

VICTOR M. MESTRE
CERTIFIED PUBLIC ACCOUNTANT

14231 S.W. 78 TH STREET
MIAMI, FLORIDA 33183
TEL (305) 382-1211
FAX (305) 382-2244

INDEPENDENT AUDITOR'S REPORT

Board of Directors
HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC.
Miami, Florida

I have audited the accompanying balance sheet of HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC. as of December 31, 2006, and the related statements of revenues, expenses and changes in fund balances and cash flows, for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC. as of December 31, 2006, and the result of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

The accompanying supplementary information on future major repairs and replacements as of December 31, 2006 is not a required part of the basic financial statements but it is supplementary information required by the American Institute of Certified Public Accountants. I have not audited the information and express no opinion on it.

Victor Mestre

Victor M. Mestre
Certified Public Accountant
Miami, Florida
July 12, 2007.

HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2006

ASSETS

Current Assets

Cash In Banks	
Operating Account	\$ 16,411
Escrow Account	86,677
Savings Account	<u>30,000</u>

Total Cash \$133,088

Receivables from Unit Owners 16,129

Prepaid Insurance 502

Utility Deposits 2,345

TOTAL ASSETS \$152,064

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts Payable \$ 26,324

Prepaid Maintenance Fees 6,584

TOTAL LIABILITIES 32,908

FUND BALANCES

Restricted Funds-Reserves \$86,677

Operating Fund 32,480

TOTAL FUND BALANCES 119,156

TOTAL LIABILITIES AND FUND BALANCE \$152,064

Please read notes to the financial statements

HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

REVENUES	OPERATING FUND	REPLACEMENT FUND
Assessments to Unit Owners	\$535,122	\$40,337
Hurricane Claims	19,938	
Other Income, (net)	<u>16,877</u>	<u>82</u>
TOTAL REVENUE	571,937	40,419
OPERATING EXPENSES		
Management Fees	\$ 34,284	
Postage and Printing	5,083	
Security	102,959	
Insurance	9,934	
Utilities	45,283	
Cable Service	87,177	
Alarm Monitoring	66,635	
Professional Fees	3,413	
Permits and taxes	370	
Bank Charges	3,084	
Community Events	1,756	
Janitorial Services	25,227	
Landscaping and Lawn	104,565	
Pool Expenses	6,987	
Golf Service	3,073	
Repairs	<u>91,092</u>	
TOTAL EXPENSES	<u>(590,922)</u>	<u>-0-</u>
NET OF EXPENSES OVER REVENUES	(18,985)	
NET OF REVENUES OVER EXPENSES		40,419
FUND BALANCE AT JANUARY 1, 2006	<u>51,465</u>	<u>46,258</u>
FUND BALANCE AT DECEMBER 31, 2006	<u>\$32,480</u>	<u>\$86,677</u>

Please read notes to the financial statements.

HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Operating Account</u>	<u>Reserve Account</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Result of Operations	\$(18,985)	\$40,419
Adjustments to Reconcile Result of Operations to net Cash Provided From Operating Activities		
Decrease In Assessments Receivable	34,568	
Decrease in Prepaid Expenses	766	
Decrease in Equipment	3,595	
Decrease in Deposits	430	
Decrease in Accounts Payable	(72,527)	
 NET CASH INCREASE (DECREASE) FROM OPERATING ACTIVITIES	 (52,153)	 40,419
 TRANSFERS FROM OPERATING ACCOUNT TO RESERVE ACCOUNT	 25,165	 (25,165)
 NET INCREASE (DECREASE) IN CASH	 (26,988)	 15,254
 CASH BALANCE BEGINNING OF YEAR	 <u>73,399</u>	 <u>71,423</u>
 CASH BALANCE AT END OF YEAR	 <u>\$46,411</u>	 <u>\$86,677</u>

Please read notes to the financial statements.

HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

HISTORY AND BACKGROUND

The Association was formed in March 1996 as a not for profit corporation under the laws of the State of Florida. Its purpose was in administering the common elements of the Homes of Doral Landings complex, which is made up of 274 residential units.

BASIS OF ACCOUNTING AND OTHER SIGNIFICANT ACCOUNTING POLICIES

The Association's financial statements are prepared in accordance with generally accepted accounting principles on the accrual basis of accounting, whereby assessments and other revenues are recognized when due or earned, and expenses are recognized when incurred, regardless of when paid.

COMMON ELEMENTS

The common elements include the land and all parts of the various condominiums other than the units. Because ownership of the Common Elements is vested in the unit owners, and since these assets are not deemed to be severable, they are not capitalized in the Association's financial statements.

Replacements, major repairs and purchase of additionally commonly-owned assets are not capitalized, but accounted for as expenditures when incurred.

REPLACEMENT RESERVES

Florida statutes require that condominium associations include in their annual budgets funding of their reserve accounts for future major repairs and replacements. While required reserve balances have not been evaluated by independent appraisal, the Association has set aside monies into bank accounts designated for capital expenditures and major repairs. Funds on hand may not be sufficient to meet the cost of major repairs and replacement of commonly-owned assets. In the event that a replacement or a major repair requires additional funds, the Association has the authority to assess the unit owners for the cost of such expenditures.

INCOME TAXES

For Federal income tax purposes, the Association files its tax returns on a calendar year basis, and may or may not elect to be taxed as a homeowners association. The effect of the election is to exclude from taxation exempt function net income, which is the excess of revenue from unit owner assessments over expenditures for maintenance of common property. For calendar year 2006, the Association elected to be taxed as a homeowners association.

HOMES OF DORAL LANDINGS COMMUNITY ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2006

MANAGEMENT AGREEMENT AND SERVICE CONTRACTS

The Association contracts a management company to provide administrative, accounting and property management services. The Association also contracts for security and landscaping services.

SURFACE WATER MANAGEMENT SYSTEM AND FUND ESCROW

The developer of the condominium established a water management system in compliance with a permit issued by the South Florida Water Management District. In 1998, a deposit was given by the developer to ensure that moneys for eventual repairs would be available.

If and when the deposit is extinguished or insufficient the Association might be liable for repairs and maintenance of the system or replenishment of the deposit.