53,050)	2,237,354	2,940,553
Total change in net assets	<u>\$ 7,354,503</u>	<u>\$ 24,586,900</u>	<u>\$ 31,847,057</u>

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

THE CITY OF DORAL, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST THREE FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund:			
Reserved	\$ 136,107	\$ -	\$ 617,475
Unreserved	<u>11,015,595</u>	<u>22,333,658</u>	<u>43,759,009</u>
Total general fund	<u>11,151,702</u>	<u>22,333,658</u>	<u>44,376,484</u>
All other governmental funds:			
Reserved	1,037,806	1,563,211	2,659,838
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects fund	<u>(547,033)</u>	<u>5,704,660</u>	<u>(5,630,185)</u>
Total all other governmental funds	<u>490,773</u>	<u>7,267,871</u>	<u>(2,970,347)</u>
Total governmental funds	<u>\$ 11,642,475</u>	<u>\$ 29,601,529</u>	<u>\$ 41,406,137</u>

THE CITY OF DORAL, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST THREE FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	2005	2006	2007
Revenues:			
Ad valorem taxes	\$ 14,875,808	\$ 17,202,696	\$ 20,893,975
Franchise fees	1,864,204	2,801,948	3,278,696
Utility taxes	2,818,505	2,469,240	4,339,239
Communications services tax	2,534,262	3,557,442	4,019,547
Impact fees	1,180,974	1,503,516	1,304,751
Licenses, permits and fines	1,477,180	5,439,854	8,911,239
Intergovernmental revenue	3,156,660	3,577,547	7,765,837
Grants	-	91,343	416,319
Charges for services	1,551,169	1,952,430	1,404,959
Investment income	376,831	1,268,347	2,114,194
Miscellaneous	173,329	10,643,324	190,337
Total revenues	30,008,922	50,507,687	54,639,093
Expenditures:			
Current:			
General government	3,300,307	3,421,798	4,361,334
Public safety	8,696,157	11,068,689	13,321,448
Community development **	1,614,376	-	-
Building department **	-	2,429,029	3,136,195
Planning & zoning department **	-	624,142	840,422
Public works	732,859	974,145	1,532,432
Parks and recreation	1,412,942	26,703,891	17,976,592
Mitigation/ QNIP	8,094,986	8,180,211	398,178
Debt service:			
Principal retirement	-	-	283,145
Interest and other fiscal charges	-	478,728	984,740
Total expenditures	23,851,627	53,880,633	42,834,486
Excess (deficiency) of revenues over expenditures	6,157,295	(3,372,946)	11,804,607
Other financing sources (uses):			
Bond proceeds	-	21,250,000	-
Proceeds from capital leases	-	82,000	-
Transfers in	-	1,497,500	4,774,650
Transfers out	-	(1,497,500)	(4,774,650)
Total other financing sources (uses)	-	21,332,000	-
Net change in fund balances	\$ 6,157,295	\$ 17,959,054	\$ 11,804,607
Debt service as a percentage of non-capital expenditures	0.00%	0.89%	2.96%

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

THE CITY OF DORAL, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Real Property			Total Net Assessed <u>Value</u>	Total Direct Tax <u>Rate</u>	Estimated Actual <u>Value</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>			
2003	1,980,974,946	2,539,734,652	391,919,744	4,912,629,342	2.447	\$ 12,021,204
2004	2,186,766,144	2,803,571,930	432,628,824	5,422,966,898	2.447	\$ 13,270,000
2005	2,561,789,226	3,284,375,143	640,920,540	6,487,084,909	2.447	\$ 15,873,897
2006	3,694,495,528	4,736,650,285	727,775,178	9,158,920,991	2.447	\$ 22,411,880
2007	4,609,913,198	5,102,505,640	735,736,830	10,448,155,668	2.447	\$ 25,566,637

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

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

THE CITY OF DORAL, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

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

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

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

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

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

THE CITY OF DORAL, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

2007				1998			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Village Net Assessed Value</u>	<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Village Net Assessed Value</u>
West Dade County Associates	\$ 146,600,000	1	1.60%		\$ -		0.00%
Atlas Property 1 LLC	130,992,840	2	1.43%		-		0.00%
Century Grand One LLP	82,064,800	3	0.90%		-		0.00%
Doral West Acquisition LLC	72,000,000	4	0.79%		-		0.00%
Summit Properties LP	70,000,000	5	0.76%		-		0.00%
Metropolitan Life Insurance Co.	57,000,000	6	0.62%		-		0.00%
Carnival Corporation	56,900,000	7	0.62%		-		0.00%
KSL Hotel Corporation	51,432,265	8	0.56%		-		0.00%
Atlas Property II LLC	47,796,400	9	0.52%		-		0.00%
Flagler Development Company	47,539,956	10	0.52%		-		0.00%
	-				-		
	<u>\$ 762,326,261</u>		<u>8.32%</u>		<u>\$ -</u>		0.00%

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

Note: The City did not exist nine years ago.

