



City of Doral, Florida
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2013

CITY OF DORAL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

Prepared by:
THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION



June 9, 2014

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, 2013.

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 Alberni, Caballero & Company, L.L.P., 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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Doral's financial statements for the fiscal year ended September 30, 2013, and 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 the MD&A and should be read in conjunction with it. The City of Doral's MD&A can be found immediately following the report of the independent certified public accountants. The remainder of the letter provides an overview of the City government as well as local economic conditions and prospects for the future.

Profile of the Government

The City of Doral, incorporated June 24, 2003, is located in northwestern Miami-Dade County, Florida approximately 10 miles west of Miami, Florida. The City of Doral occupies a land area of 15 square miles bordered on the west by the Ronald Reagan Turnpike, to the north by the Town of Medley, to the east by the Palmetto Expressway and to the south by the City of Sweetwater. The City serves a population of approximately 49,000. 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 offers a wide range of services, including, police protection, public works maintenance, a full service building department, and parks and recreation activities. Educational services are provided through the County School System, Libraries and Fire & Rescue Service through Miami-Dade County.

The annual budget serves as a foundation for the City of Doral's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager in both a line item and performance based format. These requests are the foundation for developing the proposed budget. The City Manager will review and present a proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City's fiscal year. The appropriated budget is prepared, both by fund and department for the purpose of meeting Florida Statutes. No department may legally expend in excess of the amount appropriated for that department within an individual fund. The City Manager may authorize transfers of appropriations within a departments operating and capital accounts of up to \$15,000. Transfers between departments and funds require the approval of City Council. The City Council may approve supplemental appropriations through an Ordinance.

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

Economic Condition and Outlook

In fiscal year 2013 the City of Doral continued to experience increases in construction and new investments that have helped to maintain the City's tax base fairly stable and estimated at \$8.8 billion for this fiscal year. Additionally, our regional economic base remains diversified, comprised of wholesale and retail trade, construction, light manufacturing, and tourism. Located in the center of a hemispheric market, and easily accessible to South and Central America, and the Caribbean, Doral's strategic location and international commerce infrastructure make it the ideal location for international trade. As a result of expanding economies in several Latin American countries, international trade continues to grow in the Doral area.

Airport

In 2013, the Miami International Airport (MIA) served nearly 40.5 million passengers, with 49% of those being international. MIA also shipped 2.1 million tons of domestic and international cargo during the year. MIA ranks number 1 in domestic airports for international freight and number 2 in international passenger volume among all U.S. airports. MIA's ongoing \$6.2 billion Capital Improvement Program which includes a new runway, terminal, and cargo facility is nearly complete. Its close proximity to the City of Doral provides a great venue for increased activity in the industries dealing in international trade.

Public/Private Development Ventures

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

Long-Term Financial Planning

In order to meet the service demands of residents and visitors, the City continues to address the long-term planning necessary to fund the capital projects essential to the creation, improvement, enhancement, and preservation of public facilities and infrastructure.

Through a clear and consistent policy of smart growth, we continue to enhance the community by providing residents with the amenities they need, while avoiding the indiscriminate building of undesirable developments. New construction in the City continues to enhance its revenue capacity which will provide the means to improve and address additional infrastructure needs. The City's construction of a state of the art facility that houses police and public works is almost complete, Phase III is currently being designed. Public Works continues to pursue its infrastructure growth plan by completing several improvements that include construction of stormwater improvements, the construction of new roadways, roadway and sidewalks repairs. Council has approved the conceptual park design for the 10 acres of land acquired in 2011 for Parks and Recreation development.

For the fourth consecutive year The City of Doral received the Tree City USA Award, and for the first time received the ICMA Certificate of Distinction. The City is currently seeking to obtain the ICMA Certificate of Excellence, its highest award.

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, 2012. This was the ninth year that the City submitted and received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Jose H. Olivo
Interim City Manager



Matilde G. Menendez
Interim Finance Director



Government Finance Officers Association

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

Presented to

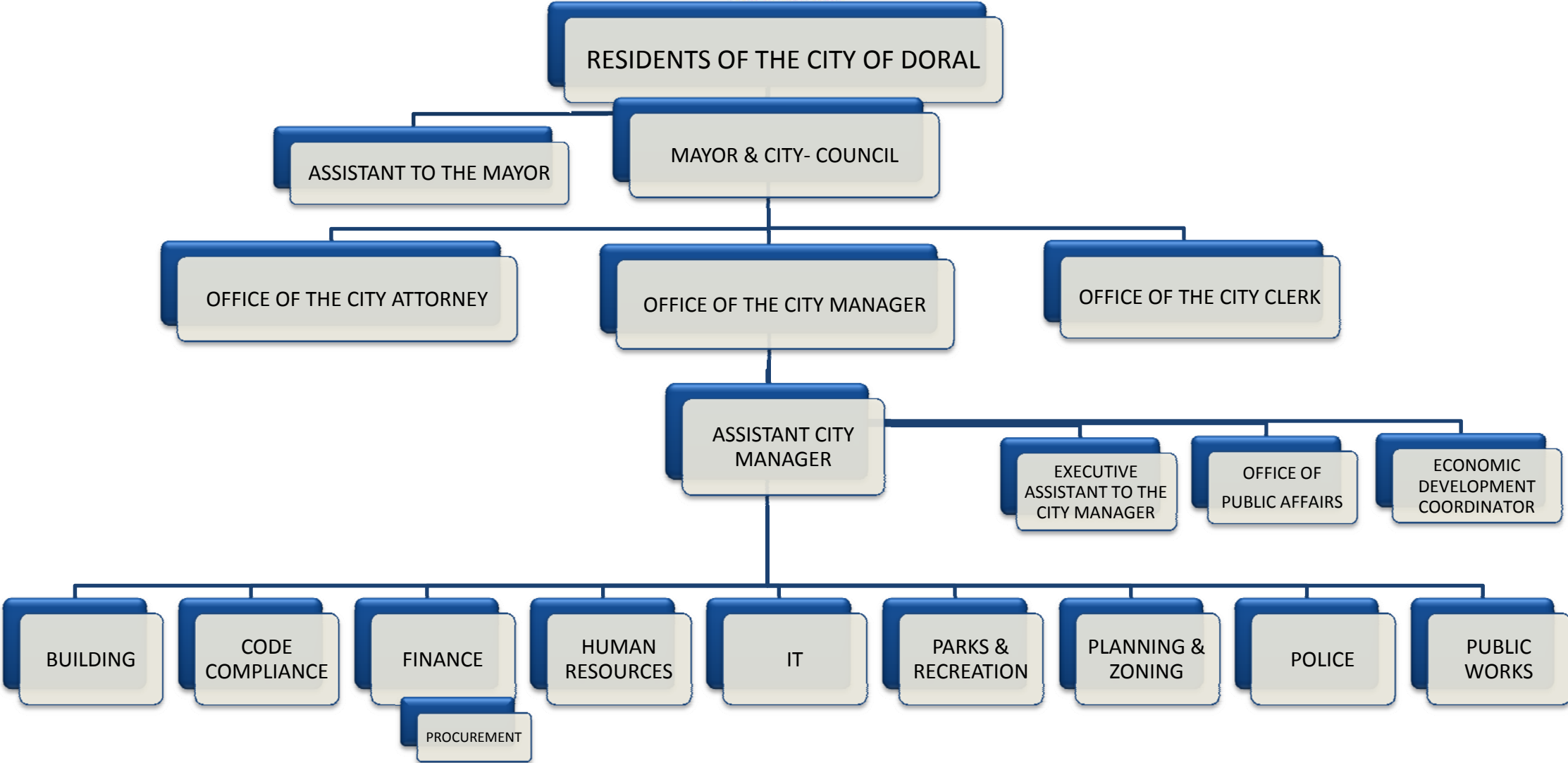
**City of Doral
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

ORGANIZATIONAL CHART



CITY OF DORAL, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2013

CITY COUNCIL

Luigi Boria, Mayor
Christi Fraga, Vice Mayor
Bettina Rodriguez Aguilera
Ana Maria Rodriguez
Sandra Ruiz

INTERIM CITY MANAGER

Jose H. Olivo Jr.

CITY CLERK

Barbara Herrera

CITY ATTORNEY

Weiss Serota Helfman Pastoriza Cole Boniske P.L.

INTERIM FINANCE DIRECTOR

Matilde G. Menendez

CITY AUDITORS

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



Albani, Caballero
& Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

4649 PONCE DE LEON BLVD.
SUITE 404
CORAL GABLES, FL 33146
TEL: 305-662-7272
FAX: 305-662-4266
ACC-CPA.COM

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Doral, Florida (the "City") as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note I to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP

Coral Gables, Florida

June 9, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

Management's Discussion and Analysis

As management of the City of Doral (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$235,645,710 (net position). Of this amount, \$151,524,287 is the net investment in capital assets, \$10,691,411 is restricted for transportation related uses, \$13,087,938 is restricted for storm water and drainage related uses, \$1,538,006 is restricted for public safety related uses, \$426,764 is restricted for capital improvement projects, \$6,244,535 is restricted for parks and recreation related projects, \$52,132,770 is (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$20,932,164 from \$214,713,546 in FY 2012 to \$235,645,710 in FY2013. The increase is attributable to an overall increase of \$19,594,348 in governmental activities and an increase of \$1,337,816 in business type activities.
- As of the close of the current fiscal year, the City's governmental funds reported an ending fund balance of \$72,849,562. Of this amount, \$45,852,964 is available for spending at the government's discretion (*unassigned fund balance*).

Committed funds of \$11,628,284 are to be used as follows: \$398,807 for the completion of the Public Works/Police facility, \$5,589,700 for Park Construction, \$558,240 for Police Projects, \$1,739,380 for various smaller projects and \$3,342,157 for Transportation projects.

Funds of \$161,833 are for prepaid items and \$14,781,778 have been restricted for use as follows: \$7,349,254 for use in transportation projects, \$5,966,118 for use for in park projects, \$1,284,072 for use for police projects and \$182,334 is restricted by state and federal agencies to be used in approved law enforcement projects.

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$45,852,964 or 135.30% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 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 City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as *net position*. Over

time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include only the City itself (known as the *primary government*) and can be found on pages 11 and 12 of this report.

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

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

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

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

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

The governmental fund financial statements can be found on pages 13 to 16 of this report.

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

The proprietary fund financial statements can be found on pages 17-19 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 to 44 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$235,645,710 at the close of the most recent fiscal year.

A portion of the City's net position, \$151,524,287 or 64.30%, reflects a net investment in capital assets (e.g., land, building, infrastructure and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Net Position

