

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF AVENTURA, FLORIDA
FOR THE YEAR ENDED
SEPTEMBER 30, 2010



Prepared By
The Finance Department
Brian K. Raducci, Finance Director
Brent Rogers, Controller

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INTRODUCTORY SECTION



City of Aventura

Government Center
19200 West Country Club Drive
Aventura, Florida 33180

March 3, 2011

To the Honorable Mayor,
Members of the City Commission
and Citizens of the
City of Aventura, Florida

SUSAN GOTTLIEB
MAYOR

COMMISSIONERS

ZEV AUERBACH
BOB DIAMOND
TERRI HOLZBERG
BILLY JOEL
MICHAEL STERN
LUZ URBÁEZ WEINBERG

ERIC M. SOROKA, ICMA-CM
CITY MANAGER

In accordance with Section 11.45, Florida Statutes and Section 4.11 of the City of Aventura (the "City") Charter, submitted herewith is the City's Comprehensive Annual Financial Report (the "CAFR") for the fiscal year ended September 30, 2010.

The financial statements included in this report conform to the generally accepted accounting principles in the United States ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The City is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The financial statements have been audited by Keefe, McCullough & Co., LLP., C.P.A.'s. The independent auditors have issued an unqualified opinion that this report fairly presents the financial position of the City and complies with all reporting standards noted above.

The contents of this report are aimed at compliance with GASB pronouncements, including Statement No. 34, requiring the preparation of government-wide financial statements on a full accrual basis of accounting for all funds and including Management's Discussion and Analysis. Also included are additional and enhanced Statistical Tables required by GASB Statement No. 44.

THE REPORTING ENTITY AND ITS SERVICES

The City was incorporated on November 7, 1995 and is a political subdivision of the State of Florida. The City operates under a commission-manager form of government and provides General Government, Public Safety and Community Services to its residents and business community. The Mayor and six (6) Commissioners are responsible for establishing the City's policies. The Mayor and Commission appoint the City Manager who is the Chief Administrative Officer of the City and is responsible for implementing policies adopted by the Commission.

This report includes all of the funds for which the City is financially accountable. Although the Miami-Dade Board of County Commissioners, Miami-Dade District School Board, South Florida Water Management District and Florida Inland Navigation District levy and collect taxes on property located within the City's corporate limits, financial information on these taxing authorities is not included in this report since each has a separate elected governing body, are legally separate and are fiscally independent of the City. Annual financial reports of these units of government are available upon request from each authority.

ECONOMIC CONDITIONS AND OUTLOOK

The City serves an area of approximately 4 square miles with a population of approximately 31,000 residents. Prior to incorporation, the City received services from Miami-Dade County (the "County") as a part of their unincorporated municipal services taxing unit. The City received no real property, facilities or equipment from the County upon incorporation.

Fiscal Year 2010

The City's combination of upscale residential and commercial developments resulted in a taxable value of approximately \$8.1 billion within a land area of less than 4 square miles. During fiscal year 2010, the Country, as well as the South Florida area had continued to experience an economic downturn that has resulted in lower home values, a national credit crunch, an increase in the jobless rate and revenue shortfalls at all levels of government. The financial impact of all of these challenges is more fully described in the Management's Discussion and Analysis section of this report.

MAJOR INITIATIVES

During the first ten (10) years of the City's existence, the City has focused on the infrastructure needs of the community. In recent years, the City has also directed its efforts to address the change in demographics toward a younger community and provide cultural arts opportunities for its residents.

Continuing the priority of maintaining its infrastructure, during fiscal year 2010, the City completed the following major capital improvements:

- NE 199th Street / Country Club Drive Turning Lane
- Veterans Park Restroom Additions
- Biscayne Boulevard Intersection Traffic Improvements Phase II – Williams Island Road
- Yacht Club Way Bridge Repairs
- Aventura Arts & Cultural Center
- Biscayne Boulevard Intersection Traffic Improvements Phase II – NE 191st Street
- Don Soffer Exercise Trail Improvements Project
- Hospital District Asphalt Overlay and Drainage Improvements
- Aventura Arts & Cultural Center & ACES Informational Sign

On October 23, 2010, in front of a sold out crowd, the City held the Grand Opening Celebration for its new Arts and Cultural Center. The event, starring Patti LuPone and the facility were very well-received by those in attendance. The facility was completed in June 2010 in order to provide a variety of performing arts and cultural programming to the community.

Since its opening on August 25, 2003, the Aventura Charter Elementary School ("School") has achieved several milestones in the City's short history. The School was the first within the City's boundaries and the first municipal sponsored charter school in Miami-Dade County. The 2009/10 school year represented the seventh year of operations of the School.

The School has been well received and has been at full capacity since its inception. The School has obtained academic success receiving an "A" grade issued by the State of Florida for the past six (6) years. In order to address the Florida Class Size Mandate Legislation, ten (10) new classrooms were added prior to the 2010 school year. This addition insured that the School met the class size requirements. The school serves 972 students.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in

conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

An annual appropriated budget is adopted for all governmental funds with the exception of the Charter School Fund, Federal Forfeiture Fund and Law Enforcement Trust Fund (Special Revenue Funds). In accordance with City Ordinance, appropriations are legally controlled at the Department level. Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in the accounting records and is utilized throughout the fiscal year.

Overview of Financial Activity

The accompanying financial statements reflect that the City has continued to expand its services to meet the demands of its residential and business communities. A summary of the major financial activities is included in the Management Discussion & Analysis Section of this report.

Fund Balances

Fund balances represent the accumulation of resources from prior years which are available to fund future years' budgets and for use as a reserve for unexpected events in the future. The unreserved fund balance at September 30, 2010 for the General Fund is approximately \$36,350,000, representing a significant portion of the fiscal year 2011 budget. Of this amount, approximately \$15,433,000 is used to fund a capital reserve account in the fiscal year 2011 budget which may be allocated by the City Commission to fund budget needs in the current or later fiscal years.

The fund balances in each special revenue, debt service and capital projects fund are designated for use for the specific legal purposes of each fund.

Retirement Programs

The City contributed to four (4) defined contribution pension plans based on employee classifications created in accordance with Internal Revenue Code Section 401(a). The plans currently cover all full-time employees of the City. Under these plans, the City contributes between 7% and an amount equal to the annual IRS maximum, depending on the employee classification. There are no employee contributions. Employer contributions for the fiscal year ended September 30, 2010 were approximately \$817,000.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participant's benefits that may be reallocated to such participant's account.

In order to encourage employees to supplement the defined contribution plan, a deferred compensation program is also available to all full-time employees. Under this program, employees may voluntarily elect to defer a portion of their salary to future years. Both programs are administered by the ICMA Retirement Corporation under a trust agreement. The plan assets are separate and the City does not exercise any control or fiduciary responsibility over the assets. Therefore, the assets, liabilities and transactions are not included in the City's financial statements.

As discussed in the Notes to the Financial Statements, the City, through collective bargaining with the City's police officers agreed to establish a defined benefit retirement program covering all sworn officers.

This program is funded by a combination of City and employee contributions and state insurance premium taxes. Please see Note 12 in the Notes to the Financial Statements for a detailed discussion of the retirement program.

Financing Programs and Debt Administration

The City currently has four (4) outstanding long-term debt issues. At September 30, 2010, the principal balance outstanding totaled \$30,815,000.

The non-refunded Portion of the Series 1999 Revenue Bonds issued from the Florida Municipal Loan Council, Inc, is secured solely by a covenant to budget and appropriate the required debt service payments each year. The loan is structured the same as a serial bond issue with principal payments due on April 1st and interest payments due on April 1st and October 1st of each year with the final maturity on April 1, 2029. Debt service requirements average approximately \$485,000 per year over the 19-year life of the bonds. The interest rate varies from 3.200% to 5.125% depending on the maturity date.

The Series 2000 Revenue Bonds are bank qualified debt, secured solely by a covenant to budget and appropriate the required debt service payments each year. This loan is structured the same as a serial bond issue with principal payments due on October 1st and semi-annual interest payments due on April 1st and October 1st of each year with the final maturity on October 1, 2020. Debt service requirements average approximately \$535,000 per year over the 20-year life of the obligation. The interest rate is locked at 5.05%.

The Series 2002 Revenue Bonds were financed through the Florida Intergovernmental Finance Commission. The loan is secured solely by a covenant to budget and appropriate the required debt service payments each year. This loan is structured the same as a serial bond issue with principal payments due August 1st and interest payments due on February 1st and August 1st of each year with the final maturity on August 1, 2032. Debt service requirements average approximately \$850,000 per year over the 30-year life of the obligation. The interest rate varies from 2.5% to 5.0% depending on the maturity date.

Due to a very favorable interest rate environment, in September of 2010, the City issued a partial advance refunding of the original Series 1999 Revenue Bonds with a Bank Loan (described below) that resulted in a more than \$1.1M NPV savings over the life of the loan. The remaining portion of the original Series 1999 Revenue Bonds was refunded in February of 2011 and resulted in a nearly \$530,000 NPV savings over the life of its loan.

The Series 2010 Revenue Bonds are bank qualified debt, secured solely by a covenant to budget and appropriate the required debt service payments each year. This loan is structured the same as a serial bond issue with principal payments due on April 1st and semi-annual interest payments due on April 1st and October 1st of each year with the final maturity on April 1, 2029. Debt service requirements average approximately \$775,000 per year over the 19-year life of the obligation. The interest rate is locked at 3.42%.

OTHER INFORMATION

Independent Audit

In accordance with Section 11.45(3)(a) (4), Florida Statutes, and Article I, Section 4.11 of the City Charter, the City engaged the firm of Keefe, McCullough & Co., LLP, to perform the independent audit of the City's accounts and records. The independent auditors' reports are included in the Financial section.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Aventura for its CAFR for the fiscal year ended September 30, 2009. This was the fourteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must

publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

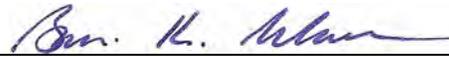
Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We also wish to thank the City Commission for their interest and support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully submitted,



Eric M. Soroka, ICMA-CM
City Manager



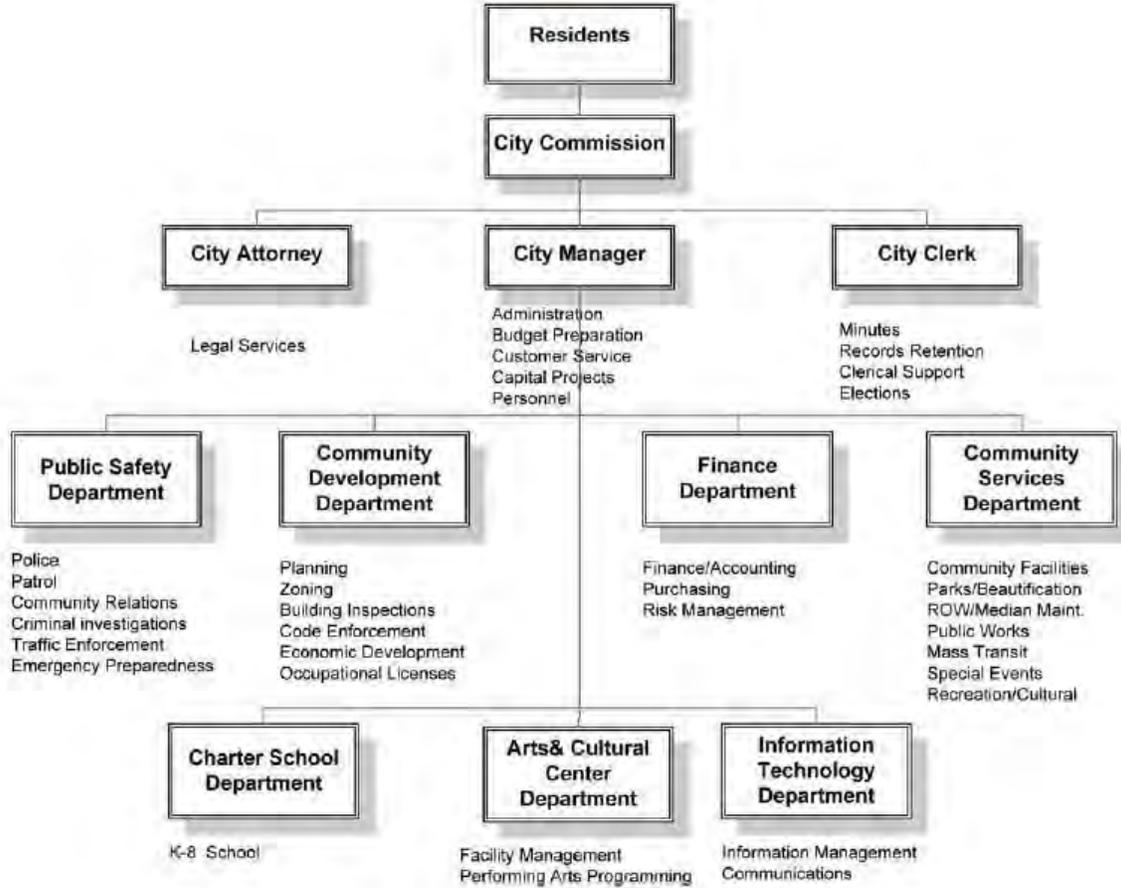
Brian K. Raducci
Finance Director

CITY OF AVENTURA, FLORIDA
LIST OF PRINCIPAL OFFICIALS
As of September 30, 2010

<u>Title</u>	<u>Name</u>
Mayor	Susan Gottlieb
Commissioner	Zev Auerbach
Commissioner	Bob Diamond
Commissioner	Teri Holzberg
Commissioner	Billy Joel
Commissioner	Michael Stern
Commissioner	Luz Urbaez Weinberg
City Manager	Eric M. Soroka
Finance Director	Brian K. Raducci
Community Services Director	Robert M. Sherman
City Clerk	Teresa M. Soroka
Community Development Director	Joanne Carr
Police Chief	Steven Steinberg
Information Technology Director	Karen J. Lanke
Charter School Principal	Julie Alm
Arts & Cultural Center General Manager	Steven Clark
City Attorney	Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
City Auditor	Keefe, McCullough & Co., LLP

CITY OF AVENTURA

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Aventura
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
Members of the City Commission and City Manager
City of Aventura, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Aventura, Florida (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, which represent 100% of the total assets and the total revenues of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, is based on the report of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors' provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension schedules of funding progress and contributions from the employer and the State of Florida on pages 3 through 12 and 53 through 54, 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 and the other auditors 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 regarding 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund statements and schedules, budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund statements and schedules, budgetary comparison information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section 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 it.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 3, 2011

CITY OF AVENTURA, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
September 30, 2010

As management of the City of Aventura (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the City’s financial activities for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented herein in conjunction with the Letter of Transmittal, which can be found on pages i through v of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

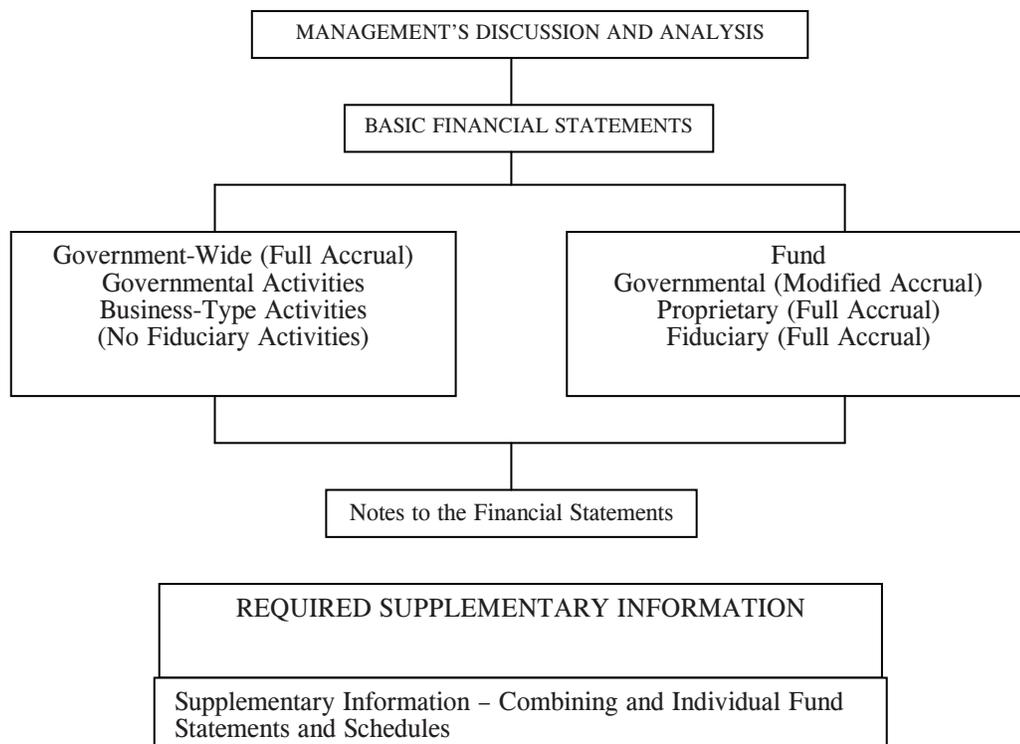
Financial Highlights

- The City’s total net assets increased by \$ 6.3 million over the course of this year’s operations. Net assets of our business-type activities increased by \$ 0.2 million, and the net assets of our governmental activities increased by \$ 6.1 million.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$ 106.7 million (net assets). Of this amount, \$ 37.8 million (unrestricted net assets) may be used to meet the government’s ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$ 36.4 million or 128% of total General Fund expenditures.