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

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

Fiscal Year Ended <u>September 30,</u>	Total Taxes Levied for Fiscal <u>Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent <u>Year's</u>	Total Collections to Date	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2003	3,333,787	3,205,654	96.16%	-	3,205,654	96.16%
2004	12,606,500	13,252,700	105.13%	-	13,252,700	105.13%
2005	15,808,202	14,875,808	94.10%	-	14,875,808	94.10%
2006	17,362,280	17,300,211	99.64%	-	17,300,211	99.64%
2007	21,198,869	20,893,975	98.56%		20,893,975	98.56%

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

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

THE CITY OF DORAL, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Governmental Activities			Business-Type	<u>Total</u>	Percent of Median Family <u>Income (1)</u>
	General Obligation <u>Bonds</u>	Revenue <u>Bonds</u>	Loans <u>Payable</u>	Revenue <u>Bonds</u>		
2003	-	-	-	-	-	0.00%
2004	-	-	-	-	-	0.00%
2005	-	-	-	-	-	0.00%
2006	-	21,250,000	-	-	21,250,000	28251.04%
2007		20,992,886			20,992,886	27096.34%

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

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

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

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

All bonded indebtedness is in the form of revenue bonds.

THE CITY OF DORAL, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2007

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

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

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

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

THE CITY OF DORAL, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Median Family Income (2)</u>	<u>Unemployment Rate (3)</u>
2003	27,000	68,836	5.7%
2004	29,670	70,901	5.0%
2005	32,485	73,028	3.9%
2006	33,500	75,218	3.7%
2007	34,472	77,475	4.2%

Sources:

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

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

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

THE CITY OF DORAL, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2007</u>			<u>1998</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 Corporation	2,380	1	26.69%			
Marriott International	1,031	2	11.56%			
Ryder Truck Rental	462	3	5.18%			
Supreme International Corporation	420	4	4.71%			
Perry Ellis International, Inc.	420	5	4.71%			
Blue Cross and Blue Shield of Florida, Inc.	412	6	4.62%			
Brinks Incorporated	366	7	4.10%			
Post, Buckley, Schuh & Jernigan, Inc.	285	8	3.20%			
Wal Mart Stores, East LP	285	9	3.20%			
Sears Roebuck & Company	250	10	2.80%			
Total	6,311					

Note: The city did not exist nine years ago, incorporated July 23,2003.

THE CITY OF DORAL, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of Employees:										
City Council						-	1	1	2	2
City Manager's Office						1	4	4	5	6
City Clerk's Office						-	1	2	3	4
City Attorney's Office *						1	1	1	1	1
Finance Department *						1	2	2	2	3
Administrative Services						-	2	1	1	2
Police Department *						-	75	93	110	110
Community Development **						-	15	29	-	-
Building and Permitting **						-	-	-	18	28
Planning & Zoning **						-	-	-	7	5
Code Compliance **						-	-	-	8	10
Licensing **						-	-	-	2	2
Public Works						-	6	6	6	10
Parks and Recreation						-	29	29	28	27
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Number of Employees	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	-	-	-	3	136	168	193	210

Source: City of Doral Finance Department

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

* Includes contractual personnel.

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

THE CITY OF DORAL, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public safety:										
Police:										
Police personnel and officers						-	75	93	110	110
Police calls for service						13,346	9,660	13,814	21,258	35,406
Planning and development:										
Building permits issued						(B)	(B)	1,631	2,999	3,500

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

(B) Information not available, permits issued by Miami-Dade County

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

THE CITY OF DORAL, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government:										
Number of general government buildings						1	1	1	1	1
Public safety:										
Police:										
Police stations						1	1	1	1	1
Patrol units						3	3	3	3	3
Fire:										
Fire stations						2	2	2	2	2
Planning and development										
Building permits issued						(A)	(A)	1,631	2,999	3,500
Engineering and public works										
Total square miles						15.00	15.00	15.00	15.00	15.00
Surface water management										
Miles of storm drainage						13.0	13.0	13.0	13.0	13.0
Transportation:										
Miles of streets						175.0	175.0	175.0	175.0	175.0
Number of street lights						410	410	410	410	410
Number of traffic signals						61	61	61	61	61
Culture and recreation:										
Miles of waterways						11.30	11.30	11.30	11.30	11.30
Utility system:										
Miles of mains						203.0	203.0	203.0	203.0	203.0
Fire hydrants - City of Doral						2,166	2,166	2,166	2,166	2,166

Sources: Various City Departments

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

COMPLIANCE SECTION



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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Doral, Florida, (the City) as of and for the fiscal year ended September 30, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 20, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies noted in Findings 2007-1 and , 2007-2, described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we do not believe Findings 2007-1 & 2007-2 to be material weaknesses.