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

Table A-1
Summary of net position

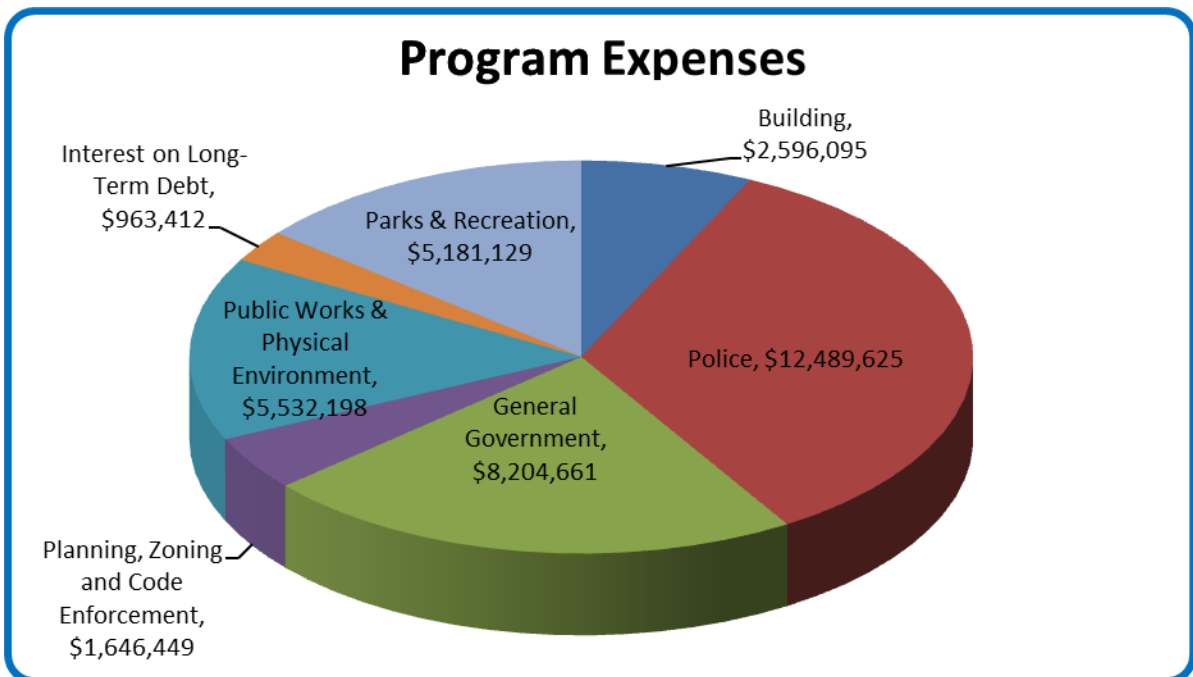
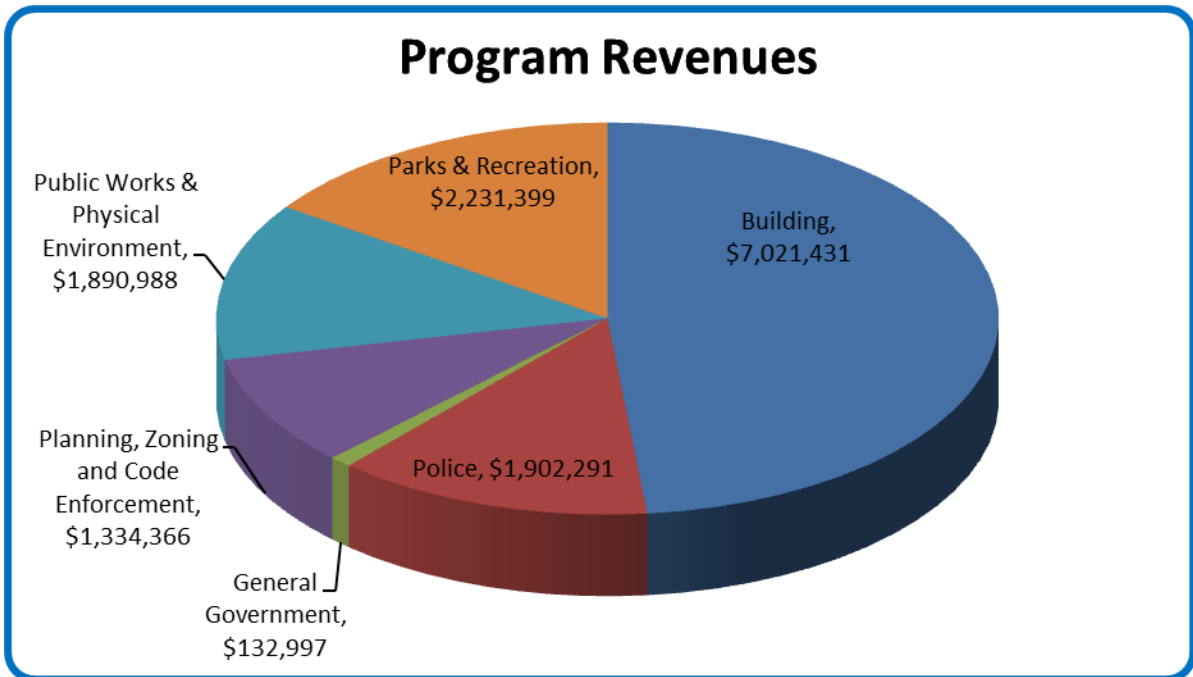
	Governmental Activities	Governmental Activities	Business Type Activities	Business Type Activities	Total 2012	Total 2013	Change
	2012	2013	2012	2013	2012	2013	
Assets:							
Current assets	\$ 60,902,621	\$ 76,346,531	\$ 12,336,745	\$ 13,132,390	\$ 73,239,366	\$ 89,478,921	\$ 16,239,555
Capital assets	162,273,554	161,320,374	17,928,313	17,600,493	180,201,867	178,920,867	(1,281,000)
Total assets	223,176,175	237,666,905	30,265,058	30,732,883	253,441,233	268,399,788	14,958,555
Deferred Outflows of Resources:							
Deferred outflows on							
derivative instrument	-	2,432,705	-	-	-	2,432,705	2,432,705
Liabilities							
Current liabilities	8,569,715	7,453,316	972,869	368,859	9,542,584	7,822,175	(1,720,409)
Long-term liabilities	20,894,628	20,070,506	7,618,510	7,294,102	28,513,138	27,364,608	(1,148,530)
Total liabilities	29,464,343	27,523,822	8,591,379	7,662,961	38,055,722	35,186,783	(2,868,939)
Net Position:							
Net investment in							
capital assets	141,379,804	141,542,302	9,998,262	9,981,984	151,378,066	151,524,286	146,220
Restricted	13,214,721	18,900,716	11,675,417	13,087,938	24,890,138	31,988,654	7,098,516
Unrestricted	39,117,307	52,132,770	-	-	39,117,307	52,132,770	13,015,463
Total net position	\$ 193,711,832	\$ 212,575,788	\$ 21,673,679	\$ 23,069,922	\$ 215,385,511	\$ 235,645,710	\$ 20,260,199

Table A-2
Summary of changes in net position

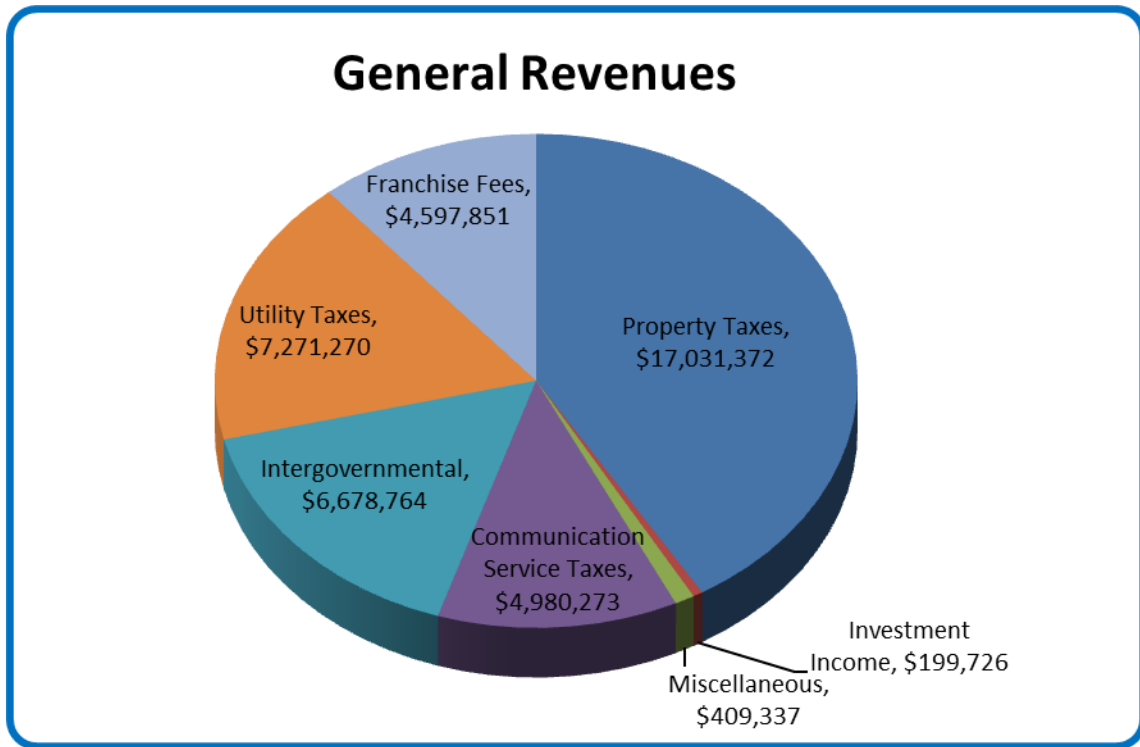
	Governmental	Governmental	Business	Business			
	Activities	Activities	Type	Type	Total	Total	
	2012	2013	2012	2013	2012	2013	Change
Program Revenues:							
Charges for services	\$ 12,619,239	\$ 14,513,472	\$ 3,796,658	\$ 3,848,250	\$ 16,415,897	\$ 18,361,722	\$ 1,945,825
Operating grants & contributions	-	300,000	-	-	-	300,000	300,000
Capital grants and contributions	1,885,964	225,852	1,595,521	257,523	3,481,485	483,375	(2,998,110)
General Revenues:							
Property taxes	19,766,557	17,031,372	-	-	19,766,557	17,031,372	(2,735,185)
Utility taxes	6,803,372	7,271,270	-	-	6,803,372	7,271,270	467,898
Franchise fees	4,947,073	4,597,851	-	-	4,947,073	4,597,851	(349,222)
Communication service tax	5,080,171	4,980,273	-	-	5,080,171	4,980,273	(99,898)
Intergovernmental (Unrestricted)	8,371,134	6,678,764	-	-	8,371,134	6,678,764	(1,692,370)
Investment earnings	561,988	199,726	73,387	18,154	635,375	217,880	(417,495)
Miscellaneous	580,405	409,337	-	-	580,405	409,337	(171,068)
Total revenues	60,615,903	56,207,917	5,465,566	4,123,927	66,081,469	60,331,844	(5,749,625)
Debt forgiveness	-	-	-	-	-	-	-
Expenses:							
General government	8,798,055	8,204,661	-	-	8,798,055	8,204,661	(593,394)
Building	2,233,942	2,596,095	-	-	2,233,942	2,596,095	362,153
Police	12,965,522	12,489,625	-	-	12,965,522	12,489,625	(475,897)
Planning, zoning & code enforcement	1,675,114	1,646,449	-	-	1,675,114	1,646,449	(28,665)
Public works & physical environment	4,252,964	5,532,198	-	-	4,252,964	5,532,198	1,279,234
Parks and recreation	5,098,902	5,181,129	-	-	5,098,902	5,181,129	82,227
Interest of long-term debt	868,321	963,412	-	-	868,321	963,412	95,091
Mitigation/QNIP	-	-	-	-	-	-	-
Stormwater utility	-	-	1,381,554	2,786,111	1,381,554	2,786,111	1,404,557
Total expenses	35,892,820	36,613,569	1,381,554	2,786,111	37,274,374	39,399,680	2,125,306
Change in net position	\$ 24,723,083	\$ 19,594,348	\$ 4,084,012	\$ 1,337,816	\$ 28,807,095	\$ 20,932,164	\$ (7,874,931)

The net position in governmental activities increased by \$19,594,348 during the current fiscal year, which is comprised of approximately \$14,343,764 of excess revenues over operating expenses primarily due to timing delays on projects, such as phase III of the Police/Public Works Facility and park land purchases and development, \$4,676,309 of capital assets net of depreciation and \$574,275 of construction in progress. The net position in business type activities, also increased by \$1,337,816 during the current fiscal year; this is attributable to the City's recently constructed infrastructure and excess revenues over operating expenses and depreciation.

Program Revenues and Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *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 \$53,948,846; of this amount \$45,852,964 constitutes *unassigned fund* balance, which is available for spending at the City's discretion, \$7,934,049 is *committed* for various projects such as the completion of the Police/Public Works facility, and NW 114 Ave. park development.

The general fund is the chief operating fund of the City. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 135.3% of total general fund expenditures.

The transportation fund received an operating transfer of \$2,000,000 from the general fund. The change in fund balance was an increase of \$3,657,661, which is mainly attributable to revenues received from the new Municipal Surtax agreement with Miami-Dade County.

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, 2012 and 2013 follows.

Table B-1
Summary of condensed Balance Sheet

	September 30, 2012	September 30, 2013
Total assets	\$64,611,734	\$76,346,531
Total Liabilities	\$10,861,255	\$3,496,969
Unreserved and designated fund balance	\$0	\$0
Nonspendable fund balance	\$388,354	\$161,833
Restricted fund balance	\$10,128,633	\$14,781,778
Committed fund balance	\$7,714,848	\$11,628,284
Assigned fund balance	\$0	\$424,703
Unassigned fund balance	\$35,518,644	\$45,852,964
	\$64,611,734	\$76,346,531

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

	September 30, 2012	September 30, 2013
Total revenues	\$60,615,903	\$56,207,917
Total expenditures	\$57,317,025	\$37,108,835
Excess of revenues over expenditures	\$3,298,878	\$19,099,082

Governmental activities. Governmental activities increased the City's fund balance by approximately \$19,099,082. The key element of this increase was a decrease in capital outlays of \$20,806,218 during this fiscal year and also an increase in Licenses, permits and fines revenues of \$2,376,577.

General Fund Budgetary Highlights

The original budget was amended by the City Council during 2013 to cover encumbrance carryovers from the prior fiscal year these expenditures were not previously appropriated in the budget. In addition, the Fiscal Year 2013 was amended and reduced by \$16,530,872 as part of new efficiency measures. The budgetary comparison schedule on page 45 of the Comprehensive Annual Financial Report ("CAFR") provides variances between the final amended budget and the actual revenues and expenditures. Actual expenditures in the general government, police, public works, parks and recreation departments were significantly less than budgeted. This was as a result of committed construction projects that were encumbered but not initiated. An explanation for expenditures exceeding appropriated balances can be found in the notes to budgetary comparison schedule on page 47 of the CAFR.

Capital Assets

As of September 30, 2013, the City's capital assets for governmental activities, net of accumulated depreciation was \$161,320,374. The capital asset for business-type activities, net of accumulated depreciation was \$17,600,493. The total increase in capital assets was as follows:

- Public Works repair, replacement and beautification of streets
- Information Technology upgrades and improvement to City's systems
- Park improvements and development
- City hall complex and Police Facility construction.

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

Long-Term Debt

Excluding compensated absences, the City's debt totaled approximately \$28 million as of September 30, 2013. This represents a \$1 million decrease over the total debt last year of \$29 million. This decrease is attributable to debt payments during the fiscal year. A detailed schedule of the debt activity can be found on pages 34-37 of the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Miami-Dade County at December 2013 was 6.0 percent, which shows a decrease from a rate of 9.1 percent a year ago. This compares unfavorably to the state's average unemployment rate of 6.2 percent and the national average rate of 6.7 percent.
- The occupancy rate of the government's central business district has remained stable since before incorporation.
- Inflationary trends in the region are comparable to the national indices.

All of these factors were considered in preparing the City's budget for the 2014 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased. The City has purchased park land and construction is in progress for a new City hall complex that includes a parking garage and a park with a playground. It is intended that the use of available fund balance will avoid the need to raise taxes or charges during the 2014 fiscal year, and further build reserve funds.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, 8401 N.W. 53rd Terrace, Doral, Florida 33166.