Overview of the Financial Statements

The financial section of this annual report consists of four (4) parts—management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and a supplementary information section that presents combining and individual fund statements and schedules.

Financial Section



CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Major Features of the Basic Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary activities)	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private business	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	* Statement of net assets * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net assets *Statement of cash flows	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets and long- term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term

Basic Financial Statements

Government-wide financial statements. The focus of the *government-wide financial statements* is on the City's overall financial position and its activities. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps answer questions about the City's financial health and whether the current year activities contributed positively or negatively to that health.

The City's *government-wide financial statements* include the *statement of net assets* and *statement of activities*. As described below, these statements do not include the City's fiduciary activities because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary activities are included in the City's fund financial statements because the City is financially accountable for those resources, even though they belong to other parties.

- The *Statement of Net Assets* presents information on the assets held and liabilities owed by the City, both long and short-term. Assets are reported when acquired by the City and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the City reports buildings and infrastructure as assets even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities, such as litigation claims, even though these liabilities might not be paid until several years into the future.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

The difference between the City's total assets and total liabilities is *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Although the City's purpose is not to accumulate net assets, in general, as this amount increases it indicates that the City's financial position is improving over time.

- The *Statement of Activities* presents the revenues and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector, in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenue (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 City's governmental activities include general government, public safety and community services. The City's business-type activities include stormwater utility.

Fund financial statements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established 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. All of the funds of the City can be divided into three (3) categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Financial statements consist of a balance sheet and a statement of revenues, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The difference between a fund's total assets and total liabilities is the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are recorded when incurred.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting basis are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental funds balance sheet that reconciles the total fund balances for all governmental funds to the amount of net assets presented in the governmental activities column on the statement of net assets. Also, there is an analysis after the statement of revenues, expenditures and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Proprietary funds. Financial statements consist of a statement of net assets, statement of revenues, expenses, and changes in fund net assets and statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City does not have any Internal Service Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has one major enterprise fund, the Stormwater Utility fund. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. The City reports one fiduciary fund to account for the Police Officers' Retirement Plan.

Notes to the 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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning various issues such as a comparison between the City's adopted and final budget and actual financial results for its General Fund and major special revenue funds (if applicable). The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and major special revenue funds (if applicable) to demonstrate compliance with this budget. Required supplementary information is also presented for the City's pension plan including a schedule of funding progress and schedule of employer and State of Florida contributions.

Combining and Individual Fund Statements and Schedules

Combining statements referred to earlier in connection with nonmajor governmental, internal service and fiduciary funds are presented immediately following the required supplementary information.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Government-Wide Financial Analysis

The table below presents a summary of net assets as of September 30, 2010 and 2009, derived from the government-wide Statement of Net Assets:

	Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 44,300	\$ 43,324	\$ 679	\$ 546	\$ 44,979	\$ 43,870
Capital assets	<u>90,874</u>	<u>87,056</u>	<u>7,616</u>	<u>7,580</u>	<u>98,490</u>	<u>94,636</u>
Total assets	<u>135,174</u>	<u>130,380</u>	<u>8,295</u>	<u>8,126</u>	<u>143,469</u>	<u>138,506</u>
Long-term liabilities	32,979	34,217	-	-	32,979	34,217
Other liabilities	<u>3,809</u>	<u>3,892</u>	<u>7</u>	<u>16</u>	<u>3,816</u>	<u>3,908</u>
Total liabilities	<u>36,788</u>	<u>38,109</u>	<u>7</u>	<u>16</u>	<u>36,795</u>	<u>38,125</u>
Net assets:						
Invested in capital assets, net of related debt	60,321	54,916	7,616	7,580	67,937	62,496
Restricted	895	1,592	-	-	895	1,592
Unrestricted	<u>37,170</u>	<u>35,763</u>	<u>672</u>	<u>530</u>	<u>37,842</u>	<u>36,293</u>
Total net assets	<u>\$ 98,386</u>	<u>\$ 92,271</u>	<u>\$ 8,288</u>	<u>\$ 8,110</u>	<u>\$ 106,674</u>	<u>\$ 100,381</u>

As noted earlier, net assets may serve over time as a useful indication of a government's financial position. At the close of the most recent fiscal year, the City's assets exceeded its liabilities by \$ 107 million.

The largest portion of the City's net assets is net assets invested in capital assets net of related debt and is 61% of total net assets. This category reflects its investment in capital assets net of any outstanding related debt used to acquire these assets. The City uses these capital assets to provide services to the citizens of the City; consequently these net assets are not available for future spending. Although the capital assets are shown net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources. The next largest portion of the City's net assets is unrestricted and is 38% of total net assets. Unrestricted net assets represent resources that are available for spending. Restricted net assets represent 1% of total net assets. Restricted net assets represent resources that are subject to external restrictions on how they can be used.

Capital assets and invested in capital assets, net of related debt, increased \$ 3.8 million and \$ 5.4 million, respectively in the governmental activities primarily due to the construction of the Arts and Cultural Center facility and payment of principal on outstanding debt. Current and other assets and unrestricted net assets in the governmental activities increased by \$ 1 million and \$ 1.5 million, respectively, due to the increase in cash which primarily resulted from higher than anticipated revenues from utility service taxes, licenses and permits and fines and forfeitures and lower than anticipated 401(a) retirement contributions due to the use of related forfeitures. There were no significant changes in business-type activities.

Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. Property taxes decreased \$ 1.9 million due to the reduction in the City's taxable value caused by the continued decline in the housing market. Licenses and permits revenue increased by \$ 0.3 million due to a slight rebound in building activity.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

The table below presents a summary of changes in net assets for the years ended September 30, 2010 and 2009, as derived from the government-wide Statement of Activities:

	Changes in Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 6,781	\$ 5,479	\$ 843	\$ 803	\$ 7,624	\$ 6,282
Operating grants and contributions	7,663	7,726	-	-	7,663	7,726
Capital grants and contributions	2,466	2,360	175	107	2,641	2,467
General revenues:						
Property taxes	13,254	15,189	-	-	13,254	15,189
Other taxes	7,363	7,452	-	-	7,363	7,452
Franchise fees	3,687	3,644	-	-	3,687	3,644
Intergovernmental revenues	3,839	3,578	-	-	3,839	3,578
Other revenues	731	746	3	2	734	748
Total revenues	<u>45,784</u>	<u>46,174</u>	<u>1,021</u>	<u>912</u>	<u>46,805</u>	<u>47,086</u>
Expenses:						
General government	4,574	6,793	-	-	4,574	6,793
Public safety	18,461	16,107	-	-	18,461	16,107
Community services	15,060	12,667	-	-	15,060	12,667
Interest on long-term debt	1,574	1,642	-	-	1,574	1,642
Stormwater utility	-	-	843	652	843	652
Total expenses	<u>39,669</u>	<u>37,209</u>	<u>843</u>	<u>652</u>	<u>40,512</u>	<u>37,861</u>
Increase in net assets before transfers	6,115	8,965	178	260	6,293	9,225
Transfers	-	-	-	-	-	-
Change in net assets	6,115	8,965	178	260	6,293	9,225
Net assets, beginning	<u>92,271</u>	<u>83,306</u>	<u>8,110</u>	<u>7,850</u>	<u>100,381</u>	<u>91,156</u>
Net assets, ending	<u>\$ 98,386</u>	<u>\$ 92,271</u>	<u>\$ 8,288</u>	<u>\$ 8,110</u>	<u>\$ 106,674</u>	<u>\$ 100,381</u>

Financial Analysis of the City of Aventura'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.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

The General Fund is the City's chief operating fund. At end of the current fiscal year, unreserved fund balance of the General Fund was \$ 36.4 million while the total fund balance reached \$ 36.5 million. Much of the unreserved fund balance will be utilized in future years to fund various capital needs and to maintain a Hurricane Recovery Fund. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total general fund expenditures. Unreserved fund balance represents 127 % of total general fund expenditures, while total fund balance represents 128 % of that same amount.

The fund balance of the City's General Fund increased by \$ 2.1 million during the current fiscal year. Key factors of this increase are as follows:

- An increase in licenses and permits revenue of \$ 0.1 million primarily due to higher than anticipated building activity.
- An increase in charges for services revenue of \$ 0.3 million primarily due to an increase in the revenue generated from the Police Services Agreement.
- An increase in fines and forfeitures revenue of \$ 1 million primarily due to the continuation of the City's Intersection Safety Camera Program.
- A decrease of \$ 0.1 million in insurance costs due to lower general liability and property premiums.
- A decrease of \$ 0.07 million in utility costs due to the installation of two high efficiency chillers at the Government Center.

The Charter School Fund is used to record the operations of the Aventura City of Excellence School. The School's intergovernmental revenues increased by \$ 0.3 million primarily due to the addition of 8 students for grade levels kindergarten through third grade (32 new students). Additionally, expenditures decreased \$ 1.8 million with the construction of 10 additional classrooms being completed in the prior year. Debt Service Fund 2000 Series is used to record principal retirement and did not have any significant changes from the prior year.

The Arts and Cultural Fund is used to account for revenues and expenditures used to fund the construction and equipment for the Arts and Cultural Center. The net change in fund balance of \$ 1.7 million is due to current year construction costs which were in excess of current year intergovernmental revenues received. This excess was offset by transfers in of \$ 0.9 million from the General Fund and Park Development Funds to help cover the cost of construction.

Proprietary Fund

The proprietary fund showed a \$ 0.2 million increase in net assets from the prior year. Operating revenue increased by approximately \$ 41,000 from the prior year and expenses increased by approximately \$ 192,000 primarily due to an increase in cost of sales and services of \$ 176,000.

General Fund Budgetary Highlights

During the year, the original budget was amended and revenues and expenditures were increased by approximately \$ 3.9 million as follows:

- \$ 1.5 million related to the reappropriation (in 2009/2010) of remaining capital funds budgeted in fiscal year 2008/09 for capital projects which were incomplete at the end of that fiscal year.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

- \$ 0.5 million related to the planned transfer to the Debt Service Fund – 1999 to effectuate the refinancing of the related debt.
- \$ 0.7 million related to the planned transfer to the Arts & Cultural Center Construction Fund to assist with funding the construction of the Arts & Cultural Center Facility.
- \$ 1.2 million related to operational overages in various departments which were offset by additional revenue.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in a positive variance in the net change in fund balance of approximately \$ 2.0 million. As explained earlier, much of the unreserved fund balance will be utilized in future years to fund various capital needs. Utility service taxes, licenses and permits, and fines and forfeitures revenue exceeded the revised budget by \$ 0.9 million, \$ 0.2 million and \$ 1.6 million, respectively. Nondepartmental capital outlay was \$ 15.9 million less than budgeted because the City budgets a reserve for future capital expenditures which accounts for the majority of the appropriated beginning fund balance.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2010 and 2009, the City had \$ 98.5 and \$ 94.6, respectively, invested in a variety of capital assets, as reflected in the following schedule:

Capital assets (in thousands, net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 17,102	\$ 17,102	\$ -	\$ -	\$ 17,102	\$ 17,102
Buildings	36,302	29,949	-	-	36,302	29,949
Improvements other than buildings	8,554	8,857	-	-	8,554	8,857
Furniture, machinery and equipment	4,098	3,116	-	-	4,098	3,116
Infrastructure	24,306	24,535	7,326	7,258	31,632	31,793
Construction in progress	512	3,497	290	322	802	3,819
Total	\$ 90,874	\$ 87,056	\$ 7,616	\$ 7,580	\$ 98,490	\$ 94,636

Major capital asset events during the year included:

- Construction in progress decreased by approximately \$ 3 million due to the completion of the construction of the Arts and Cultural Center and new cost of construction of approximately \$ 7 million.

Additional information can be found in Note 6 – Capital Assets.

Debt Administration

As of year-end, the City had \$ 30.8 million in debt outstanding compared to the \$ 32.1 million last year, a 4% decrease. All debt is secured only by a covenant to budget and appropriate.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Defeasance of bonds - On September 23, 2010, the City issued \$ 10,385,000 in Series 2010 Revenue Bonds with a rate of 3.42% to advance refund \$ 10,580,000 (including a City contribution of \$ 520,000) of outstanding Series 1999 Revenue Bonds. The gross proceeds of \$ 10,905,000 were deposited in an irrevocable trust with an escrow agent to provide for the costs of issuance (\$ 63,440) and debt service payments (\$ 10,580,000 of principal and \$ 261,560 of interest) on the call date of April 1, 2011.

The reacquisition price exceeded the net carrying amount of the old debt by \$ 261,560. The amount is being netted against the new debt and amortized over the life of the new debt issued. The City advance refunded the Series 1999 Revenue bonds to reduce its total debt service payments over the next nineteen years by approximately \$ 2,081,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt, net of City's contribution) of approximately \$ 1,110,200.

The debt position of the City is summarized below and is more fully explained in Note 7:

Bonded Debt and Notes Payable (in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Non-Ad Valorem bonds	\$ 30,815	\$ 32,140	\$ -	\$ -	\$ 30,815	\$ 32,140

Economic Factors and Next Year's Budgets and Rates

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, school boards) primarily rely on property and a limited array of permitted other taxes (utility taxes, franchise fees and occupational licenses) as well as intergovernmental revenues for their governmental activities. For business-type activities and certain governmental activities (construction services and recreational programs), the user pays a related fee or charge associated with the service.

The adopted operating and capital budget for fiscal year 2011 totals approximately \$ 48.7 million, 3.00% higher (after eliminating capital) than the final operating and capital budget for fiscal year 2010.