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

Compliance

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

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

Rodriguez Trueba & Company

Rodriguez, Trueba & Co., P.A.
Doral, Florida
May 20, 2008



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Doral, Florida (the City), as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated May 20, 2008.

We conducted our audit in accordance with United States generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements, and Schedule of Findings and Questioned Costs. Disclosures in that report and schedule, which are dated May 20, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 significant findings and recommendations made in the preceding annual financial audit report. There were no significant findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. Our recommendations are included in the accompanying schedule of findings and questioned costs.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we had no such recommendations.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors:

- (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements;
- (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and
- (3) control deficiencies that are not significant deficiencies, including, but not limited to:
 - (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements);
 - (b) failures to properly record financial transactions; and
 - (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

Our audit disclosed the following matters required to be disclosed by Rules of Auditor General under Current Year Findings and Recommendations : 2007-1, 2007-2.

- Section 10.554(1)(i)6., 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 of Doral, Florida* was created pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There are no component units related to the City.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor the entity'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.

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

Rodriguez Trueba & Company

Rodriguez, Trueba & Co., P.A.
Doral, Florida
May 20, 2008

CITY OF DORAL, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

PART II. FINANCIAL STATEMENT FINDINGS - (continued)

Finding 2007-1

4. Some charges, for example gifts for an employee who gave birth, appear unorthodox at best, improper at worst. These charges appeared not to be authorized before the charge. The gift was not listed as approved under the City-allowed employee awards.
5. Payment to the credit cards was not timely and late charges were assessed.
6. Charges were not properly classified when the line item applied to the charge was without budget appropriations. In this instance the charge was recorded in another budget line item.

Recommendations

1. We recommend that the City eliminate the use of credit cards for executives and department heads. The only credit cards should be held by the Mayor and the Council under their established purposes and limitations. The credit card limits should be in the range of \$3,000 to \$5,000 per credit card with a total limit of \$10,000 for all credit cards. Approval of charges by the Council will follow the policies and procedures established by the Finance Department, as they overview the payment of the credit cards.
2. In the event that the City continues with the use of the credit cards, management needs to set purchasing limits in accordance with authority and need and ascertains City procurement guidelines are followed in all applicable cases.
3. The City must create or revise written procurement policies for credit card use that includes forms to authorize the charge before it's made. This process will avoid spending for items not budgeted.
4. Maintain support for all charges indicating purpose and general ledger account to be charged. Keep copies of supporting invoices for all charges.
5. Pay all credit card charges on time set up automatic minimum balance payment to avoid late fees.

Management's Response

Management concurs with the first finding and will seek Council approval to eliminate credit cards at the next available Council meeting.

Finding 2007-2

Reportable Condition - Budget Process; Unappropriated Capital Expenditures

The budget process is in place and working in accordance with rules and regulations. During 2007 management appropriated sufficient funds to meet actual expenditures for capital outlays in the Capital Improvement Projects Fund ("CIP"), approximately \$15,841,777, but did not carry out a budget amendment for the appropriation. This event created an unfavorable variance in the line item of \$9,716,000.

Background

The actual deficit was absorbed by Council approved appropriations from the General Fund, designated but unbudgeted for the improvements. These unbudgeted expenditures were all approved by the City Council. The unbudgeted expenditures caused overall expenditures to exceed overall appropriations.

CITY OF DORAL, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

PART II. FINANCIAL STATEMENT FINDINGS - (continued)

Recommendation:

Management should propose and the legislative body of the City should approve budget amendments as soon as it is prudent to do so in order to comply with Florida Statutes related to appropriation of funds to meet budgeted expenditures.

Management's Response:

We agree with the finding, however, management budgeted a funding source (Florida Forever Grant) in the amount of \$5 million as revenue in the General Fund and as an operating transfer out to Capital Projects where the project was budgeted to be paid. The project was started before the grant was received and the City's chances of receiving the grant were excellent at the time the decision was made to proceed with the project. The project started and was funded by General Fund surplus. In the end, the grant did not come through, and the City Council decided to complete the project (parks) with General Fund money and appropriate next budget year or seek another grant (in process now). The City believed it acted in compliance with the letter of Florida Statutes.

PART III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Federal Single Audit not required for the year ended September 30, 2007.

PART IV. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE INCLUDING AUDIT FINDINGS AS DEFINED IN RULE 10.554(1)(j)(4).

Florida Single Audit not required for the year ended September 30, 2007.

PART V. PRIOR YEAR FINDINGS, COMMENTS AND RECOMMENDATIONS NOT ADDRESSED

No Prior Year Findings to be addressed.

PART VI. OTHER ISSUES

No corrective action plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Act.