BASIC FINANCIAL STATEMENTS

CITY OF DORAL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 26,330,928	\$ 6,505,025	\$ 32,835,953
Investments	47,087,546	6,403,957	53,491,503
Accounts receivable - net	2,759,237	223,408	2,982,645
Other Assets	6,987	-	6,987
Prepaid items	161,833	-	161,833
Capital assets not being depreciated	73,670,254	-	73,670,254
Capital assets being depreciated, net	<u>87,650,120</u>	<u>17,600,493</u>	<u>105,250,613</u>
Total assets	<u>237,666,905</u>	<u>30,732,883</u>	<u>268,399,788</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflow on derivative instrument	<u>2,432,705</u>	-	<u>2,432,705</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,625,397	44,452	1,669,849
Accrued interest	179,085	-	179,085
Escrow deposits	904,492	-	904,492
Unearned revenues	967,080	-	967,080
Derivative instrument - swap liabilities	2,432,705	-	2,432,705
Noncurrent liabilities:			
The amount due in one year	1,344,557	324,407	1,668,964
The amount due in more than one year	<u>20,070,506</u>	<u>7,294,102</u>	<u>27,364,608</u>
Total liabilities	<u>27,523,822</u>	<u>7,662,961</u>	<u>35,186,783</u>
<u>NET POSITION</u>			
Net investment in capital assets	141,542,303	9,981,984	151,524,287
Restricted for:			
Stormwater and drainage	-	13,087,938	13,087,938
Capital Improvement Projects	426,764	-	426,764
Public safety	1,538,006	-	1,538,006
Parks and recreation	6,244,535	-	6,244,535
Transportation	10,691,411	-	10,691,411
Unrestricted	<u>52,132,770</u>	-	<u>52,132,770</u>
Total net position	<u>\$ 212,575,788</u>	<u>\$ 23,069,922</u>	<u>\$ 235,645,710</u>

See notes to basic financial statements

CITY OF DORAL, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u> <u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<u>Functions/programs</u>							
Governmental activities:							
General government	\$ 8,204,661	\$ 132,997	\$ -	\$ -	\$ (8,071,664)	\$ -	\$ (8,071,664)
Police	12,489,625	1,902,291	300,000	20,986	(10,266,348)	-	(10,266,348)
Building	2,596,095	7,021,431	-	-	4,425,336	-	4,425,336
Planning, zoning and code enforcement	1,646,449	1,334,366	-	-	(312,083)	-	(312,083)
Public works and physical environment	5,532,198	1,890,988	-	204,866	(3,436,344)	-	(3,436,344)
Parks and recreation	5,181,129	2,231,399	-	-	(2,949,730)	-	(2,949,730)
Interest on long-term debt	963,412	-	-	-	(963,412)	-	(963,412)
Total governmental activities	<u>36,613,569</u>	<u>14,513,472</u>	<u>300,000</u>	<u>225,852</u>	<u>(21,574,245)</u>	<u>-</u>	<u>(21,574,245)</u>
Business-type activities:							
Stormwater	<u>2,786,111</u>	<u>3,848,250</u>	<u>-</u>	<u>257,523</u>	<u>-</u>	<u>1,319,662</u>	<u>1,319,662</u>
Total business activities	<u>39,399,680</u>	<u>18,361,722</u>	<u>300,000</u>	<u>483,375</u>	<u>(21,574,245)</u>	<u>1,319,662</u>	<u>(20,254,583)</u>
General revenues:							
Property taxes					\$ 17,031,372	\$ -	\$ 17,031,372
Utility taxes					7,271,270	-	7,271,270
Franchise fees on gross receipts					4,597,851	-	4,597,851
Communication service tax					4,980,273	-	4,980,273
Intergovernmental (unrestricted)					6,678,764	-	6,678,764
Investment income (unrestricted)					199,726	18,154	217,880
Miscellaneous					409,337	-	409,337
Total general revenues					<u>41,168,593</u>	<u>18,154</u>	<u>41,186,747</u>
Change in net position					<u>19,594,348</u>	<u>1,337,816</u>	<u>20,932,164</u>
Net position, beginning - as restated (Note VI)					<u>192,981,440</u>	<u>21,732,106</u>	<u>214,713,546</u>
Net position, ending					<u>\$ 212,575,788</u>	<u>\$ 23,069,922</u>	<u>\$ 235,645,710</u>

See notes to basic financial statements

CITY OF DORAL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Major Funds			
	General	Transportation	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 7,509,910	\$ 10,560,743	\$ 8,260,275	\$ 26,330,928
Investments	47,087,546	-	-	47,087,546
Accounts receivable - net	2,274,038	468,959	16,240	2,759,237
Other Assets	6,987	-	-	6,987
Prepaid items	161,833	-	-	161,833
Total assets	\$ 57,040,314	\$ 11,029,702	\$ 8,276,515	\$ 76,346,531
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	1,317,965	287,370	20,062	1,625,397
Escrow deposits	806,423	50,921	47,148	904,492
Unearned revenues	967,080	-	-	967,080
Total liabilities	3,091,468	338,291	67,210	3,496,969
<u>FUND BALANCES</u>				
Nonspendable	161,833	-	-	161,833
Restricted	-	7,349,254	7,432,524	14,781,778
Committed	7,934,049	3,342,157	352,078	11,628,284
Assigned	-	-	424,703	424,703
Unassigned	45,852,964	-	-	45,852,964
Total fund balances	53,948,846	10,691,411	8,209,305	72,849,562
Total liabilities and fund balances	\$ 57,040,314	\$ 11,029,702	\$ 8,276,515	\$ 76,346,531

See notes to basic financial statements

CITY OF DORAL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

Fund balances - total government funds (Page 13) \$ 72,849,562

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

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

Governmental capital assets	232,627,116
Less accumulated depreciation	(71,306,742)

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

Bonds payable	\$ (16,452,024)	
Capital leases payable	(37,232)	
QNIP bonds	(3,288,815)	
Accrued interest payable	(179,085)	
OPEB liability	(818,000)	
Compensated absences	(818,992)	(21,594,148)

Net position of governmental activities (Page 11) \$ 212,575,788

CITY OF DORAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Transportation		
Revenues:				
Property taxes	\$ 17,031,372	\$ -	\$ -	\$ 17,031,372
Utility taxes	7,271,270	-	-	7,271,270
Franchise fees	4,597,851	-	-	4,597,851
Intergovernmental revenues	4,284,116	2,394,648	-	6,678,764
Licenses, permits and fines	10,356,153	-	54,297	10,410,450
Communication service tax	4,980,273	-	-	4,980,273
Charges for services	557,072	1,707,975	1,837,975	4,103,022
Grant revenues	20,986	204,866	-	225,852
Investment income	199,726	-	-	199,726
Miscellaneous	709,337	-	-	709,337
Total revenues	50,008,156	4,307,489	1,892,272	56,207,917
Expenditures:				
Current:				
General government	7,098,768	-	-	7,098,768
Police	11,770,857	-	124	11,770,981
Public works	2,029,598	1,192,425	-	3,222,023
Parks and recreation	3,473,086	-	-	3,473,086
Building	2,479,507	-	-	2,479,507
Planning and zoning	770,265	-	-	770,265
Code enforcement	837,506	-	1,256	838,762
Capital outlay	3,483,812	1,401,131	568,600	5,453,543
Debt service:				
Principal	1,061,291	54,388	-	1,115,679
Interest	884,337	1,884	-	886,221
Total expenditures	33,889,027	2,649,828	569,980	37,108,835
Excess of revenues over expenditures before other financing sources (uses)	16,119,129	1,657,661	1,322,292	19,099,082
Other financing sources (uses):				
Transfers (out)	(2,000,000)	-	(224,635)	(2,224,635)
Transfers in	224,635	2,000,000	-	2,224,635
Total other financing sources (uses)	(1,775,365)	2,000,000	(224,635)	-
Net change in fund balances	14,343,764	3,657,661	1,097,657	19,099,082
Fund balances - beginning	39,605,082	7,033,750	7,111,648	53,750,480
Fund balances - ending	\$ 53,948,846	\$ 10,691,411	\$ 8,209,305	\$ 72,849,562

See notes to basic financial statements

CITY OF DORAL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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

Net change in fund balances - total government funds (Page 15) \$ 19,099,082

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

Expenditures for capital outlays	\$ 5,453,543	
Less current year depreciation	<u>(5,630,496)</u>	
Net adjustment		(176,953)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position. (45,834)

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

	857,111	
Bond principal payments	54,388	
Capital lease principal payments	204,180	
QNIP bond payments	<u>1,115,679</u>	
Net adjustment		1,115,679

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

Compensated absences	(120,435)	
OPEB liability	(200,000)	
Accrued interest payable	<u>(77,191)</u>	<u>(397,626)</u>

Change in net position of governmental activities (Page 12) \$ 19,594,348

CITY OF DORAL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2013

		Business-type Activites Enterprise Fund <u>Major Fund</u>
	<u>ASSETS</u>	<u>Stormwater</u>
Current assets:		
Cash and cash equivalents		\$ 6,505,025
Investments		6,403,957
Accounts receivable		223,408
Total current assets		<u>13,132,390</u>
Capital assets:		
Capital assets being depreciated, net		<u>17,600,493</u>
Total noncurrent assets		<u>17,600,493</u>
Total assets		<u>30,732,883</u>
	<u>LIABILITIES</u>	
Current liabilities:		
Accounts payable and accrued liabilities		44,452
Revenue bonds		324,407
Total current liabilities		<u>368,859</u>
Non-current liabilities:		
Revenue bonds		<u>7,294,102</u>
Total noncurrent liabilities		<u>7,294,102</u>
Total liabilities		<u>7,662,961</u>
	<u>NET POSITION</u>	
Net investment in capital assets		9,981,984
Restricted for stormwater and drainage		<u>13,087,938</u>
Total net position		<u>\$ 23,069,922</u>

See notes to basic financial statements

CITY OF DORAL, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Business-type</u> <u>Activites</u> <u>Enterprise Fund</u> <u>Major Fund</u>
	<u>Stormwater</u>
Operating revenues:	
Stormwater fees	\$ 3,848,250
Total operating revenues	<u>3,848,250</u>
Operating expenses:	
Operating, administrative and maintenance	1,989,126
Depreciation	<u>408,326</u>
Total operating expenses	<u>2,397,452</u>
Operating income	<u>1,450,798</u>
Non-operating revenues (expenses):	
Interest income	66,081
Unrealized loss on investments	(47,927)
Interest expense	<u>(388,659)</u>
Total non-operating revenues (expenses)	<u>(370,505)</u>
Capital contributions	<u>257,523</u>
Change in net position	<u>1,337,816</u>
Net position, beginning - as restated (Note VI)	<u>21,732,106</u>
Net position, ending	<u><u>\$ 23,069,922</u></u>

See notes to basic financial statements.

CITY OF DORAL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Business-type Activities Enterprise Fund Major Fund</u>
	<u>Stormwater</u>
Cash flows from operating activities:	
Cash received from customers	\$ 4,275,864
Cash paid to suppliers and vendors	(2,531,199)
Cash paid for employees	(122,730)
Net cash provided by operating activities	<u>1,621,935</u>
Cash flows from capital related financing activities:	
Acquisition and construction of capital assets	(22,079)
Principal retirements of capital debt	(311,542)
Capital contributions	257,523
Interest paid on capital debt	(388,659)
Net cash (used in) capital and related financing activities	<u>(464,757)</u>
Cash flows from investing activities:	
Purchase of investment securities	(18,154)
Interest and other income	66,081
Net cash provided by (used in) investing activities	<u>47,927</u>
Net increase in cash and cash equivalents	1,205,105
Cash and cash equivalents, October 1	<u>5,299,920</u>
Cash and cash equivalents, September 30	<u>\$ 6,505,025</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,450,798
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	408,326
Unrealized loss on investments	(47,927)
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	427,614
Increase (decrease) in:	
Accounts payable and accrued liabilities	(616,876)
Total adjustments	<u>171,137</u>
Net cash provided by operating activities	<u>\$ 1,621,935</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DORAL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Financial Reporting Entity*

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

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

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

B. *Government-wide and fund financial statements*

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Basis of Presentation*

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary fund:

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Implementation of Governmental Accounting Standards Board Statements

During the fiscal year ended September 30, 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of net position.

D. Deposits and Investments

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

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

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

E. Receivables and Payables

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

F. Prepaid Items

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes

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

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

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Council and the Miami-Dade County

Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the fiscal year ended September 30, 2013 was 2.2215 mills (\$2.2215 per \$1,000 of taxable assessed valuation).

H. Restricted Assets

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

I. Capital Assets

Capital assets which include infrastructure – construction in progress, public domain and system infrastructure, parks and recreational facilities, vehicles, furniture, fixtures and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$750 or more and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Building	50
Infrastructure	40-50
Public domain and system infrastructure	20-25
Parks and recreational facilities	20
Furniture, fixtures and equipment	3-10
Vehicles	5

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

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

K. Post Employment Benefits Other Than Pensions (OPEB)

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

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

L. Unearned Revenues

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The unearned items consist primarily of license and permit revenues.

M. Long-Term Obligations

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position

Total equity as of September 30, 2013, is classified into three components of net assets:

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

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

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

O. Fund Balance

As of September 30, 2013, fund balances of the governmental funds are classified as follows:

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

	<u>General</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Prepays	\$ 161,833	\$ -	\$ -	\$ 161,833
Restricted:				
Transportation	-	7,349,254	-	7,349,254
Park impact fees	-	-	5,966,118	5,966,118
Police impact fees	-	-	1,284,072	1,284,072
Police forfeitures (LETf)	-	-	182,334	182,334
Committed:				
Transportation	-	3,342,157	-	3,342,157
Park impact fees	-	-	278,417	278,417
Police forfeitures (LETf)	-	-	71,600	71,600
Capital Projects	6,193,140	-	2,061	6,195,201
Public Safety	537,501	-	-	537,501
Community Services	563,029	-	-	563,029
Subsequent year's budget	640,379	-	-	640,379
Assigned:	-	-	424,703	424,703
Unassigned:	<u>45,852,964</u>	<u>-</u>	<u>-</u>	<u>45,852,964</u>
Total Fund Balances	<u>\$ 53,948,846</u>	<u>\$ 10,691,411</u>	<u>\$ 8,209,305</u>	<u>\$ 72,849,562</u>
Fund Balances:				
Nonspendable	\$ 161,833	\$ -	\$ -	\$ 161,833
Restricted	-	7,349,254	7,432,524	14,781,778
Committed	7,934,049	3,342,157	352,078	11,628,284
Assigned	-	-	424,703	424,703
Unassigned	<u>45,852,964</u>	<u>-</u>	<u>-</u>	<u>45,852,964</u>
Total Fund Balances	<u>\$ 53,948,846</u>	<u>\$ 10,691,411</u>	<u>\$ 8,209,305</u>	<u>\$ 72,849,562</u>

Minimum Level of Unassigned Fund Balance Policy

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

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

P. Net Position Flow Assumption

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

2. Revenue Restrictions

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

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

For the fiscal year ended September 30, 2013, the City complied, in all material respects, with these revenue restrictions.