Over the past three (3) years, the City has experienced significant losses in property tax revenue. Between the economic recession that resulted in lower home values and voter-approved constitutional amendments that took effect last year, the City's taxable value has decreased from \$ 9.439 billion to \$ 7.244 billion. This represents a loss of 23.3% or \$ 3.8 million in tax revenue compared to the 2009 tax roll year.

It is important to note that for next year's budget cycle the taxable values are expected to decrease again due to the continuing decline in the housing market. The City has experienced a sharp reduction in building permits and development activity. The economic recession has negatively affected many of the City's other revenue sources as well.

As far as expenditures are concerned, due to privatizing and outsourcing many City services over the years, completing \$ 120 million in capital projects since 1996 and maintaining prudent reserve funds, the City has stabilized costs and is in a better position than most to weather the current economic slowdown. Prior year's comprehensive reevaluation of service levels and budget line items which resulted in operating cost reductions also played a key role in creating the foundation and financial stability for the City to respond to lower revenues as we prepared this year's budget.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you should have any questions pertaining to the information presented in this report or would like additional information, please contact the City's Finance Director at 19200 W. Country Club Drive, Aventura, Florida 33180.

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash, cash equivalents and investments	\$ 40,852,797	\$ 429,381	\$ 41,282,178
Receivables, net of allowance for uncollectibles	555,647	-	555,647
Due from other governments	1,367,660	250,000	1,617,660
Prepaid expenses	77,894	-	77,894
Inventories	16,780	-	16,780
Bond issuance costs, net	410,595	-	410,595
Net pension asset	517,529	-	517,529
Restricted cash, cash equivalents and investments	500,657	-	500,657
Capital assets:			
Nondepreciable	17,614,224	290,709	17,904,933
Depreciable, net of accumulated depreciation	73,259,870	7,325,651	80,585,521
Total assets	135,173,653	8,295,741	143,469,394
LIABILITIES:			
Accounts payable	1,937,368	7,524	1,944,892
Accrued liabilities	936,299	-	936,299
Retainage payable	48,793	-	48,793
Due to other governments	1,278	-	1,278
Unearned revenues	628,616	-	628,616
Accrued interest payable	83,077	-	83,077
Due within one year:			
Compensated absences payable	606,305	-	606,305
Bonds payable	825,000	-	825,000
Due in more than one year:			
Compensated absences payable	1,818,915	-	1,818,915
Bonds payable	29,728,440	-	29,728,440
OPEB obligation	174,000	-	174,000
Total liabilities	36,788,091	7,524	36,795,615
NET ASSETS:			
Invested in capital assets, net of related debt	60,320,654	7,616,360	67,937,014
Restricted for:			
Police purposes	893,235	-	893,235
Capital improvements	2,246	-	2,246
Unrestricted	37,169,427	671,857	37,841,284
Total net assets	\$ 98,385,562	\$ 8,288,217	\$ 106,673,779

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

FUNCTIONS/PROGRAMS:	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 4,574,365	\$ -	\$ 8,818	\$ -
Public safety	18,460,900	5,505,242	234,194	-
Community services	15,059,743	1,275,753	7,420,157	2,465,574
Interest and fiscal charges	<u>1,574,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	39,669,533	6,780,995	7,663,169	2,465,574
Business-type activities:				
Stormwater Utility	<u>843,251</u>	<u>842,867</u>	<u>-</u>	<u>175,303</u>
Total	<u>\$ 40,512,784</u>	<u>\$ 7,623,862</u>	<u>\$ 7,663,169</u>	<u>\$ 2,640,877</u>

General revenue:

Taxes:

 Ad valorem taxes

 Utility service taxes

 Franchise fees

Intergovernmental, not restricted for specific purposes

Interest income

Impact fees

Miscellaneous

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

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

Net Revenue (Expense) and
Change in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (4,565,547)	\$ -	\$ (4,565,547)
(12,721,464)	-	(12,721,464)
(3,898,259)	-	(3,898,259)
<u>(1,574,525)</u>	<u>-</u>	<u>(1,574,525)</u>
(22,759,795)	-	(22,759,795)
-	174,919	174,919
<u>(22,759,795)</u>	<u>174,919</u>	<u>(22,584,876)</u>
13,253,848	-	13,253,848
7,362,899	-	7,362,899
3,686,885	-	3,686,885
3,838,972	-	3,838,972
310,885	3,320	314,205
101	-	101
420,352	-	420,352
<u>28,873,942</u>	<u>3,320</u>	<u>28,877,262</u>
6,114,147	178,239	6,292,386
<u>92,271,415</u>	<u>8,109,978</u>	<u>100,381,393</u>
<u>\$ 98,385,562</u>	<u>\$ 8,288,217</u>	<u>\$ 106,673,779</u>

CITY OF AVENTURA, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010

	General Fund	Charter School Fund	Capital Project Arts and Cultural Center	Debt Service Fund Series 2000	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents and investments	\$ 37,519,126	\$ 2,213,609	\$ 11,214	\$ 45,713	\$ 1,063,135	\$ 40,852,797
Restricted cash, cash equivalents and investments	-	-	-	500,533	124	500,657
Accounts receivable, net	501,133	5,400	-	-	49,114	555,647
Due from other funds	137,826	-	-	-	-	137,826
Due from other governments	1,120,457	7,599	-	-	239,604	1,367,660
Inventories	16,780	-	-	-	-	16,780
Prepaid expenditures	47,416	30,478	-	-	-	77,894
Total assets	\$ 39,342,738	\$ 2,257,086	\$ 11,214	\$ 546,246	\$ 1,351,977	\$ 43,509,261
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 1,475,534	\$ 381,790	\$ 11,214	\$ -	\$ 68,830	\$ 1,937,368
Accrued liabilities	327,028	210,619	-	398,652	-	936,299
Retainage payable	48,793	-	-	-	-	48,793
Due to other governments	-	1,278	-	-	-	1,278
Deferred revenue	1,007,004	-	-	-	114,115	1,121,119
Due to other funds	-	-	-	-	137,826	137,826
Total liabilities	2,858,359	593,687	11,214	398,652	320,771	4,182,683
Fund balances:						
Reserved for:						
Encumbrances	75,627	222,562	-	-	-	298,189
Inventory	16,780	-	-	-	-	16,780
Prepaid expenditures	47,416	30,478	-	-	-	77,894
Unreserved:						
Designated for subsequent year expenditures in:						
General Fund	16,000,000	-	-	-	-	16,000,000
Special Revenue Fund	-	1,410,359	-	-	-	1,410,359
Undesignated, reported in:						
General Fund	20,344,556	-	-	-	-	20,344,556
Special Revenue Funds	-	-	-	-	898,479	898,479
Debt Service Funds	-	-	-	147,594	132,727	280,321
Total fund balances	36,484,379	1,663,399	-	147,594	1,031,206	39,326,578
Total liabilities and fund balances	\$ 39,342,738	\$ 2,257,086	\$ 11,214	\$ 546,246	\$ 1,351,977	\$ 43,509,261

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

CITY OF AVENTURA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2010

Total Fund balances - governmental funds		\$ 39,326,578
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets is	\$ 121,059,782	
Accumulated depreciation is	<u>(30,185,688)</u>	90,874,094
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		492,503
Net pension asset resulting from excess contributions to pension plans is not reported in the fund financial statements.		517,529
OPEB obligation resulting from deficiency of contributions to OPEB plans is not reported in the fund financial statements as it is not due and payable in the current period.		(174,000)
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds:		
Deferred charge on bond issuance costs	410,595	
Deferred loss on bond refunding	<u>261,560</u>	672,155
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(2,425,220)	
Bonds payable	(30,815,000)	
Accrued interest payable	<u>(83,077)</u>	<u>(33,323,297)</u>
Net assets of governmental activities		\$ <u>98,385,562</u>

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
September 30, 2010

	General Fund	Charter School Fund	Capital Project Arts and Cultural Center	Debt Service Fund Series 2000	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Ad valorem taxes	\$ 13,253,848	\$ -	\$ -	\$ -	\$ -	\$ 13,253,848
Utility service taxes	7,448,097	-	-	-	-	7,448,097
Franchise fees	3,686,885	-	-	-	-	3,686,885
Intergovernmental	2,569,683	6,703,259	2,053,195	-	1,644,647	12,970,784
Licenses and permits	2,025,310	-	-	-	-	2,025,310
Charges for services	1,907,798	414,996	-	-	-	2,322,794
Fines and forfeitures	2,889,746	-	-	-	217,433	3,107,179
Impact fees	-	-	-	-	101	101
Interest income	260,882	15,724	-	25,484	8,795	310,885
Miscellaneous	104,308	321,974	-	-	2,625	428,907
	<u>34,146,557</u>	<u>7,455,953</u>	<u>2,053,195</u>	<u>25,484</u>	<u>1,873,601</u>	<u>45,554,790</u>
Total revenues						
EXPENDITURES:						
Current:						
General government	4,360,999	-	-	-	-	4,360,999
Public safety	16,771,035	-	-	-	194,773	16,965,808
Community services	4,527,830	6,345,125	-	-	1,077,116	11,950,071
Capital outlay	2,870,336	213,335	4,684,418	-	808,410	8,576,499
Debt service:						
Principal	-	-	-	285,000	845,000	1,130,000
Advance refunding escrow	-	-	-	-	520,000	520,000
Interest	-	-	-	227,304	1,326,676	1,553,980
Trustee fees and other	-	-	-	-	89,766	89,766
	<u>28,530,200</u>	<u>6,558,460</u>	<u>4,684,418</u>	<u>512,304</u>	<u>4,861,741</u>	<u>45,147,123</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>5,616,357</u>	<u>897,493</u>	<u>(2,631,223)</u>	<u>(486,820)</u>	<u>(2,988,140)</u>	<u>407,667</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from refunding bonds	-	-	-	-	10,385,000	10,385,000
Transfers in	125,000	100,000	954,385	628,705	2,718,357	4,526,447
Transfers out	(3,656,469)	(446,778)	-	-	(423,200)	(4,526,447)
Payment to refunded bond escrow agent	-	-	-	-	(10,321,560)	(10,321,560)
	<u>(3,531,469)</u>	<u>(346,778)</u>	<u>954,385</u>	<u>628,705</u>	<u>2,358,597</u>	<u>63,440</u>
Total other financing sources (uses)						
Net change in fund balances	2,084,888	550,715	(1,676,838)	141,885	(629,543)	471,107
FUND BALANCES, beginning	<u>34,399,491</u>	<u>1,112,684</u>	<u>1,676,838</u>	<u>5,709</u>	<u>1,660,749</u>	<u>38,855,471</u>
FUND BALANCES, ending	<u>\$ 36,484,379</u>	<u>\$ 1,663,399</u>	<u>\$ -</u>	<u>\$ 147,594</u>	<u>\$ 1,031,206</u>	<u>\$ 39,326,578</u>

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

CITY OF AVENTURA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Net change in fund balances - total governmental funds \$ 471,107

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

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 and reported as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation in the current period:

Expenditures for capital assets	\$ 7,622,467	
Less current year's depreciation	<u>(3,795,902)</u>	3,826,565

In the statement of activities, the loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by:

Cost of the assets disposed	(214,295)	
Related accumulated depreciation	<u>205,740</u>	(8,555)

The issuance of long-term debt provides current financial resources to governmental funds: however, has no effect on net assets:

Bond issue costs	63,440	
Bond proceeds	<u>(10,385,000)</u>	(10,321,560)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 11,710,000

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:

Net pension obligation (asset)	358,139	
OPEB obligation	(78,000)	
Interest	21,233	
Deferred loss on refunding, net of amortization	261,560	
Amortization of bond issuance costs	(15,452)	
Compensated absences	<u>(348,335)</u>	199,145

Receivables in governmental fund are susceptible to full accrual on the government-wide statements 237,445

Change in net assets of governmental activities \$ 6,114,147

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2010

	<u>Stormwater Utility Fund</u>
ASSETS:	
Current assets:	
Cash, cash equivalents and investments	\$ 429,381
Due from other governments	<u>250,000</u>
Total current assets	<u>679,381</u>
Noncurrent assets:	
Capital assets not being depreciated	290,709
Capital assets, net of accumulated depreciation	<u>7,325,651</u>
Total noncurrent assets	<u>7,616,360</u>
Total assets	<u>8,295,741</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	<u>7,524</u>
Total liabilities	<u>7,524</u>
NET ASSETS:	
Invested in capital assets	7,616,360
Unrestricted	<u>671,857</u>
Total net assets	<u>\$ 8,288,217</u>

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
September 30, 2010

	<u>Stormwater Utility Fund</u>
OPERATING REVENUES:	
Charges for services	\$ <u>842,867</u>
OPERATING EXPENSES:	
Cost of sales and services	571,253
Depreciation expense	<u>271,998</u>
Total operating expenses	<u>843,251</u>
Operating loss	(384)
NONOPERATING REVENUES:	
Interest income	<u>3,320</u>
Income before contributions	2,936
CAPITAL CONTRIBUTIONS - GRANTS	<u>175,303</u>
Change in net assets	178,239
NET ASSETS, beginning	<u>8,109,978</u>
NET ASSETS, ending	\$ <u><u>8,288,217</u></u>

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For the Year Ended September 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers, users and other	\$ 845,632
Cash paid to suppliers	<u>(580,012)</u>
Net cash provided by operating activities	<u>265,620</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	<u>(307,932)</u>
Net cash used in capital and related financing activities	<u>(307,932)</u>
 CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:	
Interest received	<u>3,320</u>
Net cash provided by investing activities	<u>3,320</u>
Net decrease in cash, cash equivalents and investments	(38,992)
CASH, CASH EQUIVALENTS AND INVESTMENTS, beginning	<u>468,373</u>
CASH, CASH EQUIVALENTS AND INVESTMENTS, ending	<u><u>\$ 429,381</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	(384)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	271,998
Changes in assets and liabilities:	
Increase in due from other governments	2,765
Decrease in accounts payable	<u>(8,759)</u>
Total adjustments	<u>266,004</u>
Net cash provided by operating activities	<u><u>\$ 265,620</u></u>

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
POLICE OFFICERS' RETIREMENT PLAN FUND
September 30, 2010

ASSETS:

Investments, at fair value:

Common stocks	\$	8,342,431
U.S. Government securities		2,114,693
Corporate bonds		1,965,382
Money market funds		819,210
Receivables:		
Employer contributions		49,198
Employee contributions		18,747
Accrued interest		37,630

Total assets		<u>13,347,291</u>
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LIABILITIES:

Total liabilities		<u>-</u>
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Net assets held in trust for pension benefits	\$	<u><u>13,347,291</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

CITY OF AVENTURA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
POLICE OFFICERS' RETIREMENT PLAN FUND
September 30, 2010

ADDITIONS:	
Contributions:	
Employer	\$ 1,320,667
Employees	503,236
State of Florida, premium tax	<u>284,381</u>
Total contributions	<u>2,108,284</u>
Investment earnings:	
Net appreciation in fair value of investments	872,002
Interest and dividend income	<u>267,759</u>
Total investment income	1,139,761
Less investment expense	<u>111,040</u>
Net investment income	<u>1,028,721</u>
Total additions	<u>3,137,005</u>
DEDUCTIONS:	
Administrative expenses	46,223
Benefits paid	<u>101,996</u>
Total deductions	<u>148,219</u>
Change in net assets	2,988,786
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, beginning	<u>10,358,505</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, ending	<u>\$ 13,347,291</u>

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Aventura, Florida (the "City") was incorporated on November 7, 1995, under the provisions of Chapter 63-1675 Laws of Florida. The City operates under a commission-manager form of government and provides the following full range of municipal services as authorized by its charter: public safety, highways and streets, building, licensing and code compliance, culture and recreation, public works and stormwater management, public records and general administrative services.