3. Excess of expenditures over appropriations

For the year ended September 30, 2013 the Chinese Drywall fund's expenditures exceeded the amended budget by \$1,256; this over-expenditure was funded by available fund balance.

III. DEPOSITS AND INVESTMENTS

Cash & Cash Equivalents and Investment Portfolio

On April 14, 2010, the City formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, and maturity limits to protect the City's cash and investment assets.

III. DEPOSITS AND INVESTMENTS (Continued)

Cash & Cash Equivalents

On September 30, 2013, the carrying amount of the City's bank deposit account was \$32,835,953. The City's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

Investment Portfolio

Investment holdings consist of \$53,491,503 in United States Government Securities, United States Government Agencies Asset Backed/Collateralized Mortgage Obligation(CMO) and Mortgage Backed Securities, Federal Instrumentalities, Federal Instrumentalities Mortgage-Backed Securities (MBS), Municipal Obligations, Corporate Notes, Commercial Paper, and Registered Investment Companies (Mutual Funds), which are reported at fair value in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools."

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

As of September 30, 2013, the City had the following investments presented in terms of years:

Security Type	Fair Value	Duration (Years)
U.S. Treasury Notes	\$19,064,064	2.04
Government Agency Mortgage Backed Securities Pass-through	1,963,796	3.99
Federal Instrumentalities	17,676,592	1.22
Federal Instrumentalities Mortgage Backed Securities Pass-through	490,603	3.96
Municipal Obligations	1,084,450	1.76
Corporate Notes	8,910,977	2.34
Commercial Paper	3,995,190	0.14
Fidelity Institutional Government Class I Money Market Fund	305,831	54 days*
Total	\$53,491,503	1.75

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

Interest Rate Risk

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

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

The City utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2013, the investments had a weighted average duration of 1.75 years.

III. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

The City has securities with embedded call options.

CUSIP	Description	Maturity Date	Market Value	Call Option	Next Call Date
3134G42V9	FREDDIE MAC (CALLABLE) GLOBAL NOTES	4/29/2015	\$1,059,943	Quarterly	10/29/2013
3135G0NG4	FNMA NOTES (CALLABLE)	8/7/2015	1,170,215	Quarterly	11/7/2013
06406HCD9	BANK OF NEW YORK MELLON (CALLABLE)	10/23/2015	1,048,831	Continuous	9/23/2015
Total			\$3,278,989		

The City has \$2,454,400 invested in United States Government Agencies Asset Backed/Collateralized Mortgage Obligation and Federal Instrumentalities Mortgage pass-through securities (MBS) with a weighted average life of 3.86 years. The Investment Policy requires a maximum length to maturity for an investment in any MBS to be five (5) years from the date of purchase. Maturity shall be defined by the Average Life of a MBS.

CUSIP	Description	Maturity Date	Market Value	Average Life*
36292DWC2	GNMA MBS POOL # 646043	10/1/2037	\$114,590	3.87
38375YEK4	GNMA MBS POOL 2008-82 A	9/1/2038	150,412	4.51
36202ESE0	GNMA MBS POOL 4117	4/1/2038	202,046	4.35
36202ESV2	GNMA MBS POOL 4132	5/1/2023	141,188	2.91
36202ETK5	GNMA MBS POOL 4154	6/1/2023	180,769	2.93
36202EWX3	GNMA MBS POOL 4262	10/1/2038	41,573	3.24
36294XCV6	GNMA MBS POOL 662584	9/1/2037	139,246	3.83
36295DXN4	GNMA MBS POOL 667685	10/1/2038	560,356	4.01
36295FC51	GNMA MBS POOL 668892	6/1/2037	282,765	4.14
36295QV56	GNMA MBS POOL 677536	11/1/2037	70,884	3.87
36296B6P2	GNMA MBS POOL 686778	6/1/2038	79,967	3.86
313603MP4	FNMA MBS POOL 1989-99 H	12/1/2019	88,776	1.90
31410C6G2	FNMA MBS POOL 885671	10/1/2036	10,217	4.19
31410WAC2	FNMA MBS POOL 899203	10/1/2036	173,090	4.18
31410WCJ5	FNMA MBS POOL 899273	11/1/2036	121,151	4.21
31411BQJ5	FNMA MBS POOL 903257	10/1/2036	16,767	4.19
31413HYP7	FNMA MBS POOL 946318	9/1/2037	22,529	4.25
31413VAM9	FNMA MBS POOL 956412	11/1/2037	58,074	4.24
Total			\$2,454,400	3.86

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

Credit Risk

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

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

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

III. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk (Continued)

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

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

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

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

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

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

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

The City's bank balance of \$32,835,953 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of September 30, 2013, the City had the following credit quality:

Security Type	Standard & Poor's Credit Rating Category	Portfolio Asset Allocation
U.S. Treasury Notes	AA	35.64%
Government Agency Mortgage Backed Securities Passthrough	AA	3.67%
Federal Instrumentalities	AA	33.04%
Federal Instrumentalities Mortgage Backed Securities Passthrough	AA	0.92%
Municipal Obligations	AA	2.03%
Corporate Notes	AA	6.09%
Corporate Notes	A	10.56%
Commercial Paper	A-1	7.48%
Fidelity Institutional Government Class I Money Market Fund	AAAm	0.57%
Total		100%

Custodial Credit Risk

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

III. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

As of September 30, 2013, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

Concentration of Credit Risk

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

As of September 30, 2013, the City had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
U.S. Treasury Notes/Bonds	\$19,064,064	35.64%
Federal National Mortgage Association Notes (FNMA)	3,465,202	6.48%
Federal National Mortgage Association Mortgage Backed Securities (FNMA)	490,603	0.92%
Federal Home Loan Mortgage Corporation Notes (FHLMC)	12,666,612	23.68%
Federal Home Loan Bank Notes (FHLB)	1,544,779	2.89%
Government National Mortgage Association Mortgage Backed Securities (GNMA)	1,963,796	3.67%
Minnesota State Tax Exempt General Obligation	1,084,450	2.03%
Anheuser-Busch Global Corporate Notes	703,168	1.31%
Apple Inc. Global Corporate Notes	566,012	1.06%
Bank of New York Mellon (Callable) Corporate Notes	1,048,831	1.96%
Bank of Tokyo Mitsubishi Commercial Paper	2,496,768	4.67%
Berkshire Hathaway Fin Corporate Notes	190,566	0.36%
Caterpillar Financial Se Corporate Notes	199,082	0.37%
General Elec Cap Corp Corporate Notes	1,873,377	3.50%
John Deere Capital Corp Global Corporate Notes	599,536	1.12%
JPMorgan Chase & Co Global Corporate Notes	1,598,154	2.99%
Pepsico Inc. Global Corporate Notes	398,826	0.75%
Toyota Motor Credit Corporate Notes	629,447	1.18%
UBS Finance Delaware LLC Commercial Paper	1,498,421	2.80%
Wells Fargo & Company (Floating) Corporate Notes	1,103,978	2.06%
Fidelity Institutional Government Class I Money Market Mutual Fund	305,831	0.57%
Total	\$53,491,503	100%

III. DEPOSITS AND INVESTMENTS (Continued)

Foreign Currency Risk

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

IV. RECEIVABLES

Receivables at year-end are as follows:

	<u>Intergovernmental</u>	<u>Grants</u>	<u>Other</u>	<u>Totals</u>
General Fund	\$ 2,170,715	\$ 50,235	\$ 53,088	\$ 2,274,038
Transportation Fund	459,099	-	9,860	468,959
Stormwater Fund	203,513	19,895	-	223,408
Non-Major Funds	16,240	-	-	16,240
	<u>\$ 2,849,567</u>	<u>\$ 70,130</u>	<u>\$ 62,948</u>	<u>\$ 2,982,645</u>

Governmental funds report deferred revenues for revenues considered to be not yet available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition on revenues received but not yet earned. On September 30, 2013, deferred revenue and unearned revenue in the general fund amount to \$967,080, the majority of which had been paid in advance for FY 2013-14 occupational licenses.

V. INTERFUND TRANSFERS

Interfund transfer activity for the year ended September 30, 2013 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 224,635	\$ (2,000,000)
Transportation Fund	2,000,000	-
Non-Major Governmental Funds	-	(224,635)
	<u>\$ 2,224,635</u>	<u>\$ (2,224,635)</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund the statute or budget requires to expend them and (b) move unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2013 was as follows:

Governmental activities	Beginning (1)	Additions	Deletions	Transfers	Ending
Capital assets not being depreciated:					
Land	\$ 72,979,638	\$ -	\$ -	\$ -	\$ 72,979,638
Infrastructure assets - construction in progress	9,766,811	574,275	-	(9,650,470)	690,616
Total capital assets not being depreciated	<u>82,746,449</u>	<u>574,275</u>	<u>-</u>	<u>(9,650,470)</u>	<u>73,670,254</u>
Capital assets being depreciated:					
Buildings	17,906,713	2,616,521	-	4,745,569	25,268,803
Infrastructure - roads	73,178,119	785,354	-	4,904,901	78,868,374
Public domain and system infrastructure	7,193,940	-	-	-	7,193,940
Parks and recreation facilities	33,102,128	350,701	-	-	33,452,829
Furniture, fixtures and equipment	9,006,111	904,152	-	-	9,910,263
Vehicles	4,085,947	176,706	-	-	4,262,653
Total capital assets being depreciated	<u>144,472,958</u>	<u>4,833,434</u>	<u>-</u>	<u>9,650,470</u>	<u>158,956,862</u>
Less accumulated depreciation for:					
Buildings	(119,378)	(486,894)	-	-	(606,272)
Infrastructure - roads	(50,996,122)	(1,600,310)	-	-	(52,596,432)
Public domain and system infrastructure	(1,376,822)	(359,697)	-	-	(1,736,519)
Parks and recreation facilities	(5,910,696)	(1,659,715)	-	-	(7,570,411)
Furniture, fixtures and equipment	(4,279,154)	(1,091,599)	-	-	(5,370,753)
Vehicles	(2,994,074)	(432,281)	-	-	(3,426,355)
Total accumulated depreciation	<u>(65,676,246)</u>	<u>(5,630,496)</u>	<u>-</u>	<u>-</u>	<u>(71,306,742)</u>
Total capital assets being depreciated, net	<u>78,796,712</u>	<u>(797,062)</u>	<u>-</u>	<u>9,650,470</u>	<u>87,650,120</u>
Governmental activities capital assets, net	<u>\$ 161,543,161</u>	<u>\$ (222,787)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,320,374</u>
Business-type activities					
Capital assets not being depreciated:					
Infrastructure assets - construction in progress	\$ 596,222	\$ -	\$ -	\$ (596,222)	\$ -
Total capital assets not being depreciated	<u>596,222</u>	<u>-</u>	<u>-</u>	<u>(596,222)</u>	<u>-</u>
Capital assets being depreciated:					
Infrastructure - stormwater improvements	19,720,330	-	-	596,222	20,316,552
Furniture, fixtures and equipment	4,907	-	-	-	4,907
Vehicles	25,700	22,079	-	-	47,779
Total capital assets being depreciated	<u>19,750,937</u>	<u>22,079</u>	<u>-</u>	<u>596,222</u>	<u>20,369,238</u>
Less accumulated depreciation for:					
Infrastructure - stormwater improvements	(2,335,899)	(400,369)	-	-	(2,736,268)
Furniture, fixtures and equipment	(3,103)	(730)	-	-	(3,833)
Vehicles	(21,417)	(7,227)	-	-	(28,644)
Total accumulated depreciation	<u>(2,360,419)</u>	<u>(408,326)</u>	<u>-</u>	<u>-</u>	<u>(2,768,745)</u>
Total capital assets being depreciated, net	<u>17,390,518</u>	<u>(386,247)</u>	<u>-</u>	<u>596,222</u>	<u>17,600,493</u>
Business-type activities capital assets, net	<u>\$ 17,986,740</u>	<u>\$ (386,247)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,600,493</u>

(1) Prior Period Adjustment

During the current year, it was determined by the City that the September 30, 2013 beginning net position for the governmental and business-type activities were to be restated in order to correct the beginning capital assets, as a result of an inventory that was taken and the implementation of a new capital asset system. Such corrections comprised of changes on the asset classification of various capital assets, as well as, adjustments to depreciable assets balances and their respective accumulated depreciation. The corrections are detailed below:

	Governmental Activities	Business-Type Activities
Net position – beginning as previously reported	\$ 193,711,832	\$ 21,673,679
Correction of Capital Assets	<u>(730,392)</u>	<u>58,427</u>
Net position – beginning as restated	<u>\$ 192,981,440</u>	<u>\$ 21,732,106</u>

VI. CAPITAL ASSETS (Continued)

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

<u>Governmental activities</u>	
General government	\$ 1,009,207
Police	543,284
Public works	2,280,068
Parks and recreation	1,679,937
Building	98,113
Planning and zoning	19,887
Total depreciation expense – governmental activities	<u>\$ 5,630,496</u>
 <u>Business- type activities</u>	
Total depreciation expense – business- type activities	<u>\$ 408,326</u>

VII. LONG-TERM DEBT

REVENUE BONDS

Capital Improvement Bonds Payable: On May 4, 2006 the City issued \$21,250,000 of Capital Improvement Revenue Bonds, Series 2006A (tax-exempt bonds) for \$10,000,000 and Series 2006B (taxable bonds) for \$11,250,000. The Bonds were issued to finance the acquisition of land for City parks and for improvements to Doral Park and Doral Meadows Park, including financing, architectural, engineering, environmental, legal and planning costs. In January of 2007, the City refunded the 2006B bonds with Capital Improvement Revenue Refunding Bonds Series 2007A for \$10 million (tax-exempt) and 2007B for \$1.25 million (taxable) bonds.