The Comprehensive Annual Financial Report (the "CAFR") of the City includes all funds. The financial statements of the City have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting and reporting policies and practices used by the City are described below:

A. Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Section 2100 of the Codification of Government Accounting and Financial Reporting Standards have been considered and there are no agencies or entities which should be presented with the City.

B. Government Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund services provided and used has been eliminated 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 services.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses 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 operation 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.

The net cost (by function) is normally covered by general revenue (i.e., property taxes, sales taxes, franchise taxes, unrestricted intergovernmental revenues, interest income, etc.).

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined or funds that management deems of public importance) for the determination of major funds. The nonmajor funds are combined and presented in a single column in the fund financial statements.

The government-wide-focus is more on the-sustainability of the City as an entity and the-change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and, expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when an enforceable lien exists and when levied for. Grants and similar items are recognized as revenues 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, pension, other postemployment benefits and claims and judgments, are recorded only when due.

Property taxes when levied for, franchise fees, utility taxes, charges for services, intergovernmental revenues when eligibility requirements are met and interest associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the current fiscal period, if available. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available when cash is received by the City.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating 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 proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues or expenses.

The City reports the following major governmental funds:

General Fund - This fund is the principal operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund.

Charter School Fund - This fund is used to account for revenues and expenditures from the operations of the Aventura City of Excellence School, a special revenue fund of the City.

Arts & Cultural Center Construction Fund - This fund is used to account for revenues and expenditures used to fund the construction and equipment for the Arts and Cultural Center.

Debt Service Fund Series 2000 - is used to account for the payment of principal, interest and other expenditures associated with the Series 2000 Revenue Bonds.

The City reports the following major proprietary fund:

Stormwater Utility Fund - This fund accounts for the operation of the City's stormwater system.

Additionally, the government reports the following fiduciary fund type:

Police Officers' Retirement Plan Fund - This fund accounts for the activities of the Police Officers' Retirement Plan that accumulates resources for pension benefits to qualifying police officers.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided and fines and forfeitures, 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.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Cash, cash equivalents and investments – Cash and cash equivalents are defined as demand deposits, money market accounts and other short-term investments with original maturities of three months or less from the date of acquisition.

The City maintains a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Cash and cash equivalents represents the amount owned by each City fund. Resources of all funds, with the exception of the pension fund, are also combined into investment pools for the purpose of maximizing investment yields. Interest earned on pooled cash and investments is allocated monthly based on cash balances of the respective funds.

The City's investments are reported at their fair value based on quoted market prices as reported by recognized security exchanges except for the Guaranteed Investment Contract which is recorded at cost.

The pension plan's investments in common stocks, corporate bonds and U.S. government securities are reported at fair value based on quoted market price. Investments in money market funds are valued at cost.

2. Receivables and payables - Transactions between funds that are representative of an outstanding lending/borrowing arrangement at the end of the year are referred to as either "interfund receivables/payables." Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances.
3. Prepaid expenses/expenditures - Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.
4. Inventories - Inventories are valued at the lower of cost (first-in, first-out) or market. These amounts are reserved in governmental fund financial statements. Inventory is accounted for using the consumption method whereby inventories are recorded as expenditures when they are used.
5. Capital assets - Capital assets purchased or acquired with an original cost of \$ 5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25
Improvements other than buildings	20 - 30
Infrastructure	20 - 40
Furniture, machinery and equipment	3-20

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Within governmental funds (government-wide level), amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

6. Unearned/deferred revenues - Unearned revenues at the government-wide level, governmental funds and proprietary funds are reported when the City receives resources before it has earned the revenues. Furthermore, governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.
7. Compensated absences payable - The City's sick leave policy permits employees to accumulate earned but unused sick pay benefits. Upon termination, sick pay is paid out, between 10-50% based on length of service.

The City's vacation policy is that earned vacation is cumulative although limited to certain maximums based on length of service.

Accumulated compensated absences are recorded in the government-wide and proprietary fund financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, (e.g., resulting from employee resignations and retirements). Payments are generally paid out of the General Fund.

8. 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 premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable premiums and discounts. For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements and proprietary fund types in the fund financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. The accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issue costs in the year of issuance. Bond proceeds at face value and premiums are reported as other financing source. Bond discounts are reported as other financing use. Issuance costs, even if withheld from the actual net proceeds received, and bond principal payments are reported as debt service expenditures.

9. Equity classifications

Government-Wide and Proprietary Fund Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Restricted net assets - consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- 10. Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

Encumbrances are recorded at the time a purchase order or other commitment is entered into. Encumbrances outstanding at year-end represent the estimated amount of expenditures which would result if unperformed purchase orders and other commitments at year-end are completed. Appropriations lapse at year-end; however, the City generally intends to honor purchase orders and other commitments in process. As a result, encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities of the current period.

- 11. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - PROPERTY TAXES

Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the Offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. 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 millage rate assessed by the City for the year ended September 30, 2010 was 1.7261 mills.

The City's tax levy is established by the City Commission prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and certain other special taxing districts.

All property is reassessed according to its fair market value as of January 1 each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the assessment rolls meet all of the appropriate requirements of State Statutes.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 2 - PROPERTY TAXES (continued)

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails each property owner on the assessment roll a notice of the taxes due and collects the taxes for the City. Taxes may be paid upon receipt of the notice from Miami-Dade County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. There were no material delinquent property taxes as of September 30, 2010.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits:

The City's custodial credit risk policy is in accordance with Florida Statutes. Florida Statutes authorize the deposit of City funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. All City public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the federal depository insurance corporation or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

The Florida SBA Pool is not a registrant with the Securities and Exchange Commission ("SEC"); however, its board has adopted operating procedures consistent with the requirements for a 2a-7 fund. The SBA investments are allocated among two funds, Fund A and Fund B (hereinafter referred to as "Florida PRIME" and "LGIP-B"). For the Florida PRIME, a 2a7-like pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2010, the City's investment in the Florida PRIME was that of \$ 17,088,392. In accordance with these requirements, the method used to determine the participants' shares sold and redeemed is the amortized cost method. The amortized cost method is the same method used to report investments. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity. Thus, the City's account balance in the SBA is its amortized cost. The LGIP-B pool is accounted for as a fluctuating net asset value "NAV." The balance of the City's investment in LGIP-B at year end amounted to \$ 133,739, with a net asset value factor of 0.707058094. The SBA is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the SBA. Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial credit risk as these investments are not evidenced by securities that exist in physical or bank entry form.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments:

On June 2, 2009 the City adopted Chapter 6.6 of the Administrative Policy and Directives and Procedures Manual, entitled "Investments Objective and Parameters," as the City's Investment Policy for the management of Public Funds ("the policy"). The policy was created in accordance with Section 218.415, Florida Statutes. The policy applies to all investments held and controlled by the City, with the exception of the Police Officers' Pension Plan and its debt issuance where there are other existing policies or indentures in effect for the investment of related funds.

The City's policy for investments other than pension plan and debt issuance is summarized below. The Finance Director has responsibility for the type of investments the City makes. The investment policy establishes permitted investments, asset allocation, issuer limits, credit rating requirements and maturity limits to protect the City's assets. All investment securities are held by a Trust custodian, and are managed by financial advisors. The City's policy allows them to invest, but is not limited to the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision; authority or agency thereof; (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; and (4) the Florida Local Government Surplus Funds Trust Fund "SBA".

The City policy for pension investments is under the oversight of the Plan's Board of Trustees (the "Board"). The Board contracts with an investment advisory firm and approves any new investment vehicles presented by the consultant. The Board follows all applicable state statutes. State law limits investments in corporate bonds and commercial paper to the top four (4) ratings issued by nationally recognized statistical rating organizations.

The City has a Guaranteed Investment Contract ("GIC") that is not subject to interest rate risk classification because it is a direct contractual investment and is not a security. The GIC also is not rated for credit risk classification purposes. The GIC provides for a guaranteed return on investments over a specific period of time at a rate of 5.04% per annum. The value of the GIC as of September 30, 2010 is \$ 517,131 and the value of the GIC is expected to be sufficient to meet the reserve fund requirement for the Series 2000A Revenue Note of a minimum of \$ 500,000. The GIC is recorded at the contract amount which is \$ 500,657.

Interest rate risk - The City does not have a formal investment policy for its pension funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The City's policy is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

A segmented time distribution table at September 30, 2010 is presented later in this report.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Concentrations - The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40 requires disclosure when the percentage is 5% or more in any one issuer. The City's investments in the Federal Home Loan Banks and Federal National Mortgage Association (Fannie Mae) are 5.89% and 5.75%, respectively. The pension fund limits investments that may be invested in any one issuer to no more than 5% of plan net assets, other than those issued by the U.S. Government or its Agencies. More than 5% of the Fund's plan net assets are invested in debt securities issued by the U. S. Treasury. The U. S. Treasury investments represented 12.71% of Plan Net Assets. Given the restriction to the highest rating, these concentrations are not viewed to be an additional risk to the City.

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires securities, with the exception of certificates of deposit, to be registered in the City's name and held with a third party custodian.

As of September 30, 2010, the City's cash, cash equivalents and investments consisted of the following:

Cash and cash equivalents and investments:	
State Board of Administration -	
SBA, Florida PRIME	\$ 17,088,392
U.S. Government obligations	12,105,854
Deposits with financial institutions	8,743,178
Corporate bonds	1,703,757
Money market funds	526,802
Guaranteed investment contract	500,657
U.S. treasury bills	359,855
Mortgage-backed securities	283,505
Collateralized mortgage obligations	180,573
Municipal obligations	154,368
State Board of Administration -	
SBA, Fund B	133,739
Petty cash	2,155
	41,782,835
Fiduciary fund investments:	
Common stocks	8,342,431
U.S. Government securities	2,114,693
Corporate bonds	1,965,382
Money market funds	819,210
	13,241,716
	\$ 55,024,551

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash, cash equivalents and investments	\$ 41,282,178
Restricted cash, cash equivalents and investments	<u>500,657</u>
	<u>41,782,835</u>
Statement of Fiduciary Net Assets:	
Common stocks	8,342,431
U.S. Government securities	2,114,693
Corporate bonds	1,965,382
Money market funds	<u>819,210</u>
	<u>13,241,716</u>
	<u>\$ 55,024,551</u>

Interest rate risk:

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy is that unless matched with specific cash flow, the City will not directly invest in securities maturing more than seven (7) years from the date of purchase. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that proper liquidity is maintained to meet ongoing obligations. Information about the exposure of the City's debt-type investments to this risk using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
City Investments:					
State Board of Administration - SBA, Florida PRIME	\$ 17,088,392	\$ 17,088,392	\$ -	\$ -	\$ -
U.S. Government obligations	12,105,854	3,768,727	8,337,127	-	-
Corporate bonds	1,703,757	483,258	1,220,499	-	-
Money market funds	526,802	526,802	-	-	-
U.S. treasury bills	359,855	359,855	-	-	-
Mortgage-backed securities	283,505	127,905	155,600	-	-
Collateralized mortgage obligations	180,573	-	180,573	-	-
Municipal obligations	154,368	-	154,368	-	-
State Board of Administration - SBA, Fund B	<u>133,739</u>	<u>-</u>	<u>-</u>	<u>133,739</u>	<u>-</u>
Subtotal - City Investments	<u>32,536,845</u>	<u>22,354,939</u>	<u>10,048,167</u>	<u>133,739</u>	<u>-</u>
Fiduciary Fund:					
U.S. Government securities	2,114,693	-	1,661,744	452,949	-
Corporate bonds	1,965,382	138,245	1,315,513	511,624	-
Money market funds	<u>819,210</u>	<u>819,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal - Fiduciary Fund	<u>4,899,285</u>	<u>957,455</u>	<u>2,977,257</u>	<u>964,573</u>	<u>-</u>
Total investments	<u>\$ 37,436,130</u>	<u>\$ 23,312,394</u>	<u>\$ 13,025,424</u>	<u>\$ 1,098,312</u>	<u>\$ -</u>

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk:

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally-recognized rating organization. The pension fund limits its credit risk by limiting its fixed income investments to securities with the top four (4) ratings issued by nationally recognized statistical rating organizations. The City's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA/Aaa and AAAM/AAAM-G (money market mutual funds). The Finance Director shall determine the appropriate action for any investment held that is downgraded below the minimum rating by one or more rating agencies.

U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Investments in the LGIP-B, mortgage-back securities, collateralized mortgage obligations, a corporate bond, money market funds, and certain U.S. government obligations are not rated. The City's and fiduciary fund portfolio is rated by Moody's Investors Services as follows:

Rating	Fair Value
City Investments:	
Aaa	\$ 13,090,223
Aa2	714,030
Aa3	100,169
AAAm	17,088,392
Not rated	1,544,031
	32,536,845
Fiduciary Fund:	
A1	405,745
A2	668,118
A3	116,780
AA2	376,233
AA3	398,506
Not rated	2,933,903
	4,899,285
	\$ 37,436,130

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 4 - RECEIVABLES

Receivables as of September 30, 2010 consist of the following:

	<u>General Fund</u>	<u>Charter School Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Governmental activities:				
Utility service taxes	\$ 370,482	\$ -	\$ -	\$ 370,482
Police services	82,913	-	49,114	132,027
Vendors	16,935	5,400	-	22,335
Franchise fees	<u>30,803</u>	<u>-</u>	<u>-</u>	<u>30,803</u>
 Total governmental activities	 \$ <u>501,133</u>	 \$ <u>5,400</u>	 \$ <u>49,114</u>	 \$ <u>555,647</u>

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables as of September 30, 2010 were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 137,826	\$ -
Street Maintenance Fund - Non Major Fund	<u>-</u>	<u>137,826</u>
	<u>\$ 137,826</u>	<u>\$ 137,826</u>

These balances resulted from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur.

Interfund transfers during the year ended September 30, 2010 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 125,000	\$ 3,656,469
Charter School Fund	100,000	446,778
Capital Project Arts and Cultural Center Fund	954,385	-
Debt Service Fund Series 2000	628,705	-
Other nonmajor governmental funds	<u>2,718,357</u>	<u>423,200</u>
	<u>\$ 4,526,447</u>	<u>\$ 4,526,447</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 5 - INTERFUND BALANCES AND TRANSFERS (continued)

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them from or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers to the General Fund represent reimbursement of cost from the 911 Fund of \$ 125,000. The transfer to the Charter School Fund consists of \$ 100,000 from the General Fund which is being used to support future capital projects occurring in the Charter School Special Revenue Fund. Transfers to the Capital Project Arts and Cultural Center Fund are comprised of the following: transfer from the General Fund of \$ 656,185 and \$ 298,200 from the Park Development Fund. The remaining transfers represent transfers to meet debt service requirements in the Debt Service Funds.