Capital Improvement Revenue Bond Series 2006A: This facility is a bank qualified tax-exempt bond in the amount of \$10 million. This bond bears interest on the outstanding principal at a variable rate equal to 65% of 3-month Libor plus .45%. Principal and interest payments are due quarterly through the maturity of the bonds in April 1, 2027. On April 21, 2006, the City entered into a master swap agreement to make the effective interest rate on the outstanding balance of the bonds to be a fixed 4.24%. The details of the swap transactions are discussed below.

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

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

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

VII. LONG-TERM DEBT (Continued)

Debt service requirements to maturity for the fiscal year ending September 30, 2013 are summarized as follows:

<u>Series 2006A</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 423,322	\$ 320,781	\$ 744,103
2015	441,558	302,544	744,102
2016	460,580	283,523	744,103
2017	480,421	263,681	744,102
2018	501,118	242,985	744,103
2019-2023	2,848,613	871,901	3,720,514
2024-2027	<u>2,567,322</u>	<u>233,063</u>	<u>2,800,385</u>
Total	<u>\$ 7,722,934</u>	<u>\$ 2,518,478</u>	<u>\$ 10,241,412</u>

<u>Series 2007A</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 422,739	\$ 323,294	\$ 746,033
2015	441,081	304,952	746,033
2016	460,219	285,815	746,034
2017	480,188	265,846	746,034
2018	501,022	245,012	746,034
2019-2023	2,850,679	879,489	3,730,168
2024-2027	<u>2,572,494</u>	<u>225,132</u>	<u>2,797,626</u>
Total	<u>\$ 7,728,422</u>	<u>\$ 2,529,540</u>	<u>\$ 10,257,962</u>

<u>Series 2007B</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 48,884	\$ 57,818	\$ 106,702
2015	51,822	54,880	106,702
2016	54,937	51,765	106,702
2017	58,239	48,462	106,701
2018	61,740	44,962	106,702
2019-2023	369,034	164,473	533,507
2024-2027	<u>356,212</u>	<u>43,381</u>	<u>399,593</u>
Total	<u>\$ 1,000,868</u>	<u>\$ 465,741</u>	<u>\$ 1,466,609</u>

Stormwater Utility Revenue Bonds

The City is required to pay the County its pro rata share for the Stormwater Utility Revenue Bonds, Series 1999 and 2004 issued prior to the City's incorporation. The payment for the fiscal year ended September 30, 2013 was \$311,541 and the balance of the remaining principal payments range from \$324,407 to \$669,032 through September 2029.

Debt service requirements to maturity for the fiscal year ending September 30, 2013 are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 324,407	\$ 376,110	\$ 700,517
2015	338,652	361,570	700,221
2016	354,734	345,264	699,998
2017	372,655	327,527	700,182
2018	391,494	308,894	700,388
2019-2023	2,270,389	1,230,633	3,501,022
2024-2028	2,897,147	603,415	3,500,562
2029	<u>669,032</u>	<u>30,943</u>	<u>699,975</u>
Total	<u>\$ 7,618,509</u>	<u>\$ 3,584,356</u>	<u>\$ 11,202,865</u>

VII. LONG-TERM DEBT (Continued)

Quality Neighborhood Improvement Program (QNIP Bonds)

The City is required to pay the County its pro rata share for the Public Service Tax Revenue Bonds, Series 1999 and 2002 (the QNIP Bonds) issued prior to the City's incorporation. The payment for the fiscal year ended September 30, 2013 was \$204,180 and the balance of the remaining principal payments range from \$84,255 to \$189,625 through September 2027.

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

Debt service requirements to maturity for the fiscal year ending September 30, 2013 are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 212,380	\$ 136,606	\$ 348,986
2015	222,425	126,499	348,924
2016	231,445	116,821	348,266
2017	240,055	107,461	347,516
2018	248,870	97,752	346,622
2019-2023	1,399,945	329,531	1,729,476
2024-2027	<u>733,695</u>	<u>73,544</u>	<u>807,239</u>
Total	<u>\$ 3,288,815</u>	<u>\$ 988,214</u>	<u>\$ 4,277,029</u>

Capital Leases

The City has acquired equipment under capital leases with bargain purchase options. There was no equipment acquired under capital leases for the fiscal year ended September 30, 2013.

Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2013 are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Governmental</u>
2014	<u>Activities</u>
Total minimum lease payments	\$ 37,677
Less amount representing interest	37,677
Present value of net minimum lease payments	<u>(445)</u>
	<u>\$ 37,232</u>

The assets acquired through capital leases outstanding as of September 30, 2013 are as follows:

Assets:	
Vehicles	\$ 313,500
Less accumulated depreciation	<u>(171,000)</u>
Total	<u>\$ 142,500</u>

VII. LONG-TERM DEBT (Continued)

Long-term debt activity for the fiscal year ended September 30, 2013 was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due within One Year</u>
Governmental Activities					
Capital Improvement Revenue Bonds:					
Series 2006A	\$ 8,128,773	\$ -	\$ (405,839)	\$ 7,722,934	\$ 423,322
Series 2007A	8,133,382	-	(405,160)	7,728,222	422,739
Series 2007B	<u>1,046,980</u>	<u>-</u>	<u>(46,112)</u>	<u>1,000,868</u>	<u>48,884</u>
Total Bonds	<u>17,309,135</u>	<u>-</u>	<u>(857,111)</u>	<u>16,452,024</u>	<u>894,945</u>
Other liabilities:					
Capital leases	91,620	-	(54,388)	37,232	37,232
QNIP bonds	3,492,995	-	(204,180)	3,288,815	212,380
OPEB liability	618,000	200,000	-	818,000	-
Compensated absences	<u>698,557</u>	<u>1,043,695</u>	<u>(923,260)</u>	<u>818,992</u>	<u>200,000</u>
Governmental activities long-term liabilities	<u>\$ 22,210,307</u>	<u>\$ 1,243,695</u>	<u>\$ (2,038,939)</u>	<u>\$ 21,415,063</u>	<u>\$ 1,344,557</u>
Business-type activities					
Stormwater Utility Revenue Bonds	<u>\$ 7,930,051</u>	<u>\$ -</u>	<u>\$ (311,542)</u>	<u>\$ 7,618,509</u>	<u>\$ 324,407</u>
Business-type activities long-term liabilities	<u>\$ 7,930,051</u>	<u>\$ -</u>	<u>\$ (311,542)</u>	<u>\$ 7,618,509</u>	<u>\$ 324,407</u>

VIII. INTEREST RATE SWAPS

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

An independent party was engaged to perform the valuations and required tests on the swaps. Using the Consistent Critical Terms method of effectiveness testing, the City's swaps qualify for hedge accounting under GASB 53, therefore all cumulative changes in fair value as of September 30, 2013, all swap liabilities, are offset by a corresponding deferred outflow asset on the statement of net assets.

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

The following table provides a summary of the basic terms of the swap agreements as of September 30, 2013.

Associated Bonds	Initial Notional	Current Notional	Effective Date	Maturity Date	Rate Paid	Rate Received	Fair Value	Bank Counterparty	Counterparty Ratings Moody's/S&P/Fitch
Series 2006 A	\$10,000,000	\$7,722,934	5/4/2006	4/1/2027	4.24%	65% of 3-Month LIBOR + 0.45%	(\$1,207,593)	Regions Bank	Baa3/BBB/BBB-
Series 2007 A	\$10,000,000	\$7,728,424	1/16/2007	4/1/2027	4.27%	65% of 3-Month LIBOR + 0.45%	(\$1,225,113)	Regions Bank	Baa3/BBB/BBB-
							<u>(\$2,432,705)</u>		

VIII. INTEREST RATE SWAPS (Continued)

Series 2006 A and Series 2007 A Interest Rate Swaps

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

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

Fair Value: Long-term interest rates have declined since the execution of the swaps and as of September 30, 2013 the swaps had a negative fair value of (\$1,207,593) and (\$1,225,113) for the Series 2006 A and Series 2007 A swaps respectively. The fair market value of the swap was calculated using the zero-coupon method. The zero-coupon method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit Risk: As of September 30, 2013, the City was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the derivative's fair value if there was an early termination. The swap counterparty was rated Baa3 by Moody's, BBB by Standard & Poor's, and BBB- by Fitch as of September 30, 2013.

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

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

IX. EMPLOYEE RETIREMENT PLANS

The City participates in the Florida Retirement System (the "System"), a multiple-employer cost sharing Public Employee Retirement System ("PERS"). The Division of Retirement, Department of Administration of the State of Florida administers the System. All budgeted City employees are eligible to participate in the System. The City's payroll for the 110 employees covered by the System for the year ended September 30, 2013 was approximately \$6.392 million.

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

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

IX. EMPLOYEE RETIREMENT PLANS (Continued)

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

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

Funding Policy

The City required contribution rates are established by the Florida Legislature. Employees within 5 years of retirement may elect to participate in the DROP program. The City contributes 5.44% of salaries for participants of the DROP program. During 2013 the City had no employees participating in this program.

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

Employer Contribution Rates	Regular Employees	Senior Management	Special Risk Members
Effective 7/1/11	4.91%	6.27%	6.04%
Effective 7/1/12	5.18%	6.30%	5.91%
Effective 7/1/13	6.95%	18.31%	35.96%

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

	2013	2012	2011
Employer contribution	\$ 924,864	\$ 734,285	\$ 1,153,956
Percentage contributed	100%	100%	100%

Actuarial Accrued Liability

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

The System does not make separate measurements of assets and the actuarial accrued liability for individual employers. The actuarial liability, which is the actuarial present value of credited projected benefits, is a standardized disclosure measurement of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The actuarial accrued liability at June 30, 2013 for the System as a whole, determined through an actuarial valuation update performed as of that date, was \$153.3 billion. The System's valuation assets were \$131.7 billion, leaving an under-funded actuarial accrued liability of approximately \$21.6 billion. Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2013 annual report.

IX. EMPLOYEE RETIREMENT PLANS (Continued)

Section 401(A) Money Purchase Retirement Plan

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

Section 457 Deferred Compensation Plan

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

X. COMMITMENTS AND CONTINGENCIES

Risk Management

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

Litigation

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

Grants

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

Leases

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

Construction Commitments

At September 30, 2013, the City is in the process of converting the second floor of the Public Works Admin Building to office space for the use of the Police Department. The unfinished storage space will be completed with drywall, carpeting, new lighting and air conditioning ductwork. There will also be a new IT room and communication room with all appropriate equipment and data wiring for the new activities. The cost of the work is approximately \$500,000 and is currently in the design phase.

XI. OTHER POST EMPLOYMENT BENEFITS

Plan Description and Provisions

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

Funding Policy

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

Demographic Data

Demographic data as of November 1, 2012 was used in the valuation. This data included current medical coverage for current employees and retirees.

Claims Data

The claims are based on age adjusted premiums.

Implicit Subsidy

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

Demographic Assumptions

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

Economic Assumptions

The discount rate is 3.50%. The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in December 2007 and updated in 2012. The following baseline assumptions were used as input variables into this model:

Rate of Inflation	2.5%
Rate of Growth in Real Income / GDP per capita	1.7%
Income Multiplier for Health Spending	1.4
Extra Trend due to Technology and other factors	1.1%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

Economic Assumptions (Continued)

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

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

Benefit Eligibility

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

Initially enrolled before July 1, 2011

Regular Class –earlier of

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

Special Risk Class – earlier of

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

Initially enrolled on or after July 1, 2011

Regular Class –earlier of

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

Special Risk Class – earlier of

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

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

Employee Subsidy

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

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

Employee Subsidy (Continued)

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

Cost Method

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

Amortization Method

Unfunded liabilities are amortized over a closed 27 year period as a level percentage of payroll for FYE 2013.

Coverage Status and Age of Spouse

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

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

Medical Trend Assumption

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

Rate of Inflation	2.5%
Rate of Growth in Real Income / GDP per capita	1.7%
Income Multiplier for Health Spending	1.4
Extra Trend due to Technology and other factors	1.1%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

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

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

The City's annual OPEB cost for the fiscal year ended 2013 is as follows:

Annual required contribution (ARC)	\$	203,000
Interest on net OPEB obligation		22,000
Adjustment to annual required contribution		22,000
Annual pension cost (APC)		203,000
Contributions made		<u>3,000</u>
Increase in net OPEB obligation		200,000
Net OPEB obligation - beginning of year		<u>618,000</u>
Net OPEB obligation - end of year	\$	<u>818,000</u>

XI. OTHER POST EMPLOYMENT BENEFITS (Continued)

Schedule of Employer Contributions

Year Ended September 30	Annual OPEB Cost	Net Actual Contribution	Percentage Contributed	OPEB Obligation
2011	\$ 230,000	\$ 5,000	2.2%	\$ 433,000
2012	\$ 188,000	\$ 3,000	1.5%	\$ 618,000
2013	\$ 203,000	\$ 3,000	1.5%	\$ 818,000

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (a-b)/c
10/1/2011	-	827,000	827,000	0.0%	14,456,570	5.72%
10/1/2012	-	621,000	621,000	0.0%	14,180,853	4.4%
10/1/2013	-	808,000	808,000	0.0%	14,483,548	5.6%

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

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

Actuarial Cost Method: Projected Unit Credit
 Amortization Method: Closed
 Amortization Period: 30 (as of October 1, 2009)
 Asset Valuation Method: Market Value of Assets
 Actuarial Assumptions
 Discount Rate: 3.50%
 Payroll Increase: 4.00%
 Medical Trend Model: The trend table is split for Pre-Medicare and Post-Medicare aged participants. The trend is 9.00% for 2012 and decreases gradually. The ultimate rate is 4.24% and is achieved in 2111.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DORAL, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 18,278,000	\$ 18,278,000	\$ 17,031,372	\$ (1,246,628)
Utility taxes	6,295,000	6,295,000	7,271,270	976,270
Franchise fees	4,025,000	4,025,000	4,597,851	572,851
Intergovernmental revenues	4,164,000	4,164,000	4,284,116	120,116
Licenses, permits and fines	7,507,000	8,097,000	10,356,153	2,259,153
Communication service tax	5,014,000	5,014,000	4,980,273	(33,727)
Charges for services	582,000	582,000	557,072	(24,928)
Grant revenues	-	-	20,986	20,986
Investment income	250,000	250,000	199,726	(50,274)
Miscellaneous	279,000	279,000	709,337	430,337
Total revenues	<u>46,394,000</u>	<u>46,984,000</u>	<u>50,008,156</u>	<u>3,024,156</u>
Expenditures:				
General government				
Elected officials	563,062	513,287	465,905	47,382
Manager's office	579,395	595,693	584,118	11,575
Public affairs	1,178,426	847,868	582,090	265,778
City clerk	581,216	607,636	439,669	167,967
Finance department	747,943	711,830	652,703	59,127
Procurement	173,461	114,090	112,657	1,433
City attorney	610,500	899,600	711,663	187,937
Human resources	471,178	397,270	376,314	20,956
Information technology	1,972,664	1,931,505	1,794,851	136,654
General government	5,396,403	4,208,754	4,076,082	132,672
Total general government	<u>12,274,248</u>	<u>10,827,533</u>	<u>9,796,052</u>	<u>1,031,481</u>
Police	13,333,121	13,242,723	11,826,239	1,416,484
Public works	4,515,147	5,847,338	4,108,163	1,739,175
Parks and recreation	13,597,530	9,681,730	3,795,663	5,886,067
Building	3,051,486	2,886,005	2,721,497	164,508
Planning and zoning	850,797	1,027,053	795,376	231,677
Code enforcement	1,057,784	915,909	846,037	69,872
Total expenditures	<u>48,680,113</u>	<u>44,428,291</u>	<u>33,889,027</u>	<u>10,539,264</u>
Other financing uses:				
Appropriation of prior year fund balance	11,609,113	(780,344)	-	780,344
Transfers (out)	(9,323,000)	(1,775,365)	(1,775,365)	-
Total other financing uses	<u>2,286,113</u>	<u>(2,555,709)</u>	<u>(1,775,365)</u>	<u>780,344</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,343,764</u>	<u>\$ 14,343,764</u>

See notes to budgetary comparison schedule

CITY OF DORAL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUND- TRANSPORTATION FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 2,630,000	\$ 2,630,000	\$ 2,394,648	\$ (235,352)
Charges for services	1,000,000	1,000,000	1,707,975	707,975
Grant revenues	<u>-</u>	<u>-</u>	<u>204,866</u>	<u>204,866</u>
Total revenues	<u>3,630,000</u>	<u>3,630,000</u>	<u>4,307,489</u>	<u>677,489</u>
Expenditures:				
Current:				
Public Works	<u>5,630,000</u>	<u>8,288,682</u>	<u>2,649,828</u>	<u>5,638,854</u>
Total expenditures	<u>5,630,000</u>	<u>8,288,682</u>	<u>2,649,828</u>	<u>5,638,854</u>
(Deficiency) of revenues over expenditures before other financing sources	<u>(2,000,000)</u>	<u>(4,658,682)</u>	<u>1,657,661</u>	<u>6,316,343</u>
Other financing sources				
Appropriation of prior year fund balance	-	2,658,682	-	(2,658,682)
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total other financing uses	<u>2,000,000</u>	<u>4,658,682</u>	<u>2,000,000</u>	<u>(2,658,682)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,657,661</u>	<u>\$ 3,657,661</u>

See notes to budgetary comparison schedule

CITY OF DORAL, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Notes to Budgetary Comparison Schedules

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

1. The City Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During the fiscal year ended September 30, 2013, there were supplemental appropriations of \$2,658,682 in the Transportation Fund.
5. Formal budgetary integration is employed as a management control device for the General Fund.
6. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Chinese Drywall Fund – This fund accounts for the resources set aside to assist homeowners pay the building permits fees that need to replace the drywall in their homes.

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

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

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

Capital Projects Fund

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

CITY OF DORAL, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue				Capital Projects	
	<u>Chinese Drywall Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Park Impact Fee Fund</u>	<u>Police Impact Fee Fund</u>	<u>Capital Improvement Projects Fund</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ 289,954	\$ 6,244,535	\$ 1,284,072	\$ 441,714	\$ 8,260,275
Accounts receivable - net	-	16,240	-	-	-	16,240
Total assets	<u>\$ -</u>	<u>\$ 306,194</u>	<u>\$ 6,244,535</u>	<u>\$ 1,284,072</u>	<u>\$ 441,714</u>	<u>\$ 8,276,515</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	-	5,112	-	-	14,950	\$ 20,062
Escrow deposits	-	47,148	-	-	-	47,148
Total liabilities	<u>-</u>	<u>52,260</u>	<u>-</u>	<u>-</u>	<u>14,950</u>	<u>67,210</u>
<u>FUND BALANCES</u>						
Restricted	-	182,334	5,966,118	1,284,072	-	7,432,524
Committed	-	71,600	278,417	-	2,061	352,078
Assigned	-	-	-	-	424,703	424,703
Total fund balances	<u>-</u>	<u>253,934</u>	<u>6,244,535</u>	<u>1,284,072</u>	<u>426,764</u>	<u>8,209,305</u>
Total liabilities and Fund balances	<u>\$ -</u>	<u>\$ 306,194</u>	<u>\$ 6,244,535</u>	<u>\$ 1,284,072</u>	<u>\$ 441,714</u>	<u>\$ 8,276,515</u>

CITY OF DORAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue				Capital Projects	
	<u>Chinese Drywall Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Park Impact Fee Fund</u>	<u>Police Impact Fee Fund</u>	<u>Capital Improvement Projects Fund</u>	<u>Total</u>
Revenues:						
Charges for services	\$ -	\$ -	\$ 1,693,272	\$ 144,703	\$ -	\$ 1,837,975
Fines and forfeitures	-	54,297	-	-	-	54,297
Total revenues	<u>-</u>	<u>54,297</u>	<u>1,693,272</u>	<u>144,703</u>	<u>-</u>	<u>1,892,272</u>
Expenditures:						
Current:						
Code enforcement	1,256	-	-	-	-	1,256
Police	-	124	-	-	-	124
Capital outlay	-	141,588	294,047	-	132,965	568,600
Total expenditures	<u>1,256</u>	<u>141,712</u>	<u>294,047</u>	<u>-</u>	<u>132,965</u>	<u>569,980</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(1,256)</u>	<u>(87,415)</u>	<u>1,399,225</u>	<u>144,703</u>	<u>(132,965)</u>	<u>1,322,292</u>
Other financing sources:						
Transfers (out)	<u>(224,635)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,635)</u>
Total other financing sources	<u>(224,635)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,635)</u>
Net change in fund balance	<u>(225,891)</u>	<u>(87,415)</u>	<u>1,399,225</u>	<u>144,703</u>	<u>(132,965)</u>	<u>1,097,657</u>
Fund balances, beginning	<u>225,891</u>	<u>341,349</u>	<u>4,845,310</u>	<u>1,139,369</u>	<u>559,729</u>	<u>7,111,648</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 253,934</u>	<u>\$ 6,244,535</u>	<u>\$ 1,284,072</u>	<u>\$ 426,764</u>	<u>\$ 8,209,305</u>

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Chinese Drywall Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Code enforcement	-	-	1,256	(1,256)
Total expenditures	-	-	1,256	(1,256)
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	-	(1,256)	(1,256)
Other financing sources (uses)				
Transfers (out)	-	-	(224,635)	(224,635)
Total other financing sources (uses)	-	-	(224,635)	(224,635)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (225,891)</u>	<u>\$ (225,891)</u>

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Park Impact Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 310,940	\$ 310,940	\$ 1,693,272	\$ 1,382,332
Expenditures:				
Current:				
Parks and recreation	4,286,638	4,859,102	294,047	4,565,055
Total expenditures	4,286,638	4,859,102	294,047	4,565,055
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(3,975,698)	(4,548,162)	1,399,225	5,947,387
Other financing sources (uses)				
Appropriation of prior year fund balance	3,975,698	4,548,162	-	(4,548,162)
Total other financing sources (uses)	3,975,698	4,548,162	-	(4,548,162)
Net change in fund balance	\$ -	\$ -	\$ 1,399,225	\$ 1,399,225

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Police Impact Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 74,000	\$ 74,000	\$ 144,703	\$ 70,703
Expenditures:				
Current:				
Police	1,166,643	1,166,643	-	1,166,643
Total expenditures	1,166,643	1,166,643	-	1,166,643
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(1,092,643)	(1,092,643)	144,703	1,237,346
Other financing sources (uses)				
Appropriation of prior year fund balance	1,092,643	1,092,643	-	(1,092,643)
Total other financing sources (uses)	1,092,643	1,092,643	-	(1,092,643)
Net change in fund balance	\$ -	\$ -	\$ 144,703	\$ 144,703