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2010 was as follows:

	Balance October 1, 2009	Additions	Retirements and Transfers	Balance September 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,102,344	\$ -	\$ -	\$ 17,102,344
Construction in progress	3,496,714	511,880	(3,496,714)	511,880
Total capital assets, not being depreciated	20,599,058	511,880	(3,496,714)	17,614,224
Capital assets, being depreciated:				
Buildings	36,414,685	7,364,908	-	43,779,593
Improvements other than buildings	10,815,984	107,322	-	10,923,306
Infrastructure	34,518,404	1,116,358	-	35,634,762
Furniture, machinery and equipment	11,303,479	2,018,713	(214,295)	13,107,897
Total capital assets, being depreciated	93,052,552	10,607,301	(214,295)	103,445,558

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 6 - CAPITAL ASSETS (continued)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance September 30, 2010</u>
Less accumulated depreciation for:				
Buildings	6,465,926	1,012,051	-	7,477,977
Improvements other than buildings	1,958,566	410,586	-	2,369,152
Infrastructure	9,983,254	1,345,643	-	11,328,897
Furniture, machinery and equipment	<u>8,187,780</u>	<u>1,027,622</u>	<u>(205,740)</u>	<u>9,009,662</u>
Total accumulated depreciation	<u>26,595,526</u>	<u>3,795,902</u>	<u>(205,740)</u>	<u>30,185,688</u>
Total capital assets, being depreciated, net	<u>66,457,026</u>	<u>6,811,399</u>	<u>(8,555)</u>	<u>73,259,870</u>
Governmental activities capital assets, net	\$ <u>87,056,084</u>	\$ <u>7,323,279</u>	\$ <u>(3,505,269)</u>	\$ <u>90,874,094</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u>322,092</u>	\$ <u>290,709</u>	\$ <u>(322,092)</u>	\$ <u>290,709</u>
Capital assets, being depreciated:				
Infrastructure	8,921,301	339,315	-	9,260,616
Less accumulated depreciation	<u>1,662,967</u>	<u>271,998</u>	<u>-</u>	<u>1,934,965</u>
Total capital assets, being depreciated, net	<u>7,258,334</u>	<u>67,317</u>	<u>-</u>	<u>7,325,651</u>
Business-type activities capital assets, net	\$ <u>7,580,426</u>	\$ <u>358,026</u>	\$ <u>(322,092)</u>	\$ <u>7,616,360</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 65,366
Public safety	909,110
Community services	<u>2,821,426</u>
	\$ <u>3,795,902</u>
Business-type activities:	
Stormwater utility	\$ <u>271,998</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2010 were as follows:

	Balance October 1, 2009	Additions	Retirements	Balance September 30, 2010	Due Within One Year
Series 1999 Revenue Bonds payable	\$ 16,795,000	\$ -	\$ 11,095,000	\$ 5,700,000	\$ 190,000
Series 2000 Revenue Bonds payable	4,510,000	-	285,000	4,225,000	295,000
Series 2002 Revenue Bonds payable	10,835,000	-	330,000	10,505,000	340,000
Series 2010 Revenue Bonds payable	-	10,385,000	-	10,385,000	-
Compensated absences payable	2,076,885	1,493,151	1,144,816	2,425,220	606,305
Other post-employment benefits	96,000	78,000	-	174,000	-
Deferred loss on early retirement of Revenue Bonds payable of Series 1999	-	(261,560)	-	(261,560)	-
	<u>\$ 34,312,885</u>	<u>\$ 11,694,591</u>	<u>\$ 12,854,816</u>	<u>\$ 33,152,660</u>	<u>\$ 1,431,305</u>

Revenue bonds as of September 30, 2010 were comprised of the following:

Series 1999 Revenue Bonds issued from the Florida Municipal Loan Council, Inc. Principal is due annually over 30 years in various amounts through April 2029. The bonds bear interest at various rates (3.20% - 5.125%) and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. \$ 5,700,000

Series 2000 Revenue Bonds, principal is due annually over 20 years in various amounts through October 2020. The bonds bear interest at 5.05% and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. 4,225,000

Series 2002 Revenue Bonds issued from the Florida Intergovernmental Finance Commission. Principal is due annually over 30 years in various amounts through August 2032. The bonds bear interest at various rates (2.50% - 5.00%) and are payable semi-annually on February 1 and August 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. 10,505,000

Series 2010 Revenue Bonds, principal is due annually over 19 years in various amounts through April 2029. The bonds bear interest at 3.42% and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. 10,385,000

\$ 30,815,000

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES (continued)

Compensated absences attributable to governmental activities are generally liquidated by the General Fund.

Series 1999 and Series 2010 Revenue Bonds

The City previously issued \$ 21,000,000 in Series 1999 Revenue Bonds to finance the acquisition of land, buildings and other improvements related to municipal parks and the City's administrative complex and police station. The bond indenture relating to this issue requires a reserve fund which the City purchased a surety bond to meet this requirement. The indenture also requires the maintenance of a minimum debt service coverage ratio of 1.50:1.00 and a maximum annual debt service requirement for all debt secured from non-advallorem revenues not to exceed 20% of governmental fund revenues, as defined in the bond agreement.

Defeasance of bonds - On September 23, 2010, the City issued \$ 10,385,000 in Series 2010 Revenue Bonds with a rate of 3.42% to advance refund \$ 10,580,000 (including a City contribution of \$ 520,000) of outstanding Series 1999 Revenue Bonds. The gross proceeds of \$ 10,905,000 were deposited in an irrevocable trust with an escrow agent to provide for the costs of issuance (\$ 63,440) and debt service payments (\$ 10,580,000 of principal and \$ 261,560 of interest) on the call date of April 1, 2011.

The reacquisition price exceeded the net carrying amount of the old debt by \$ 261,560. The amount is being netted against the new debt and amortized over the life of the new debt issued. The City advance refunded the Series 1999 Revenue bonds to reduce its total debt service payments over the next nineteen years by approximately \$ 2,081,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt, net of City's contribution) of approximately \$ 1,110,200.

Series 2000 Revenue Bonds

The City previously issued \$ 6,555,000 in Series 2000 Revenue Bonds to finance the acquisition of land for parks and recreational purposes and for the construction of a community recreation center. The bond indenture relating to this issue requires that a reserve fund of \$ 500,000 be established, the balance of which as of September 30, 2010 was sufficient to meet this requirement. The indenture also requires the maintenance of a minimum debt service coverage ratio of 2.50:1.00.

Series 2002 Revenue Bonds

The City previously entered into a bond indenture agreement with the Florida Intergovernmental Finance Commission through an interlocal governmental agreement. As a result, the City issued \$ 12,610,000 in Series 2002 Revenue Bonds to finance the acquisition of land and construction of a charter school as well as the construction of the community recreation center. The bond indenture relating to this issue requires a reserve fund in the amount of \$ 842,000. The City purchased a surety bond to meet this requirement.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 7 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES (continued)

The annual debt service requirements to maturity for the revenue bonds are approximately as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 825,000	\$ 1,352,500	\$ 2,177,500
2012	1,290,000	1,300,900	2,590,900
2013	1,340,000	1,247,800	2,587,800
2014	1,395,000	1,191,300	2,586,300
2015	1,460,000	1,131,100	2,591,100
2016-2020	8,520,000	4,651,900	13,171,900
2021-2025	7,075,000	2,845,700	9,920,700
2026-2030	7,505,000	1,183,200	8,688,200
2031-2032	1,405,000	106,300	1,511,300
	<u>\$ 30,815,000</u>	<u>\$ 15,010,700</u>	<u>\$ 45,825,700</u>

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Litigation:

Various claims and lawsuits, which arise in the normal course of operations, are pending against the City. It is management's opinion, based on the advice of the City Attorney, that the outcome of these actions will not have a material adverse effect on the financial statements of the City. Management also believes that the litigation against the City will be covered by insurance.

Government grants:

Revenue recognized from grants may be subject to audit by the grantor agencies. In the opinion of City management, as a result of such audits, disallowances of grant revenues, if any, would not have a material adverse effect on the City's financial condition.

Employment agreement:

The City has an employment contract with its City Manager that provides for an annual salary, adjusted for cost-of-living increases and certain benefits. This agreement is effective for an indefinite term subject to termination of the City Manager by the City Commission in accordance with Article III, Section 3.08 of the City Charter. The City Manager must provide two (2) months advance written notice to resign voluntarily.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

Charter school agreements:

The City has a contract with the School Board of Miami-Dade County, Florida that provides for Aventura City of Excellence School to provide the residents of the City of Aventura an education choice: for up to 972 elementary and middle school students. The contract ends on June 30, 2018 but provides for a renewal of up to 15 years by mutual agreement of both parties. The City has entered into an agreement with Charter School USA, Inc. ("CSUSA") to provide administrative and educational services for the City's charter school. The agreement terminates on June 30, 2013.

Other agreements:

The City has entered into nonexclusive agreement with an engineering consulting firm (the "Consultant") to provide building inspections and plan review services. Pursuant to the agreements, the Consultant receives 70% of the gross building permit fee revenues for the first \$100,000 in fees in a month and 65% of the amount in excess of \$100,000 per month. However, the Consultant receives 35% of the permit fee for all projects owned, paid for and to be operated by the City.

Pension funding:

There have been significant negative economic developments surrounding the overall market-liquidity, credit availability and market collateral levels which have resulted in declines in the value of the investment securities held by the Police Officers' Retirement Plan. Consequently, the City's required contribution amount to the Plan, which is necessary to maintain the actuarial soundness and to provide the level of assets sufficient to meet participant benefits, could significantly increase in future periods. It is management's opinion that future contributions to the Plan will not have a material adverse effect on the City's financial position.

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, employee health, workers' compensation and natural disasters for which the City carries commercial insurance. Settlement amounts have not exceeded insurance coverage for any of the past three (3) fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The City had previously implemented the Governmental Accounting Standards Board Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB)*, for certain postemployment health care benefits provided by the City.

As of October 1, 2008, the latest actuarial valuation, health care and dental plan participants consisted of:

Active Plan participants	185
Retiree Plan participants and spouses	3
	<hr/>
	188
	<hr/> <hr/>

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Plan Description:

Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program to 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. Other than certain department directors, retirees must pay a monthly premium as determined by the insurance carrier. Pursuant to Resolution 2006-64; department directors who retire at age 55 or later with at least 10 years of service are not required to pay a premium for medical or dental coverage for themselves prior to age 65. Retirees pay 100% of the blended equivalent premium rates. 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 plan described above is currently offered by the City under a “single employer plan” structure. The City provides all financial information and required disclosures of its other post-employment benefit plan in this document; therefore, a separate audited post-employment benefits plan report is not available.

Funding Policy:

The City is funding the post employment benefits on a pay-as-you-go basis. For the fiscal year ended September 30, 2010, the annual required contribution was \$ 148,000. The City made an implied contribution of \$ 63,000 towards this amount. Retirees contributed \$ 17,217 towards the cost of these benefits, for the fiscal year ended September 30, 2010. At September 30, 2010 the City recorded a net OPEB obligation of \$ 174,000 for governmental activities, in its government-wide statement of net assets.

Annual OPEB Cost and Net OPEB Obligation:

The annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed, and the changes in the net OPEB obligation.

Annual Required Contribution (ARC)	\$	148,000
Interest on net pension obligation		4,000
Adjustment to annual required contribution		(10,000)
		142,000
Employer contributions made	*	(63,000)
Interest on employer obligation		(1,000)
Increase in net OPEB obligation		78,000
Net OPEB obligation, beginning of year		96,000
Net OPEB obligation, end of year	\$	174,000

**estimated, reflects both the explicit and implicit subsidy*

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

The City's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation as of September 30, 2010 was as follows:

<u>Year Ending September 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 142,000	44.37%	\$ 174,000

Funded Status and Funding Progress:

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of funding progress (the last plan year valuation date) is as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability at Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/01/08	\$ -	\$ 735,000	\$ 735,000	0.0%	\$ 9,175,000	8.0%

Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2008 actuarial valuation, the projected unit credit cost method was used. The annual required contribution (ARC) reflects a 12-year open period, level dollar payment amortization of the unfunded actuarial accrued liability (UAAL). The actuarial assumptions included a 4.0% investment rate of return.

The following assumptions were made:

Eligibility:

For police officers, eligibility was assumed to occur at the earlier of any age with at least 25 years of service or at age 55 with at least six (6) years of service; for all other employees eligibility was assumed to occur at the earlier of any age with at least 30 years of service or at age 62 with at least six (6) years of service.

Mortality:

Sex-distinct mortality rates set forth in the RP-2000 mortality table for annuitants and non-annuitants.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Disability:

Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study; class 4 rates were used for police officers and class 1 rates were used for all other employees.

Permanent Withdrawal from Active Status:

Sex-distinct withdrawal rates set forth in Scale 155 table.

Investment Rate of Return:

A discount rate of 4.00% per annum (includes inflation at 2.50% per annum).

Healthcare Cost Trend Rate:

The cost of covered medical services has been assumed to increase in accordance with the following rates, compounded annually:

2008/2009	10.00%
2009/2010	9.00%
2010/2011	8.00%
2011/2012	7.00%
2012/2013	6.00%
2013/2014 and later	5.00%

Implied Subsidy (Medical Insurance):

The implied subsidy for a 62-year old retiree is assumed to be \$ 5,400 per year for the retiree and \$ 5,400 per year for the retiree's spouse.

Implied Subsidy (Dental Insurance):

There is no implied subsidy for the dental insurance since we have assumed that the premium charged for the covered individuals does not increase with age.

Age-Related Morbidity:

The cost of the medical services has been assumed to increase with age at the rate of 3.50% per annum.

Retiree Contribution:

Other than eligible department directors, retirees electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to active employees. Eligible department directors have been assumed to make the required contribution for healthcare coverage for their spouses.

Cost-of-Living Increase:

Retiree contributions have been assumed to increase in accordance with the healthcare cost trend assumption.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Future Participation Rates:

Other than eligible department directors, 5% of eligible employees were assumed to elect coverage until age 65 upon retirement or disability; 100% of department directors who are eligible for the explicit subsidy from the City were assumed to elect coverage until age 65.

Marriage and Dependant Assumption:

80% of males and 50% of females are assumed to elect coverage at retirement for themselves and their spouses, with husbands assumed to be three (3) years older than their wives; active employees were not assumed to have any dependent children upon retirement or disability.

COBRA Assumption:

Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, it is assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

NOTE 11 - DEFINED CONTRIBUTION PENSION PLANS

The City is a single-employer that contributes to four (4) defined contribution pension plans based on employee classification created in accordance with *Internal Revenue Code Section 401(a)*. The plans currently cover all full-time employees of the City. Under these plans, the City contributes between 7% and an amount equal to the annual IRS maximum depending on employee classifications. City contributions for the City Manager, department directors and assistant department directors vest in the year they are contributed. City contributions to general employees vest beginning after one year of service through year five in 20% increments. Participants are not permitted to make contributions during the year. The City made plan contributions of approximately \$ 817,000 during the year. Plan provisions and contribution requirements may be amended by the City Commission. In addition, the City provides to all full-time employees a deferred compensation plan under *Section 457 of the Internal Revenue Code*. Under this program, employees may voluntarily elect to defer a portion of their salary to future years; with no required contributions from the City. Both programs are administered by ICMA Retirement Corp. The City does not exercise any control or fiduciary responsibility over the Plans' assets. Therefore, the assets, liabilities and transactions are not included in the City's financial statements.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

The City agreed to provide a defined benefit retirement plan effective October 1, 2003 through a collective bargaining contract between the City and the Miami-Dade County Police Benevolent Association City of Aventura Police Officers' Retirement Plan (the "Plan"). The Plan is a single-employer defined benefit retirement plan. The Plan was established by the City in accordance with a City ordinance and state statutes. The Plan covers, only sworn police officers and is funded by a combination of City contributions, employee contributions, rollover of 401(a) plan assets for certain employees and the proceeds of the state insurance premium tax on casualty insurance policies. The current funding levels of covered payroll are 17.78% for the City's contribution, 6.775% for the employee's contribution and 5.00% for the state premiums tax. The State is required to contribute pursuant to Chapter 185 of the Florida Statutes, a premium on certain casualty insurance contracts written on the City's property. The premium tax is collected by the State and remitted to the City. During the current fiscal year the City received \$ 284,381 from the State. The Plan and employee contributions are mandatory for all sworn police officers. Contribution requirements of the Plan members and the participating employer are established and may be changed by an amendment to the City ordinance.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

The City utilizes the entry age normal cost method. The asset valuation method is a market value less unrecognized capital appreciation, which is recognized at a rate of 20% per year.