CITY OF DORAL, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Capital Improvement Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grant revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public Works	<u>7,323,000</u>	<u>7,439,358</u>	<u>132,965</u>	<u>7,306,393</u>
Total expenditures	<u>7,323,000</u>	<u>7,439,358</u>	<u>132,965</u>	<u>7,306,393</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(7,323,000)</u>	<u>(7,439,358)</u>	<u>(132,965)</u>	<u>7,306,393</u>
Other financing sources (uses)				
Appropriation of prior year fund balance	-	116,358	-	(116,358)
Transfers in	<u>7,323,000</u>	<u>7,323,000</u>	-	<u>(7,323,000)</u>
Total other financing sources (uses)	<u>7,323,000</u>	<u>7,439,358</u>	-	<u>(7,439,358)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (132,965)</u>	<u>\$ (132,965)</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 281,640	\$ 1,591,438	\$ 6,052,226	\$ 23,202,258	\$ 39,639,029	\$ 41,662,505	\$ 92,251,381	\$ 119,771,884	\$ 141,379,804	\$ 141,542,303
Restricted	-	1,242,101	1,668,093	3,177,068	3,754,632	5,515,965	10,168,722	11,033,844	13,214,721	18,900,716
Unrestricted	5,485,179	10,340,834	27,803,600	38,051,098	24,459,667	48,331,904	50,479,055	38,183,021	39,117,307	52,132,770
Total governmental activities net position	<u>5,766,819</u>	<u>13,174,373</u>	<u>35,523,919</u>	<u>64,430,424</u>	<u>67,853,328</u>	<u>95,510,374</u>	<u>152,899,158</u>	<u>168,988,749</u>	<u>193,711,832</u>	<u>212,575,789</u>
Business-type activities:										
Net investment in capital assets	-	-	-	164,604	869,798	1,090,316	3,558,431	6,974,941	9,998,262	9,981,984
Restricted	-	-	-	5,110,253	6,947,066	9,060,722	11,335,185	10,614,726	11,675,417	13,087,937
Unrestricted	150,000	96,950	2,334,304	-	-	-	-	-	-	-
Total business-type activities net position	<u>150,000</u>	<u>96,950</u>	<u>2,334,304</u>	<u>5,274,857</u>	<u>7,816,864</u>	<u>10,151,038</u>	<u>14,893,616</u>	<u>17,589,667</u>	<u>21,673,679</u>	<u>23,069,921</u>
Total government:										
Net investment in capital assets	281,640	1,591,438	6,052,226	23,366,862	40,508,827	42,752,821	95,809,812	126,746,825	151,378,066	151,524,287
Restricted	-	1,242,101	1,668,093	8,287,321	10,701,698	14,576,687	21,503,907	21,648,570	24,890,138	31,988,653
Unrestricted	5,635,179	10,437,784	30,137,904	38,051,098	24,459,667	48,331,904	50,479,055	38,183,021	39,117,307	52,132,770
Total government net position	<u>\$ 5,916,819</u>	<u>\$ 13,271,323</u>	<u>\$ 37,858,223</u>	<u>\$ 69,705,281</u>	<u>\$ 75,670,192</u>	<u>\$ 105,661,412</u>	<u>\$ 167,792,774</u>	<u>\$ 186,578,416</u>	<u>\$ 215,385,511</u>	<u>\$ 235,645,710</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
General government	\$ 1,571,098	\$ 2,874,853	\$ 3,550,056	\$ 4,042,423	\$ 6,392,127	\$ 9,254,163	\$ 9,395,586	\$ 9,377,567	\$ 8,798,055	\$ 8,204,661
Public safety	7,395,866	8,653,831	10,967,211	13,318,322	15,608,252	13,272,672	13,309,746	13,075,987	12,965,522	12,489,625
Community development **	790,756	1,653,632	-	-	-	-	-	-	-	-
Building department **	-	-	2,322,401	3,075,941	3,431,312	2,681,306	2,409,914	2,385,076	2,233,942	2,596,095
Planning & zoning department **	-	-	633,859	851,765	1,271,656	1,490,300	1,756,263	1,611,160	1,675,114	1,646,449
Public works	322,410	553,223	748,229	894,629	1,596,806	2,449,170	4,436,348	4,185,763	4,252,964	5,532,198
Parks and recreation	419,313	770,844	1,306,101	2,166,591	2,414,919	2,933,542	3,581,420	3,142,369	5,098,902	5,181,129
Mitigation/ QNIP	7,697,611	8,094,986	8,180,211	398,178	17,371,673	380,362	6,407,677	381,493	-	-
Interest on long-term debt	-	-	450,073	984,740	928,928	920,428	1,006,180	1,069,561	868,321	963,412
Total governmental activities	18,197,054	22,601,369	28,158,141	25,732,589	49,015,673	33,381,943	42,303,134	35,228,976	35,892,820	36,613,569
Business-type activities:										
Stormwater utility	-	53,050	85,569	49,501	770,723	805,418	2,238,982	1,554,642	1,381,554	2,786,111
Total business-type activities	-	53,050	85,569	49,501	770,723	805,418	2,238,982	1,554,642	1,381,554	2,786,111
Total government expenses	\$ 18,197,054	\$ 22,654,419	\$ 28,243,710	\$ 25,782,090	\$ 49,786,396	\$ 34,187,361	\$ 44,542,116	\$ 36,783,618	\$ 37,274,374	\$ 39,399,680
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 34,250	\$ 2,635,954	\$ 743,012	\$ 925,276	\$ 874,751	\$ 976	\$ 128,823	\$ 112,836	\$ 125,626	\$ 132,997
Building department	-	-	5,607,313	7,046,317	4,841,501	3,263,765	2,812,662	4,412,564	4,957,425	7,021,431
Community development	-	-	-	-	-	-	-	-	-	-
Planning & zoning department	-	-	224,169	152,749	440,845	855,403	914,770	996,774	1,148,344	1,334,366
Public safety	324,209	529,332	861,643	1,357,086	1,059,257	1,420,671	1,186,253	1,281,524	2,387,197	1,902,291
Public works	-	-	-	-	-	851,038	290,544	908,130	1,925,115	1,890,988
Parks/recreation	791,926	1,044,037	1,459,663	2,139,521	532,021	429,071	728,160	1,762,181	2,075,532	2,231,399
Operating grants and contributions										
General government	-	-	-	-	-	-	40,586	-	-	-
Parks/recreation	15,500	-	-	416,319	-	-	-	-	-	-
Public safety	-	-	-	-	-	8,863	-	-	-	300,000
Capital grants and contributions										
General government	-	-	-	-	-	147,000	-	-	35,372	-
Public safety	-	-	-	-	-	-	-	-	1,686,744	20,986
Public works	-	-	-	-	-	764,951	732,460	947,429	161,348	204,866
Parks/recreation	-	12,750	91,343	-	-	5,828,755	-	-	2,500	-
Total governmental activities program rev	1,165,885	4,222,073	8,987,143	12,037,268	7,748,375	13,611,079	6,793,672	10,421,438	14,505,203	15,039,324
Business-type activities:										
Charges for services:										
Stormwater utility	-	-	2,322,923	2,990,054	3,207,457	2,899,271	3,752,026	3,803,236	3,796,658	3,848,250
Operating grants and contributions	-	-	-	-	110,845	-	369,815	360,407	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	1,595,521	257,523
Total business-type activities program rev	-	-	2,322,923	2,990,054	3,318,302	2,899,271	4,121,841	4,163,643	5,392,179	4,105,773
Total program revenues	\$ 1,165,885	\$ 4,222,073	\$ 11,310,066	\$ 15,027,322	\$ 11,066,677	\$ 16,510,350	\$ 10,915,513	\$ 14,585,081	\$ 19,897,382	\$ 19,145,097
Net (expense) revenue:										
Governmental activities	\$ (17,031,169)	\$ (18,379,296)	\$ (19,170,998)	\$ (13,695,321)	\$ (41,267,298)	\$ (19,770,864)	\$ (35,509,462)	\$ (24,807,538)	\$ (21,387,617)	\$ (21,574,245)
Business-type activities	(53,050)	2,237,354	2,237,354	2,940,553	2,547,579	2,093,853	1,882,859	2,609,001	4,010,625	1,319,662
Total net expense	\$ (17,031,169)	\$ (18,432,346)	\$ (16,933,644)	\$ (10,754,768)	\$ (38,719,719)	\$ (17,677,011)	\$ (33,626,603)	\$ (22,198,537)	\$ (17,376,992)	\$ (20,254,583)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,252,700	\$ 14,875,808	\$ 17,202,696	\$ 20,893,975	\$ 24,179,740	\$ 25,389,666	\$ 22,448,001	\$ 19,868,535	\$ 19,766,557	\$ 17,031,372
Utility taxes	2,623,865	2,818,505	2,469,240	4,339,239	6,020,561	6,151,070	6,452,449	6,600,735	6,803,372	7,271,270
Communications services tax	1,530,099	2,534,262	3,557,442	4,019,547	4,085,310	4,743,877	5,205,814	4,920,479	5,080,171	4,980,273
Franchise taxes	1,453,907	1,864,204	2,801,948	3,278,696	5,586,792	5,703,733	5,887,483	4,344,291	4,947,073	4,597,851
Intergovernmental	2,563,255	3,156,660	3,577,547	7,765,837	3,432,355	2,665,510	3,136,493	3,560,046	4,717,657	6,678,764
Investment earnings and other	2,551	376,831	1,268,347	2,114,194	991,239	2,496,612	890,892	765,501	561,988	199,726
Other revenue	-	-	-	-	-	-	-	-	3,653,477	-
Miscellaneous	(116,584)	160,579	10,643,324	190,337	394,205	277,442	322,575	566,532	580,405	409,337
Total governmental activities	21,309,793	25,786,849	41,520,544	42,601,825	44,690,202	47,427,910	44,343,707	40,626,119	46,110,700	41,168,593
Business-type activities:										
Investment earnings and other	150,000	-	-	-	(5,572)	240,321	264,004	87,500	73,387	18,154
Total business-type activities	150,000	-	-	-	(5,572)	240,321	264,004	87,500	73,387	18,154
Total general revenues	21,459,793.0	25,786,849.0	41,520,544.0	42,601,825.0	44,684,630.0	47,668,231.0	44,607,711.0	40,713,169.0	46,184,087.0	41,186,747.0
Debt forgiveness	-	-	-	-	-	-	-	271,010	-	-
Change in net position:										
Governmental activities	\$ 4,278,624	\$ 7,407,553	\$ 22,349,546	\$ 28,906,504	\$ 3,422,904	\$ 27,657,046	\$ 8,834,245	\$ 16,089,591	\$ 24,723,083	\$ 19,594,348
Business-type activities	150,000	(53,050)	2,237,354	2,940,553	2,542,007	2,334,174	2,146,863	2,696,051	4,084,012	1,337,816
Total change in net position	\$ 4,428,624	\$ 7,354,503	\$ 24,586,900	\$ 31,847,057	\$ 5,964,911	\$ 29,991,220	\$ 10,981,108	\$ 18,785,642	\$ 28,807,095	\$ 20,932,164

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Reserved	\$ 1,121,577	\$ 136,107	\$ -	\$ 617,475	\$ 17,607,202	\$ 1,899,761	\$ 11,410,036	\$ -	\$ -	\$ -
Unreserved and designated	-	-	-	-	-	-	26,775,000	-	-	-
Unreserved	3,597,623	11,015,595	22,333,658	43,759,009	24,617,572	41,344,944	13,063,995	-	-	-
Nonspendable	-	-	-	-	-	-	-	335,440	388,354	161,833
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	5,335,272	4,141,453	7,934,049
Unassigned	-	-	-	-	-	-	-	20,888,609	35,075,273	45,852,964
Total general fund	<u>4,719,200</u>	<u>11,151,702</u>	<u>22,333,658</u>	<u>44,376,484</u>	<u>42,224,774</u>	<u>43,244,705</u>	<u>51,249,031</u>	<u>26,559,321</u>	<u>39,605,080</u>	<u>53,948,846</u>
All other governmental funds:										
Reserved	-	1,037,806	1,563,211	2,659,838	282,636	5,515,965	4,427,304	-	-	-
Unreserved and designated, reported in:										
Capital projects fund	-	-	-	-	-	-	5,559,536	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	242,547	-	-	-
Transportation fund	665,979	-	-	-	-	-	-	-	-	-
Capital projects fund	100,000	(547,033)	5,704,660	(5,630,185)	3,371,076	5,559,535	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	11,033,844	11,324,481	14,781,778
Committed	-	-	-	-	-	-	-	12,858,436	225,891	3,694,235
Assigned	-	-	-	-	-	-	-	-	-	424,703
Unassigned	-	-	-	-	-	-	-	-	2,595,027	-
Total all other governmental funds	<u>765,979</u>	<u>490,773</u>	<u>7,267,871</u>	<u>(2,970,347)</u>	<u>3,653,712</u>	<u>11,075,500</u>	<u>10,229,387</u>	<u>23,892,280</u>	<u>14,145,399</u>	<u>18,900,716</u>
Total governmental funds	<u>\$ 5,485,179</u>	<u>\$ 11,642,475</u>	<u>\$ 29,601,529</u>	<u>\$ 41,406,137</u>	<u>\$ 45,878,486</u>	<u>\$ 54,320,205</u>	<u>\$ 61,478,418</u>	<u>\$ 50,451,601</u>	<u>\$ 53,750,479</u>	<u>\$ 72,849,562</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Ad valorem taxes	\$ 13,252,700	\$ 14,875,808	\$ 17,202,696	\$ 20,893,975	\$ 24,179,740	\$ 25,389,666	\$ 22,448,001	\$ 19,868,535	\$ 19,766,557	\$ 17,031,372
Franchise fees	1,453,907	1,864,204	2,801,948	3,278,696	5,586,792	5,703,733	5,887,483	4,344,291	4,947,073	4,597,851
Utility taxes	2,623,865	2,818,505	2,469,240	4,339,239	6,020,561	6,151,070	6,452,449	6,600,735	6,803,372	7,271,270
Communications services tax	1,530,099	2,534,262	3,557,442	4,019,547	4,085,310	4,743,877	5,205,814	4,920,479	5,080,171	4,980,273
Impact fees	-	1,180,974	1,503,516	1,304,751	304,993	-	-	-	-	-
Licenses, permits and fines	207,312	1,477,180	5,439,854	8,911,239	6,476,391	5,189,771	4,820,997	6,282,078	8,033,873	10,410,450
Intergovernmental revenue	2,563,255	3,156,660	3,577,547	7,765,837	3,432,355	3,238,317	3,136,493	3,560,046	4,717,655	6,678,764
Grants	-	-	91,343	416,319	-	3,822,869	732,460	1,948,862	1,885,964	225,852
Charges for services	943,073	1,551,169	1,952,430	1,404,959	941,671	1,058,346	1,240,215	2,190,498	4,585,368	4,103,022
Investment income	2,551	376,831	1,268,347	2,114,194	991,239	2,496,612	890,892	765,501	561,988	199,726
County contributions	-	-	-	-	-	2,967,286	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	3,653,477	-
Miscellaneous	33,416	173,329	10,643,324	190,337	394,205	277,442	322,575	566,532	580,405	709,337
Total revenues	22,610,178	30,008,922	50,507,687	54,639,093	52,413,257	61,038,989	51,137,379	51,047,557	60,615,903	56,207,917
Expenditures:										
Current:										
General government	1,686,572	3,300,307	3,421,798	4,361,334	12,324,554	7,944,991	7,607,245	7,289,967	7,762,037	7,098,768
Public safety	7,445,612	8,696,157	11,068,689	13,321,448	17,696,614	12,424,819	12,174,931	11,925,430	11,409,610	11,770,981
Community development	845,612	-	-	-	-	-	-	-	-	-
Building department	-	-	2,429,029	3,136,195	3,360,946	2,595,514	2,324,468	2,323,994	2,190,425	2,479,507
Planning & zoning department	-	-	624,142	840,422	1,373,831	660,443	940,664	733,300	763,577	770,265
Public works	358,619	732,859	974,145	1,532,432	4,835,676	4,337,079	2,795,827	2,320,683	2,407,942	3,222,023
Parks and recreation	429,345	1,412,942	26,703,891	17,976,592	6,272,388	4,043,174	3,498,325	3,043,217	3,348,673	3,473,086
Mitigation/ QNIP	7,697,611	8,094,986	8,180,211	398,178	379,062	17,752,035	6,407,677	381,493	-	-
Code Enforcement	-	-	-	-	-	827,722	791,819	838,232	884,225	838,762
Capital outlay *	-	-	-	-	-	-	4,926,791	30,253,895	26,259,761	5,453,543
Debt service:										
Principal retirement	-	-	-	283,145	797,827	1,114,022	1,716,599	2,051,185	1,418,030	1,115,679
Interest and other fiscal charges	-	-	478,728	984,740	900,010	897,471	946,820	1,074,478	872,745	886,221
Total expenditures	18,463,371	22,237,251	53,880,633	42,834,486	47,940,908	52,597,270	44,131,166	62,235,874	57,317,025	37,108,835
Excess (deficiency) of revenues over expenditures	4,146,807	7,771,671	(3,372,946)	11,804,607	4,472,349	8,441,719	7,006,213	(11,188,317)	3,298,878	19,099,082
Other financing sources (uses):										
Proceeds from debt	-	-	21,250,000	-	-	-	152,000	161,500	-	-
Proceeds from capital leases	-	-	82,000	-	-	-	-	-	-	-
Transfers in	210,000	-	1,497,500	4,774,650	11,473,072	6,198,327	1,505,339	18,906,970	4,000,000	2,224,635
Transfers out	(360,000)	-	(1,497,500)	(4,774,650)	(11,473,072)	(6,198,327)	(1,505,339)	(18,906,970)	(4,000,000)	(2,224,635)
Total other financing sources (uses)	(150,000)	-	21,332,000	-	-	-	152,000	161,500	-	-
Net change in fund balances	\$ 3,996,807	\$ 7,771,671	\$ 17,959,054	\$ 11,804,607	\$ 4,472,349	\$ 8,441,719	\$ 7,158,213	\$ (11,026,817)	\$ 3,298,878	\$ 19,099,082
Debt service as a percentage of non-capital expenditures	0.00%	0.00%	0.89%	2.96%	3.54%	3.82%	6.79%	9.77%	7.38%	6.32%

* Previously reported under department expenditures

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

CITY OF DORAL, FLORIDA
NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	<u>Real Property</u>			Total Net Assessed <u>Value</u>	Total Direct Tax <u>Rate</u>	<u>Tax</u>	Estimated Actual Value as a Percentage of Net Assessed <u>Value</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>				
2004	2,186,766,144	2,803,571,930	432,628,824	5,422,966,898	2.447	\$ 13,270,000	0.24%
2005	2,561,789,226	3,284,375,143	640,920,540	6,487,084,909	2.447	\$ 15,873,897	0.24%
2006	3,694,495,528	4,736,650,285	727,775,178	9,158,920,991	2.447	\$ 22,411,880	0.24%
2007	4,609,913,198	5,102,505,640	735,736,830	10,448,155,668	2.447	\$ 25,566,637	0.24%
2008	5,196,232,044	5,200,628,803	644,981,156	11,041,842,003	2.447	\$ 27,019,387	0.24%
2009	3,851,279,699	5,507,774,735	701,979,329	10,061,033,763	2.447	\$ 24,619,350	0.24%
2010	3,222,909,584	5,101,021,138	586,225,597	8,910,156,319	2.447	\$ 21,803,153	0.24%
2011	3,161,978,948	4,748,006,395	579,454,649	8,489,439,992	2.437	\$ 20,688,765	0.24%
2012	3,312,983,103	4,772,615,450	576,831,880	8,662,430,433	2.222	\$ 19,247,920	0.22%
2013	3,551,392,971	4,707,004,491	599,050,879	8,857,448,341	1.928	\$ 17,077,160	0.19%

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

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

City of Doral				Overlapping Rates (1)													Total Direct and Overlapping Rates
Fiscal Year	Tax Roll Year	General Operations	Total City	Miami-Dade County			Miami-Dade Fire & Rescue			Miami-Dade Schools			Other	SFWMD Millage	FIND Millage	Total State Millage	
				Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total Fire Millage	Operating Millage	Debt Service Millage	Total School Millage					
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
2008	2007	2.447	2.447	4.838	0.285	5.123	2.185	0.042	2.227	7.533	0.264	7.797	0.893	0.535	0.035	0.569	19.056
2009	2008	2.447	2.447	4.838	0.285	5.123	2.185	0.042	2.227	7.698	0.297	7.995	0.972	0.535	0.035	0.569	19.333
2010	2009	2.447	2.447	5.428	0.445	5.873	2.575	0.020	2.595	7.864	0.385	8.249	0.873	0.535	0.035	0.569	20.606
2011	2010	2.438	2.438	4.805	0.285	5.090	2.450	0.013	2.463	7.765	0.240	8.005	0.742	0.374	0.035	0.408	19.146
2012	2011	2.222	2.222	4.704	0.285	4.989	2.450	0.013	2.463	7.765	0.233	7.998	0.734	0.368	0.035	0.402	18.807
2013	2012	1.928	1.928	4.704	0.422	5.126	2.450	0.013	2.462	7.644	0.333	7.977	0.731	0.352	0.035	0.387	18.611

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

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

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

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

2013				2004			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>	<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>
WEST DADE COUNTY ASSOCIATES	133,705,000	1	1.62%	PSBP INDUSTRIAL PARK LTD	151,696,443	1	2.91%
KSL HOTEL CORP	68,000,000	2	0.82%	WEST DADE COUNTY ASSOCIATES	131,068,939	2	2.51%
DORAL WEST ACQUISITION LLC	50,234,360	3	0.61%	KOALA MIAMI REAL ESTATE HOLDINGS	90,584,584	3	1.74%
METROPOLITAN LIFE INSURANCE CO	50,000,000	4	0.61%	NEW WORLD VENTURES	82,371,777	4	1.58%
CARNIVAL CORP	44,700,000	5	0.54%	ACACIA CREDIT FUND	60,766,790	5	1.17%
NEW BOSTON SHOMA PARK SQUARE LLC	39,600,000	6	0.48%	AMB PROPERTY LTD	53,048,348	6	1.02%
FDG DORAL CONCOURSE LLC	36,410,000	7	0.44%	KSL HOTEL CORPORATION	47,499,500	7	0.91%
SUMMIT PROP PARTNERSHIP LP	30,250,000	8	0.37%	METROPOLITAN LIFE	40,500,403	8	0.78%
LENNAR HOMES LLC	29,696,700	9	0.36%	ADLER OFFICE ASSOCIATES LTD	39,589,410	9	0.76%
CV MIAMI LLC	29,428,934	10	0.36%	AMB HTD BEACON CENTRE LLC	38,771,631	10	0.73%
	<u>\$ 512,024,994</u>		<u>6.20%</u>		<u>\$ 735,897,825</u>		<u>14.11%</u>

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

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

Fiscal Year Ended <u>September 30.</u>	Total Taxes Levied for Fiscal <u>Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent <u>Year's</u>	Total Collections to Date	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2004	12,606,500	13,252,700	105.13%	-	13,252,700	105.13%
2005	15,080,202	14,875,808	98.64%	-	14,875,808	98.64%
2006	17,362,280	17,300,211	99.64%	-	17,300,211	99.64%
2007	21,198,869	20,893,975	98.56%	-	20,893,975	98.56%
2008	24,219,557	24,179,740	99.84%	-	24,179,740	99.84%
2009	25,676,515	25,389,666	98.88%	-	25,389,666	98.88%
2010	23,229,827	20,938,455	90.14%	1,509,546	22,448,001	96.63%
2011	20,744,000	19,658,043	94.76%	210,492	19,868,535	95.78%
2012	19,668,000	19,343,191	98.35%	423,366	19,766,557	100.50%
2013	18,278,000	17,031,372	93.18%	29,824	17,061,195	93.34%

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

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

Fiscal Year Ended <u>September 30,</u>	Governmental Activities			Business-Type Activities	<u>Total</u>	Percentage of Personal Income (1)	Debt Per Capita
	General Obligation <u>Bonds</u>	Revenue <u>Bonds</u>	QNIP <u>Bonds</u>	Revenue <u>Bonds</u>			
2004	-	-	-	-	-	0.00%	-
2005	-	-	-	-	-	0.00%	-
2006	-	21,250,000	-	-	21,250,000	1.97%	634
2007	-	20,992,886	-	-	20,992,886	1.89%	609
2008	-	21,198,171	-	-	21,198,171	1.75%	617
2009	-	19,482,208	-	8,798,047	28,280,255	2.25%	821
2010	-	18,916,226	4,016,565	8,519,130	31,451,921	2.80%	824
2011	-	18,130,761	3,562,490	8,230,105	29,923,356	2.14%	643
2012	-	17,309,874	3,368,970	7,930,052	28,608,896	2.09%	611
2013	-	16,452,024	3,288,815	7,618,510	27,359,349	1.96%	555

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

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

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

All bonded indebtedness is in the form of revenue bonds.

CITY OF DORAL, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2013

<u>Government Unit</u>	2013		
	<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	\$ 19,820,994	100.00%	\$ 19,820,994
Overlapping Debt:			
Miami-Dade County (1)	1,179,986,000	4.5058%	53,168,279
Miami-Dade County School Board (1)	173,605,000	4.5058%	<u>7,822,363</u>
Subtotal, Overlapping Debt			60,990,642
Total Direct and Overlapping Debt			<u>\$ 80,811,636</u>

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

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries, divided by the County's total taxable assessed value.

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Median Family Income (2)</u>	<u>Unemployment Rate (3)</u>	<u>Total Personal Income (2) (4)</u>
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%	-
2008	34,322	74,050	4.5%	1,547,135
2009	34,456	74,016	10.7%	1,254,126
2010	38,131	72,629	12.6%	1,121,700
2011	46,516	73,734	12.0%	1,397,713
2012	47,534	71,656	5.9%	1,371,900
2013	49,253	71,695	5.7%	1,396,717

Sources:

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

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

<u>Employer</u>	<u>2013</u>			<u>Employer</u>	<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
CARNIVAL CRUISE LINES	2,380	1	1.59%				
MARRIOTT INTERNATIONAL, INC.	1,031	2	0.69%				
TRUMP ENDEAVOR 12 LLC	900	3	0.60%				
UNIVISION NETWORK LTD PARTNERSHIP	800	4	0.53%				
SUPREME INTERNATIONAL CORPORATION	525	5	0.35%				
AMADEUS NORTH AMERICA, LLC	462	6	0.31%				
PERRY ELLIS INTERNATIONAL	420	7	0.28%				
BLUE CROSS AND BLUE SHIELD OF FLORIDA	412	8	0.27%				
BRINKS INCORPORATED	366	9	0.24%				
GOLD COAST BEVERAGE DISTRIBUTORS INC.	286	10	0.19%				
Total	7,582						

Note: Information not available for 2004.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Number of Employees:										
City Council	1	1	2	2	3	1	1	1	1	2
City Manager's Office	4	4	5	6	5	6	7	8	8	8
City Clerk's Office	1	2	3	4	3	3	3	3	3	4
City Attorney's Office *	1	1	1	1	1	1	1	1	1	1
Finance Department	2	2	2	3	4	6	7	7	7	7
Procurement	-	-	-	-	-	-	-	-	1	2
Administrative Services	2	1	1	2	-	-	-	-	-	-
Police Department	75	93	110	110	130	124	133	135	118	125
Community Development **	15	29	-	-	-	-	-	-	-	-
Building and Permitting **	-	-	18	28	30	30	30	29	29	29
Planning & Zoning **	-	-	7	5	7	7	7	7	8	8
Code Compliance **	-	-	8	10	10	10	12	12	12	14
Licensing **	-	-	2	2	2	-	-	-	-	-
Public Works	6	6	6	10	15	15	17	17	19	21
Parks and Recreation	29	29	28	27	32	36	35	35	34	37
Human Resources	1	1	2	2	3	3	3	3	3	4
IT	-	-	-	-	4	7	7	8	8	7
	<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>137</u>	<u>169</u>	<u>195</u>	<u>212</u>	<u>249</u>	<u>249</u>	<u>263</u>	<u>266</u>	<u>252</u>	<u>267</u>

Source: City of Doral Finance Department

* Includes contractual personnel.

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

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public safety:										
Police:										
Police personnel and officers	75	93	110	110	130	124	133	135	118	125
Police calls for service	9,660	13,814	21,258	35,406	42,545	29,308	46,270	30,291	40,437	36,784
Planning and development:										
Building permits issued	(A)	(A)	(A)	3,500	2,320	3,730	3,755	4,611	5,352	8,743

Sources: Various City Departments

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

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

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Shifts	3	3	3	3	3	3	3	3	3	2
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Planning and development										
Building permits issued	(A)	(A)	1,631	3,500	2,320	3,730	3,755	4,611	5,352	8,743
Engineering and public works										
Total square miles	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Surface water management										
Miles of storm drainage	13.0	13.0	13.0	13.0	13.0	13.0	20.0	20.2	20.7	37.7
Transportation:										
Miles of streets	175.0	175.0	175.0	175.0	175.0	175.0	200.0	177.0	177.5	204.0
Number of street lights	410	410	410	410	410	410	431	453	457	472
Number of traffic signals	61	61	61	61	61	61	66	71	75	68
Culture and recreation:										
Miles of waterways	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30
Parks acreage	109	109	109	109	109	109	110	111	121	121
Community center	-	-	-	1	1	1	1	1	1	1
Tennis courts	4	4	4	5	5	5	5	5	5	5
Baseball/softball fields	-	-	2	2	2	2	2	2	2	2
Utility system:										
Miles of mains	203.0	203.0	203.0	203.0	203.0	203.0	383.0	383.0	384.0	381.0
Fire hydrants - City of Doral	2,166	2,166	2,166	2,166	2,166	2,166	2,342	2,342	2,355	2,342

Sources: Various City Departments

COMPLIANCE SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Doral, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 9, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP

Coral Gables, Florida
June 9, 2014



Alberni, Caballero
& Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

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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 basic financial statements the City of Doral, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated June 9, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated June 9, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In conjunction with our audit all findings and recommendations made in the preceding annual financial audit report have been corrected as noted in the accompanying summary schedule of prior year audit findings.
- 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. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was created pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There are no component units related to the City.

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

- Section 10.554(1)(i)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP

Coral Gables, Florida
June 9, 2014

CITY OF DORAL, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS RECOMMENDATIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDING AND STATUS

The following addresses the status of the financial statement finding reported in the fiscal year ended September 30, 2012 Schedule of Findings and Questioned Costs.

Matter that is not repeated in the current year:

- 2009-02 Controls over Capital Assets

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

III. PRIOR YEAR OTHER MATTER STATUS

The following addresses the status of the other matter reported in the fiscal year ended September 30, 2012 Schedule of Findings and Questioned Costs.

Matter that is not repeated in the current year:

- 2012-1 Equitable Sharing Reporting