Information as of the latest actuarial valuation, dated October 1, 2009, included no cost of living adjustments and a 3.00% annual inflation rate; an annual investment rate of return of 7.50%; projected annual salary increases of 5.00%; the amortization method is level dollar, closed; and a remaining amortization period of 24 years.

On October 1, 2009 (the last plan year valuation date), Plan membership consisted of:

Retirees and beneficiaries receiving benefits	4
Active Plan members	78
	82
	82

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The general administration, management and investment decisions of the Plan and the responsibility for carrying out its provisions is vested in the five (5) members Board of Trustees. Administrative costs of the Plan are financed through current or prior investment earnings.

The City has issued stand-alone financial statements for the Plan, which may be obtained from the City's Finance Department.

Benefits:

Normal retirement may be received upon attainment of age 55 with ten (10) years of credited service or upon completion of 25 years of credited service regardless of age. For the first 40 years of service, the monthly benefit received will be 3.00% of final monthly compensation multiplied by the number of years of service, to a maximum of 80.00%. Years credited beyond 40 will be taken into account at 2.00% of final compensation per year. Early retirement may be received upon the attainment of age 45 with ten (10) years of credited service. The benefit may be received either on a deferred basis or on an immediate basis. On an immediate basis, the benefit amount will be the normal retirement benefit reduced by 3.00% per year for each year by which the retirement date precedes the normal retirement date. On a deferred basis, the benefit amount will be the same as the normal retirement benefit except that the final compensation and credited service will be based upon the early retirement date.

Disability retirement:

Members who become disabled due to service-incurred injuries, which arise out of performance of service with the City, will receive a monthly benefit amount equal to the member's accrued benefit but not less than 42.00% of the member's final monthly compensation as of the date of disability, offset by any other payments, such as worker's compensation. Members who become disabled due to non-service-incurred injuries, which do not arise out of performance with the City, and who have completed at least ten (10) years of service, will receive a monthly benefit amount equal to 3.00% of final monthly compensation for each year of credited service, but not less than 30.00%.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Trend information:

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the year ended September 30, 2010 is as follows:

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation/ (Asset)</u>
2010	\$ 1,245,754	129%	\$ (517,529)
2009	\$ 886,124	130%	\$ (159,390)
2008	\$ 1,006,054	102%	\$ 103,875

Funding progress:

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of funding progress for the year ended September 30, 2009 is as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability at Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/01/09	\$ 10,375,587	\$ 16,273,418	\$ 5,897,831	63.76%	\$ 6,418,797	91.88%

The annual pension cost and net pension obligation (asset) for the Plan for year ended September 30, 2010 is as follows:

Annual Required Contribution (ARC)	\$ 1,245,754
Interest on net pension obligation	(11,954)
Adjustment to annual required contribution	13,109
Annual Pension Cost	<u>1,246,909</u>
Contributions made	<u>1,605,048</u>
Decrease in net pension obligation	<u>(358,139)</u>
Net pension obligation, beginning of year	<u>(159,390)</u>
 Net pension obligation, end of year	 <u><u>\$ (517,529)</u></u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 13 - PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was issued February 2009. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds and clarifies the existing fund type definitions. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2011.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued November 2010. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*, was issued November 2010. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also clarifies the reporting of equity interests in legally separate organizations. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

The City's management has not yet determined the effect these unadopted standards may have on the City's financial statements.

NOTE 14 - SUBSEQUENT EVENT

On January 25, 2011, the City issued \$ 5,565,000 in Series 2011 Revenue Bonds with a rate of 3.64% to advance refund \$ 5,700,000 (including a City contribution of \$ 336,928) representing the remainder portion of the outstanding Series 1999 Revenue Bonds. The gross proceeds of \$ 5,901,928 were deposited in an irrevocable trust with an escrow agent to provide for the costs of issuance (\$ 60,994) and debt service payments (\$ 5,700,000 of principal and \$ 140,934 of interest) on the call date of April 1, 2011.

The City advance refunded the remainder Series 1999 Revenue Bonds to reduce its total debt service payments over the next nineteen years by approximately \$ 1,085,000 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt, net of City's contribution) of approximately \$ 530,000.

CITY OF AVENTURA, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current	\$ 13,223,037	\$ 13,223,037	\$ 12,585,864	\$ (637,173)
Delinquent	25,000	25,000	667,984	642,984
Utility service taxes:				
Electric	3,500,000	3,500,000	3,885,934	385,934
Telecommunication	2,400,000	2,400,000	2,679,607	279,607
Water	650,000	650,000	843,039	193,039
Gas	35,000	35,000	39,517	4,517
Franchise fees:				
Electric	3,300,000	3,300,000	3,196,576	(103,424)
Gas	50,000	50,000	42,675	(7,325)
Sanitation	410,000	410,000	417,541	7,541
Towing	30,000	30,000	30,093	93
Total taxes	<u>23,623,037</u>	<u>23,623,037</u>	<u>24,388,830</u>	<u>765,793</u>
Intergovernmental revenues:				
Federal grants	1,014,788	1,014,788	151,228	(863,560)
State and local grants	86,000	86,000	23,687	(62,313)
State pension contribution	-	284,000	284,381	381
Alcoholic beverage licenses	15,000	15,000	19,551	4,551
State revenue sharing	365,000	365,000	346,523	(18,477)
Half cent sales tax	1,758,000	1,758,000	1,701,703	(56,297)
County occupational licenses	42,000	42,000	42,610	610
Total intergovernmental revenues	<u>3,280,788</u>	<u>3,564,788</u>	<u>2,569,683</u>	<u>(995,105)</u>
Licenses and permits:				
City business tax receipts	675,000	675,000	674,288	(712)
Building permits	700,000	1,120,000	1,303,983	183,983
Certificates of occupancy	25,000	25,000	33,804	8,804
Engineering	5,000	5,000	13,235	8,235
Total licenses and permits	<u>1,405,000</u>	<u>1,825,000</u>	<u>2,025,310</u>	<u>200,310</u>
Charges for services:				
Certificate of use fees	5,200	5,200	4,375	(825)
Lien search fees	25,000	25,000	75,362	50,362
Development review fees	25,000	25,000	77,726	52,726
Recreation/cultural events	630,000	630,000	860,757	230,757
Police services	956,000	956,000	889,578	(66,422)
Total charges for services	<u>1,641,200</u>	<u>1,641,200</u>	<u>1,907,798</u>	<u>266,598</u>

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(continued)

For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fines and forfeitures:				
County court fees	390,000	390,000	400,442	10,442
Code violation fines	407,000	882,000	2,489,304	1,607,304
Total fines and forfeitures	797,000	1,272,000	2,889,746	1,617,746
Other:				
Interest income	250,000	250,000	260,882	10,882
Miscellaneous	38,000	38,000	104,308	66,308
Total other	288,000	288,000	365,190	77,190
Total revenues	31,035,025	32,214,025	34,146,557	1,932,532
Expenditures:				
Current				
General government:				
City Commission:				
Personnel services	62,063	62,063	62,165	(102)
Operating	56,880	56,880	50,220	6,660
City Manager:				
Personnel services	745,575	745,575	741,856	3,719
Operating	168,300	168,300	118,301	49,999
Capital outlay	4,000	4,000	1,896	2,104
Finance:				
Personnel services	730,188	730,188	722,318	7,870
Operating	111,300	111,300	101,199	10,101
Capital outlay	2,000	2,000	1,918	82
Information technology:				
Personnel services	676,637	676,637	664,571	12,066
Operating	202,635	202,635	164,280	38,355
Capital outlay	271,000	440,148	195,825	244,323
Legal:				
Operating	280,000	280,000	249,160	30,840
City Clerk:				
Personnel services	216,499	216,499	210,695	5,804
Operating	62,900	62,900	37,942	24,958
Capital outlay	3,000	3,000	872	2,128
Total general government- departmental	3,592,977	3,762,125	3,323,218	438,907

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND

(continued)

For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Nondepartmental:				
Operating	1,614,000	1,614,000	1,238,292	375,708
Capital outlay	16,130,016	15,886,566	12,436	15,874,130
Total nondepartmental	<u>17,744,016</u>	<u>17,500,566</u>	<u>1,250,728</u>	<u>16,249,838</u>
Total general government	<u>21,336,993</u>	<u>21,262,691</u>	<u>4,573,946</u>	<u>16,688,745</u>
Public safety:				
Police:				
Personnel services	13,097,836	13,416,836	13,299,302	117,534
Operating	1,242,500	1,242,500	1,203,874	38,626
Capital outlay	839,260	1,174,714	830,953	343,761
Community development:				
Personnel services	703,189	703,189	652,429	50,760
Operating	779,600	1,574,600	1,615,430	(40,830)
Capital outlay	190,100	444,100	348,793	95,307
Total public safety	<u>16,852,485</u>	<u>18,555,939</u>	<u>17,950,781</u>	<u>605,158</u>
Community services:				
Personnel services	1,370,201	1,370,201	1,293,466	76,735
Operating	2,935,200	2,935,200	2,845,377	89,823
Capital outlay	1,418,188	2,339,920	1,477,643	862,277
Arts and cultural center:				
Operating	419,823	419,823	388,987	30,836
Total community services	<u>6,143,412</u>	<u>7,065,144</u>	<u>6,005,473</u>	<u>1,059,671</u>
Total expenditures	<u>44,332,890</u>	<u>46,883,774</u>	<u>28,530,200</u>	<u>18,353,574</u>
Excess (deficiency) of revenues over expenditures	<u>(13,297,865)</u>	<u>(14,669,749)</u>	<u>5,616,357</u>	<u>20,286,106</u>
Other financing sources (uses):				
Transfers in	125,000	125,000	125,000	-
Transfers out	(2,279,418)	(3,675,285)	(3,656,469)	18,816
Appropriated fund balance	15,452,283	18,220,034	-	(18,220,034)
Total other financing sources (uses)	<u>13,297,865</u>	<u>14,669,749</u>	<u>(3,531,469)</u>	<u>(18,201,218)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,084,888</u>	<u>\$ 2,084,888</u>

See Notes to Required Supplementary Information.

**CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE OFFICERS' RETIREMENT PLAN FUND (UNAUDITED)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)- Frozen Initial Liability	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
POLICE OFFICERS' RETIREMENT PLAN FUND (UNAUDITED)						
10/01/09	\$ 10,375,587	\$ 16,273,418	\$ 5,897,831	63.76%	\$ 6,418,797	91.88%
10/01/07	\$ 6,935,097	\$ 10,825,108	\$ 3,890,011	64.06%	\$ 5,576,592	69.76%
10/01/04	\$ 2,393,593	\$ 5,118,997	\$ 2,725,404	46.76%	\$ 4,085,348	66.71%
OTHER POST-EMPLOYMENT BENEFITS (UNAUDITED)						
10/01/10	\$ -	\$ 813,000	\$ 813,000	0.0%	\$ 12,810,000	6.35%
10/01/09	\$ -	\$ 765,000	\$ 765,000	0.0%	\$ 11,775,000	6.50%
10/01/08	\$ -	\$ 735,000	\$ 735,000	0.0%	\$ 9,175,000	8.01%

See Notes to Required Supplementary Information.

CITY OF AVENTURA, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND THE STATE OF FLORIDA
 POLICE OFFICERS' RETIREMENT PLAN FUND (UNAUDITED)

Fiscal Year	City Annual Required Contributions	City Contribution	State of Florida Insurance Premium Tax	Percentage Contributed
2010	\$ 1,530,095	\$ 1,320,667	\$ 284,341	104.90%
2009	\$ 1,151,438	\$ 1,149,156	\$ 265,314	122.84%
2008	\$ 1,169,142	\$ 1,024,908	\$ 163,088	101.61%
2007	\$ 1,154,250	\$ 1,000,802	\$ 160,063	100.57%

See Notes to Required Supplementary Information.

CITY OF AVENTURA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2010

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted for all governmental funds with the exception of the Charter School Fund, Federal Forfeiture Fund and Law Enforcement Trust Fund (Special Revenue Funds).

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. The City Manager submits to the City Commission a proposed operating and capital budget for the ensuing fiscal year. The budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for the governmental funds described above.
- e. The City Commission, by ordinance, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. The City Commission made several supplementary budgetary appropriations throughout the year including approximately \$ 3,947,000 in the General Fund.
- f. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").
- g. The City Manager is authorized to transfer part or all of an unencumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. The classification detail at which expenditures may not legally exceed appropriations is at the department level.
- h. Unencumbered appropriations lapse at fiscal year-end. Unencumbered amounts are reappropriated in the following year's budget for capital accounts only.
- i. Expenditures did not exceed appropriations in any of the governmental funds.

NOTE 2 - ACTUARIAL ASSUMPTIONS

Police Officers' Retirement Plan Fund - Information as of the latest actuarial valuation date of October 1, 2009 (revised March 12, 2010) included no cost of living adjustments and a 3.00% annual inflation rate; an annual investment rate of return of 7.50%; projected annual salary increase of 5.00%; the amortization method is level dollar, closed; and an amortization period of 30 years.

Other Post-Employment Benefits - Information as of the latest actuarial valuation date of October 1, 2008 is presented, including projected performance and results at October 1, 2009 and 2010 which is based on estimates prepared by the City's consulting actuary.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Police Education Fund - This fund is used to account for revenues and expenditures associated with the two dollars (\$2) the City receives from each paid traffic citation, by State Statute, must be used to further the education of the City's police officers.

Street Maintenance Fund - This fund is to account for revenues and expenditures, which by State Statute are designated for street maintenance and construction costs.

Police Capital Outlay Impact Fee Fund - This fund is used to account for impact fees derived from new developments and restricted by ordinance for police capital improvements. This fund provides a funding source to assist the City in providing police services required by the growth in the City.

Park Development Fund - This fund is used to account for revenues and expenditures specifically earmarked for capital improvements to the City's park system. This fund accounts for impact fees derived from new developments and restricted by ordinance for park capital improvement projects.

911 Fund - This fund is used to account for revenues and expenditures specifically earmarked for the City's emergency 911 system in accordance with Florida Statutes 365.172. The funds may be used to provide emergency dispatch systems, training, communication, maintenance and repairs and related capital outlay purchases. The fund offsets a portion of the emergency 911 operations.

Federal Forfeiture Fund - This fund is used to account for proceeds obtained from the sale of confiscated and unclaimed property turned over to the City through court judgments. Proceeds are to be used solely for crime fighting purposes.

Law Enforcement Trust Fund - This fund is used to account for resources resulting from police department confiscations and their expenditure for law enforcement purposes.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for and the payment of principal and interest on all general long-term debt.

Debt Service Fund Series 1999 - This fund is used to accumulate monies for the payment of the 1999 and 2010 Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

Debt Service Fund Series 2002 - Charter School Land Acquisition - This fund is used to accumulate monies for the payment of the 2002 Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

Debt Service Fund Series 2002 - Charter School Building Construction - This fund is used to accumulate monies for the payment of the 2002 Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

CITY OF AVENTURA, FLORIDA
COMBINING BALANCE SHEET
OTHER NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

Special Revenue Funds

	Police Education Fund	Street Maintenance Fund	Police Capital Outlay Impact Fee Fund	Park Development Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund
ASSETS:							
Cash, cash equivalents and investments	\$ 10,719	\$ 14,644	\$ 16,557	\$ 2,246	\$ 55,328	\$ 654,331	\$ 176,011
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	49,114	-	-
Due from other governments	591	239,013	-	-	-	-	-
Total assets	<u>\$ 11,310</u>	<u>\$ 253,657</u>	<u>\$ 16,557</u>	<u>\$ 2,246</u>	<u>\$ 104,442</u>	<u>\$ 654,331</u>	<u>\$ 176,011</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ -	\$ 47,863	\$ -	\$ -	\$ 323	\$ 13,128	\$ 6,820
Deferred revenue	-	65,000	-	-	49,115	-	-
Due to other funds	-	137,826	-	-	-	-	-
Total liabilities	<u>-</u>	<u>250,689</u>	<u>-</u>	<u>-</u>	<u>49,438</u>	<u>13,128</u>	<u>6,820</u>
FUND BALANCES:							
Unreserved:							
Undesignated, reported in:							
Special revenue funds	11,310	2,968	16,557	2,246	55,004	641,203	169,191
Debt service funds	-	-	-	-	-	-	-
Total fund balances	<u>11,310</u>	<u>2,968</u>	<u>16,557</u>	<u>2,246</u>	<u>55,004</u>	<u>641,203</u>	<u>169,191</u>
Total liabilities and fund balances	<u>\$ 11,310</u>	<u>\$ 253,657</u>	<u>\$ 16,557</u>	<u>\$ 2,246</u>	<u>\$ 104,442</u>	<u>\$ 654,331</u>	<u>\$ 176,011</u>

Debt Service Funds

Debt Service Fund Series 1999	Debt Service Fund Series 2002 Charter School Land Acquisition	Debt Service Fund Series 2002 Charter School Building Construction	Total Nonmajor Governmental Funds
\$ 15,526	\$ 295	\$ 117,478	\$ 1,063,135
-	63	61	124
-	-	-	49,114
-	-	-	239,604
<u>\$ 15,526</u>	<u>\$ 358</u>	<u>\$ 117,539</u>	<u>\$ 1,351,977</u>
\$ -	\$ 349	\$ 347	\$ 68,830
-	-	-	114,115
-	-	-	137,826
-	349	347	320,771
-	-	-	898,479
<u>15,526</u>	<u>9</u>	<u>117,192</u>	<u>132,727</u>
<u>15,526</u>	<u>9</u>	<u>117,192</u>	<u>1,031,206</u>
<u>\$ 15,526</u>	<u>\$ 358</u>	<u>\$ 117,539</u>	<u>\$ 1,351,977</u>

CITY OF AVENTURA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

Special Revenue Funds

	Police Education Fund	Street Maintenance Fund	Police Capital Outlay Impact Fee Fund	Park Development Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund
REVENUES:							
Intergovernmental revenues	\$ -	\$ 1,470,944	\$ -	\$ -	\$ 173,703	\$ -	\$ -
Fines and forfeitures	7,560	-	-	-	-	173,167	36,706
Impact fees	-	-	101	-	-	-	-
Interest income	74	44	119	2,237	-	4,101	1,314
Miscellaneous	-	-	-	-	-	-	2,625
Total revenues	<u>7,634</u>	<u>1,470,988</u>	<u>220</u>	<u>2,237</u>	<u>173,703</u>	<u>177,268</u>	<u>40,645</u>
EXPENDITURES:							
Current:							
Public safety	10,057	-	-	-	116,915	-	67,801
Community services	-	1,077,116	-	-	-	-	-
Capital outlay	-	454,510	-	192,721	-	142,839	18,340
Debt service:							
Principal	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Trustee fees and other	-	-	-	-	-	-	-
Total expenditures	<u>10,057</u>	<u>1,531,626</u>	<u>-</u>	<u>192,721</u>	<u>116,915</u>	<u>142,839</u>	<u>86,141</u>
Excess (deficiency) of revenues over expenditures	<u>(2,423)</u>	<u>(60,638)</u>	<u>220</u>	<u>(190,484)</u>	<u>56,788</u>	<u>34,429</u>	<u>(45,496)</u>
OTHER FINANCING SOURCES (USES):							
Proceeds from refunding bonds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(298,200)	(125,000)	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,200)</u>	<u>(125,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,423)	(60,638)	220	(488,684)	(68,212)	34,429	(45,496)
FUND BALANCES, beginning	<u>13,733</u>	<u>63,606</u>	<u>16,337</u>	<u>490,930</u>	<u>123,216</u>	<u>606,774</u>	<u>214,687</u>
FUND BALANCES, ending	<u>\$ 11,310</u>	<u>\$ 2,968</u>	<u>\$ 16,557</u>	<u>\$ 2,246</u>	<u>\$ 55,004</u>	<u>\$ 641,203</u>	<u>\$ 169,191</u>

Debt Service Funds

Debt Service Fund Series 1999	Debt Service Fund Series 2002 Charter School Land Acquisition	Debt Service Fund Series 2002 Charter School Building Construction	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,644,647
-	-	-	217,433
-	-	-	101
104	2	800	8,795
-	-	-	2,625
<u>104</u>	<u>2</u>	<u>800</u>	<u>1,873,601</u>
-	-	-	194,773
-	-	-	1,077,116
-	-	-	808,410
515,000	155,943	174,057	845,000
520,000	-	-	520,000
816,402	241,061	269,213	1,326,676
79,134	7,134	3,498	89,766
<u>1,930,536</u>	<u>404,138</u>	<u>446,768</u>	<u>4,861,741</u>
<u>(1,930,432)</u>	<u>(404,136)</u>	<u>(445,968)</u>	<u>(2,988,140)</u>
10,385,000	-	-	10,385,000
1,867,459	404,120	446,778	2,718,357
-	-	-	(423,200)
<u>(10,321,560)</u>	<u>-</u>	<u>-</u>	<u>(10,321,560)</u>
<u>1,930,899</u>	<u>404,120</u>	<u>446,778</u>	<u>2,358,597</u>
467	(16)	810	(629,543)
<u>15,059</u>	<u>25</u>	<u>116,382</u>	<u>1,660,749</u>
<u>\$ 15,526</u>	<u>\$ 9</u>	<u>\$ 117,192</u>	<u>\$ 1,031,206</u>

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
POLICE EDUCATION FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 7,560	\$ 560
Interest income	-	-	74	74
	7,000	7,000	7,634	634
Total revenues				
EXPENDITURES:				
Operating	10,000	20,733	10,057	10,676
	10,000	20,733	10,057	10,676
Total expenditures				
Excess (deficiency) of revenues over expenditures	(3,000)	(13,733)	(2,423)	11,310
OTHER FINANCING SOURCES (USES):				
Appropriated fund balances	3,000	13,733	-	(13,733)
	3,000	13,733	-	(13,733)
Total other financing sources (uses)				
Net change in fund balances	\$ -	\$ -	\$ (2,423)	\$ (2,423)

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
STREET MAINTENANCE FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 1,550,000	\$ 1,550,000	\$ 1,470,944	\$ (79,056)
Interest income	1,000	1,000	44	(956)
Total revenues	<u>1,551,000</u>	<u>1,551,000</u>	<u>1,470,988</u>	<u>(80,012)</u>
EXPENDITURES:				
Operating	1,101,000	1,101,000	1,077,116	23,884
Capital outlay	665,000	513,606	454,510	59,096
Total expenditures	<u>1,766,000</u>	<u>1,614,606</u>	<u>1,531,626</u>	<u>82,980</u>
Excess (deficiency) of revenues over expenditures	<u>(215,000)</u>	<u>(63,606)</u>	<u>(60,638)</u>	<u>2,968</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balances	<u>215,000</u>	<u>63,606</u>	<u>-</u>	<u>(63,606)</u>
Total other financing sources (uses)	<u>215,000</u>	<u>63,606</u>	<u>-</u>	<u>(63,606)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,638)</u>	<u>\$ (60,638)</u>

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
POLICE CAPITAL OUTLAY IMPACT FEE FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 500	\$ 500	\$ 101	\$ (399)
Interest income	-	-	119	119
	<u>500</u>	<u>500</u>	<u>220</u>	<u>(280)</u>
Total revenues				
EXPENDITURES:				
Capital outlay	18,890	16,837	-	16,837
Total expenditures	<u>18,890</u>	<u>16,837</u>	<u>-</u>	<u>16,837</u>
Excess (deficiency) of revenues over expenditures	<u>(18,390)</u>	<u>(16,337)</u>	<u>220</u>	<u>16,557</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balances	18,390	16,337	-	(16,337)
Total other financing sources (uses)	<u>18,390</u>	<u>16,337</u>	<u>-</u>	<u>(16,337)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 220</u>

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
PARK DEVELOPMENT FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest income	\$ -	\$ -	\$ 2,237	\$ 2,237
Total revenues	-	-	2,237	2,237
EXPENDITURES:				
Capital outlay	140,000	190,930	192,721	(1,791)
Total expenditures	140,000	190,930	192,721	(1,791)
Excess (deficiency) of revenues over expenditures	(140,000)	(190,930)	(190,484)	446
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(300,000)	(298,200)	1,800
Appropriated fund balances	140,000	490,930	-	(490,930)
Total other financing sources (uses)	140,000	190,930	(298,200)	(489,130)
Net change in fund balances	\$ -	\$ -	\$ (488,684)	\$ (488,684)

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
911 FUND
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenues	\$ 223,000	\$ 223,000	\$ 173,703	\$ (49,297)
Total revenues	<u>223,000</u>	<u>223,000</u>	<u>173,703</u>	<u>(49,297)</u>
EXPENDITURES:				
Operating	119,000	119,000	116,915	2,085
Capital outlay	<u>36,423</u>	<u>102,216</u>	<u>-</u>	<u>102,216</u>
Total expenditures	<u>155,423</u>	<u>221,216</u>	<u>116,915</u>	<u>104,301</u>
Excess (deficiency) of revenues over expenditures	<u>67,577</u>	<u>1,784</u>	<u>56,788</u>	<u>55,004</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(125,000)	(125,000)	(125,000)	-
Appropriated fund balances	<u>57,423</u>	<u>123,216</u>	<u>-</u>	<u>(123,216)</u>
Total other financing sources (uses)	<u>(67,577)</u>	<u>(1,784)</u>	<u>(125,000)</u>	<u>(123,216)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,212)</u>	<u>\$ (68,212)</u>

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 1999
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest income	\$ -	\$ -	\$ 104	\$ 104
Total revenues	-	-	104	104
EXPENDITURES:				
Debt Service:				
Principal	515,000	515,000	515,000	-
Advance refunding escrow	-	520,000	520,000	-
Interest	827,518	827,518	816,402	11,116
Trustee fees and other	20,000	83,440	79,134	4,306
Total expenditures	1,362,518	1,945,958	1,930,536	15,422
Excess (deficiency) of revenues over expenditures	(1,362,518)	(1,945,958)	(1,930,432)	15,526
OTHER FINANCING SOURCES (USES):				
Proceeds from refunding bonds	-	10,385,000	10,385,000	-
Transfers in	1,362,518	1,867,459	1,867,459	-
Appropriated fund balances	-	15,059	-	(15,059)
Payment to refunded bond escrow agent	-	(10,321,560)	(10,321,560)	-
Total other financing sources (uses)	1,362,518	1,945,958	1,930,899	(15,059)
Net change in fund balances	\$ -	\$ -	\$ 467	\$ 467

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2000
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest income	\$ -	\$ -	\$ 25,484	\$ 25,484
Total revenues	-	-	25,484	25,484
EXPENDITURES:				
Debt Service:				
Principal	285,000	285,000	285,000	-
Interest	227,755	227,755	227,304	451
Total expenditures	512,755	512,755	512,304	451
Excess (deficiency) of revenues over expenditures	(512,755)	(512,755)	(486,820)	25,935
OTHER FINANCING SOURCES (USES):				
Transfers in	512,755	507,046	628,705	121,659
Appropriated fund balances	-	5,709	-	(5,709)
Total other financing sources (uses)	512,755	512,755	628,705	115,950
Net change in fund balances	\$ -	\$ -	\$ 141,885	\$ 141,885

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2002 -
CHARTER SCHOOL LAND ACQUISITION
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest income	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
EXPENDITURES:				
Debt Service:				
Principal	155,943	155,943	155,943	-
Interest	241,202	241,202	241,061	141
Trustee fees and other	7,000	7,000	7,134	(134)
Total expenditures	404,145	404,145	404,138	7
Excess (deficiency) of revenues over expenditures	(404,145)	(404,145)	(404,136)	9
OTHER FINANCING SOURCES (USES):				
Transfers in	404,145	404,120	404,120	-
Appropriated fund balances	-	25	-	(25)
Total other financing sources (uses)	404,145	404,145	404,120	(25)
Net change in fund balances	\$ -	\$ -	\$ (16)	\$ (16)

CITY OF AVENTURA, FLORIDA
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 DEBT SERVICE FUND SERIES 2002 -
 CHARTER SCHOOL BUILDING CONSTRUCTION
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest income	\$ -	\$ -	\$ 800	\$ 800
Total revenues	-	-	800	800
EXPENDITURES:				
Debt Service:				
Principal	174,057	174,057	174,057	-
Interest	269,221	269,221	269,213	8
Trustee fees and other	3,500	3,500	3,498	2
Total expenditures	446,778	446,778	446,768	10
Excess (deficiency) of revenues over expenditures	(446,778)	(446,778)	(445,968)	810
OTHER FINANCING SOURCES (USES):				
Transfers in	446,778	446,778	446,778	-
Total other financing sources (uses)	446,778	446,778	446,778	-
Net change in fund balances	\$ -	\$ -	\$ 810	\$ 810

CITY OF AVENTURA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
ARTS AND CULTURAL CENTER FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ 2,053,195	\$ 2,053,195	\$ -
Total revenues	-	2,053,195	2,053,195	-
EXPENDITURES:				
Capital outlay	-	4,705,033	4,684,418	20,615
Total expenditures	-	4,705,033	4,684,418	20,615
Excess (deficiency) of revenues over expenditures	-	(2,651,838)	(2,631,223)	20,615
OTHER FINANCING SOURCES (USES):				
Transfers in	-	975,000	954,385	(20,615)
Appropriated fund balance	-	1,676,838	-	(1,676,838)
Total other financing sources (uses)	-	2,651,838	954,385	(1,697,453)
Net change in fund balances	\$ -	\$ -	\$ (1,676,838)	\$ (1,676,838)

STATISTICAL SECTION

STATISTICAL SECTION

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

Financial trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net assets by component	70
Changes in net assets	71-72
Governmental activities tax revenues by source	73
Fund balances of governmental funds	74
Changes in fund balances of governmental funds	75-76
General governmental tax revenues by source	77

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Assessed value and estimated actual assessed value of taxable property	78
Property tax rates - direct and overlapping governments	79-80
Principal property taxpayers	81
Property tax levies and collections	82

Debt Capacity:

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.

Ratios of outstanding debt by type	83
Ratios of bonded debt outstanding	84
Direct and overlapping governmental activity debt	85
Legal debt margin information	86

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and economic statistics	87
Occupational employment by group - Miami-Dade County, Florida	88

Operating Information

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.

Full-time equivalent government employees by function	89
Operating indicators by function	90
Capital asset statistics by function	91

Sources: Unless otherwise indicated, information in these schedules is derived from the comprehensive annual financial reports for the respective years. The City implemented GASB 34 in 2003. Schedules presenting government-wide information include information beginning with that year.

Table 1

CITY OF AVENTURA, FLORIDA
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES:								
Invested in capital assets, net of related debt	\$ 19,880,605	\$ 22,471,893	\$ 23,896,000	\$ 26,151,708	\$ 45,438,705	\$ 50,968,930	\$ 54,916,084	\$ 60,320,654
Restricted	5,214,557	1,872,770	2,944,000	3,047,457	2,942,261	1,226,693	1,592,461	895,481
Unrestricted	6,882,421	12,099,673	15,844,000	20,119,775	25,046,530	31,110,719	35,762,870	37,169,427
Total governmental activities, net assets	\$ 31,977,583	\$ 36,444,336	\$ 42,684,000	\$ 49,318,940	\$ 73,427,496	\$ 83,306,342	\$ 92,271,415	\$ 98,385,562
BUSINESS-TYPE ACTIVITIES:								
Invested in capital assets, net of related debt	\$ 5,350,003	\$ 5,350,598	\$ 6,161,008	\$ 6,417,218	\$ 7,502,883	\$ 7,431,770	\$ 7,580,426	\$ 7,616,360
Unrestricted	(221,770)	62,243	(278,512)	287,480	117,452	417,920	529,552	671,857
Total business-type activities, net assets	\$ 5,128,233	\$ 5,412,841	\$ 5,882,496	\$ 6,704,698	\$ 7,620,335	\$ 7,849,690	\$ 8,109,978	\$ 8,288,217
PRIMARY GOVERNMENT:								
Invested in capital assets, net of related debt	\$ 25,230,608	\$ 27,822,491	\$ 30,057,008	\$ 32,568,926	\$ 52,941,588	\$ 58,400,700	\$ 62,496,510	\$ 67,937,014
Restricted	5,214,557	1,872,770	2,944,000	3,047,457	2,942,261	1,226,693	1,592,461	895,481
Unrestricted	6,660,651	12,161,916	15,565,488	20,407,255	25,163,982	31,528,639	36,292,422	37,841,284
Total primary government, net assets	\$ 37,105,816	\$ 41,857,177	\$ 48,566,496	\$ 56,023,638	\$ 81,047,831	\$ 91,156,032	\$ 100,381,393	\$ 106,673,779

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF AVENTURA, FLORIDA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES:								
Governmental activities:								
General government	\$ 3,901,371	\$ 4,378,320	\$ 5,234,533	\$ 8,614,169	\$ 6,221,118	\$ 6,776,605	\$ 6,792,783	\$ 4,574,365
Public safety	10,262,009	11,548,304	13,042,732	14,480,174	15,364,893	15,517,221	16,107,437	18,460,900
Community services	4,822,153	8,395,691	8,958,704	10,057,441	13,061,771	13,030,566	12,666,857	15,059,743
Interest and fiscal charges	1,785,364	1,830,330	1,777,122	1,804,438	1,720,827	1,674,297	1,641,919	1,574,525
Total governmental activities	20,770,897	26,152,645	29,013,091	34,956,222	36,368,609	36,998,689	37,208,996	39,669,533
Business-type activities:								
Stormwater utility	125,727	147,242	249,947	360,712	557,635	670,602	651,175	843,251
Total business-type activities	125,727	147,242	249,947	360,712	557,635	670,602	651,175	843,251
Total primary government expenses	\$ 20,896,624	\$ 26,299,887	\$ 29,263,038	\$ 35,316,934	\$ 36,926,244	\$ 37,669,291	\$ 37,860,171	\$ 40,512,784
PROGRAM REVENUES:								
Governmental activities:								
Charges for services:								
General government	\$ 2,629,963	\$ 1,057,776	\$ 539,332	\$ 91,522	\$ -	\$ -	\$ -	\$ -
Public safety	772,325	2,402,106	3,585,061	4,788,890	3,489,180	2,965,541	1,973,570	5,505,242
Community services	187,182	227,512	671,809	944,724	1,805,425	1,993,719	3,505,392	1,275,753
Operating grants and contributions	164,260	4,099,084	5,212,020	7,302,460	8,298,050	8,379,687	7,726,423	7,663,169
Capital grants and contributions	14,523	401,076	8,987	420,493	40,340	-	2,359,690	2,465,574
Total governmental activities program revenues	3,768,253	8,187,554	10,017,209	13,548,089	13,632,995	13,338,947	15,565,075	16,909,738
Business-type activities:								
Charges for services:								
Stormwater utility	820,926	826,199	820,554	815,454	889,178	882,429	801,532	842,867
Operating grants and contributions	650,000	-	-	415,000	580,759	-	-	-
Capital grants and contributions	-	-	-	-	-	-	107,364	175,303
Total business-type activities program revenues	1,470,926	826,199	820,554	1,230,454	1,469,937	882,429	908,896	1,018,170
Total primary government program revenues	\$ 5,239,179	\$ 9,013,753	\$ 10,837,763	\$ 14,778,543	\$ 15,102,932	\$ 14,221,376	\$ 16,473,971	\$ 17,927,908

CITY OF AVENTURA, FLORIDA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
 (continued)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
NET EXPENSE/REVENUE:								
Governmental activities	\$ (17,002,644)	\$ (17,965,091)	\$ (18,995,882)	\$ (21,408,133)	\$ (22,735,614)	\$ (23,659,742)	\$ (21,643,921)	\$ (22,759,795)
Business-type activities	1,345,199	678,957	570,607	869,742	912,302	211,827	257,721	174,919
Total primary government, net expense	\$ (15,657,445)	\$ (17,286,134)	\$ (18,425,275)	\$ (20,538,391)	\$ (21,823,312)	\$ (23,447,915)	\$ (21,386,200)	\$ (22,584,876)
GENERAL REVENUES AND OTHER:								
Changes in net assets:								
Governmental activities:								
Taxes:								
Ad valorem taxes	\$ 9,075,096	\$ 10,143,246	\$ 11,842,689	\$ 14,089,388	\$ 17,127,913	\$ 15,942,020	\$ 15,189,005	\$ 13,253,848
Utility service taxes	5,397,011	5,460,119	5,719,554	6,015,016	6,269,809	6,741,903	7,451,872	7,362,899
Franchise fees	1,875,199	2,185,155	2,330,809	3,359,261	4,234,574	4,270,671	3,644,177	3,686,885
Intergovernmental revenue - unrestricted	2,861,600	3,203,912	3,427,647	3,003,546	4,041,947	4,799,706	3,577,758	3,838,972
Impact fees	56,609	754,954	959,264	-	-	-	15,581	101
Interest income	246,216	174,983	553,135	1,159,778	1,580,978	1,035,457	292,180	310,885
Miscellaneous revenues	104,436	107,193	298,875	365,705	92,987	748,831	438,421	420,352
Transfers	567,037	402,282	103,210	50,742	-	-	-	-
Total governmental activities	20,183,204	22,431,844	25,235,183	28,043,436	33,348,208	33,538,588	30,608,994	28,873,942
Business-type activities:								
Interest income	3,262	2,555	2,258	3,202	3,335	17,528	2,567	3,320
Transfers	(567,037)	(396,904)	(103,210)	(50,742)	-	-	-	-
Total business-type activities	(563,775)	(394,349)	(100,952)	(47,540)	3,335	17,528	2,567	3,320
Total primary government	\$ 19,619,429	\$ 22,037,495	\$ 25,134,231	\$ 27,995,896	\$ 33,351,543	\$ 33,556,116	\$ 30,611,561	\$ 28,877,262
CHANGE IN NET ASSETS:								
Governmental activities	\$ 3,180,560	\$ 4,466,753	\$ 6,239,301	\$ 6,635,303	\$ 10,612,594	\$ 9,878,846	\$ 8,965,073	\$ 6,114,147
Business-type activities	781,424	284,608	469,655	822,202	915,637	229,355	260,288	178,239
Total primary government	\$ 3,961,984	\$ 4,751,361	\$ 6,708,956	\$ 7,457,505	\$ 11,528,231	\$ 10,108,201	\$ 9,225,361	\$ 6,292,386

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF AVENTURA, FLORIDA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST EIGHT FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

Table 3

Fiscal Year Ended September 30,	Tax Roll Year	Ad Valorem Taxes	Utility Taxes	Franchise Fees	Total
2003	2002	\$ 9,075,096	\$ 5,397,011	\$ 1,875,199	\$ 16,347,306
2004	2003	10,143,246	5,460,119	2,185,155	17,788,520
2005	2004	11,842,689	5,719,554	2,330,809	19,893,052
2006	2005	14,089,388	6,015,016	3,359,261	23,463,665
2007	2006	17,127,913	6,269,809	4,234,574	27,632,296
2008	2007	15,942,020	6,741,903	4,270,671	26,954,594
2009	2008	15,189,005	7,451,872	3,644,177	26,285,054
2010	2009	13,253,848	7,362,899	3,686,885	24,303,632

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 4

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:										
Reserved	\$ 1,192,372	\$ 312,274	\$ 1,111,025	\$ 4,560,475	\$ 1,358,556	\$ 3,799,001	\$ 1,523,001	\$ 439,385	\$ 215,174	\$ 139,823
Unreserved	7,788,780	9,520,388	10,488,460	8,089,508	9,975,843	12,635,078	21,765,557	29,087,603	34,184,317	36,344,556
Total General Fund	<u>\$ 8,981,152</u>	<u>\$ 9,832,662</u>	<u>\$ 11,599,485</u>	<u>\$ 12,649,983</u>	<u>\$ 11,334,399</u>	<u>\$ 16,434,079</u>	<u>\$ 23,288,558</u>	<u>\$ 29,526,988</u>	<u>\$ 34,399,491</u>	<u>\$ 36,484,379</u>
All other governmental funds:										
Reserved	\$ 866,449	\$ 1,318,680	\$ 18,485	\$ 34,811	\$ 44,124	\$ 1,206,173	\$ 186,560	\$ 170,219	\$ 1,067,451	\$ 253,040
Unreserved, reported in:										
Special Revenue Funds	2,223,375	1,630,915	1,116,361	2,267,113	3,245,826	2,746,804	3,950,116	3,676,879	2,439,375	2,308,838
Debt Service Funds	-	-	-	-	(3,441)	(4,525)	133,053	136,790	137,175	280,321
Capital Projects Funds	6,027,675	11,632,527	4,079,711	4,089,706	4,310,386	3,963,362	1,823,597	99,664	811,979	-
Total all other governmental funds	<u>\$ 9,117,499</u>	<u>\$ 14,582,122</u>	<u>\$ 5,214,557</u>	<u>\$ 6,391,630</u>	<u>\$ 7,596,895</u>	<u>\$ 7,911,814</u>	<u>\$ 6,093,326</u>	<u>\$ 4,083,552</u>	<u>\$ 4,455,980</u>	<u>\$ 2,842,199</u>

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

	2001	2002	2003	2004
REVENUES:				
Ad valorem taxes	\$ 7,440,398	\$ 8,428,698	\$ 9,075,096	\$ 10,143,246
Utility service taxes	4,413,388	3,316,474	5,397,011	5,460,119
Franchise fees	2,317,645	3,849,676	1,875,199	2,185,155
Intergovernmental	2,688,105	3,091,728	2,965,158	7,663,308
Licenses and permits	2,624,459	3,360,172	2,185,654	2,146,913
Charges for services	647,410	722,125	965,067	1,099,321
Fines and forfeitures	491,688	386,758	399,899	351,698
Impact fees	799,766	599,244	56,609	754,954
Interest income	1,115,650	310,096	246,216	174,983
Developer contributions	221,894	152,385	30,000	85,842
Miscellaneous	143,734	119,347	74,436	134,768
	<u>22,904,137</u>	<u>24,336,703</u>	<u>23,270,345</u>	<u>30,200,307</u>
EXPENDITURES:				
Current:				
General government	1,831,007	2,015,866	2,163,885	2,371,236
Public safety	8,607,783	9,333,199	9,438,156	10,594,453
Community services	3,102,494	3,600,234	4,226,979	7,495,145
Nondepartmental	725,434	1,163,975	1,040,052	1,292,580
Capital outlay	11,652,841	12,409,178	12,153,846	3,905,875
Debt service:				
Principal	590,000	570,000	595,000	900,000
Advance refunding escrow	-	-	-	-
Interest	1,260,248	1,276,224	1,746,446	1,786,797
Trustee fees and other	52,582	20,214	73,760	28,932
	<u>27,822,389</u>	<u>30,388,890</u>	<u>31,438,124</u>	<u>28,375,018</u>
Excess (deficiency of revenues over expenditures)	<u>(4,918,252)</u>	<u>(6,052,187)</u>	<u>(8,167,779)</u>	<u>1,825,289</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from refunding bonds	-	-	-	-
Transfers in	2,583,136	2,709,879	2,379,299	3,687,963
Transfers out	(2,402,595)	(2,524,839)	(1,812,262)	(3,285,681)
Bonds issued	6,555,000	12,610,623	-	-
Discount on bonds	-	(427,343)	-	-
Payment to refunded bond escrow agent	-	-	-	-
	<u>6,735,541</u>	<u>12,368,320</u>	<u>567,037</u>	<u>402,282</u>
Net change in fund balances	<u>\$ 1,817,289</u>	<u>\$ 6,316,133</u>	<u>\$ (7,600,742)</u>	<u>\$ 2,227,571</u>
Debt service as a percentage of noncapital expenditures	12.92%	11.44%	13.82%	12.33%

Table 5

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	11,842,689	\$ 14,089,388	\$ 17,127,913	\$ 15,942,020	\$ 15,189,005	\$ 13,253,848
	5,719,554	6,015,016	6,269,809	6,741,903	7,451,872	7,448,097
	2,330,809	3,359,261	4,234,574	4,270,671	3,644,177	3,686,885
	7,263,468	10,905,885	11,586,872	11,762,763	13,273,593	12,970,784
	3,335,034	3,277,960	3,229,778	2,808,112	1,892,862	2,025,310
	1,598,230	1,904,741	2,194,596	2,313,107	2,078,224	2,322,794
	472,465	601,339	577,148	652,747	2,275,882	3,107,179
	959,264	398,436	40,340	-	15,581	101
	553,135	1,159,778	1,580,978	1,035,457	292,180	310,885
	-	-	-	-	-	-
	<u>298,875</u>	<u>610,584</u>	<u>234,544</u>	<u>748,831</u>	<u>438,421</u>	<u>428,907</u>
	<u>34,373,523</u>	<u>42,322,388</u>	<u>47,076,552</u>	<u>46,275,611</u>	<u>46,551,797</u>	<u>45,554,790</u>
	2,580,989	2,668,284	4,884,708	4,561,020	4,639,737	4,360,999
	12,256,346	13,781,535	14,360,873	14,727,849	15,625,029	16,965,808
	7,997,769	9,019,229	10,817,310	10,798,272	11,057,179	11,950,071
	1,623,794	2,978,900	-	-	-	-
	7,416,346	5,800,374	9,265,681	9,256,902	7,278,743	8,576,499
	930,000	965,000	1,005,000	1,035,000	1,080,000	1,130,000
	-	-	-	-	-	520,000
	1,753,446	1,719,392	1,682,298	1,642,606	1,607,984	1,553,980
	<u>28,363</u>	<u>25,817</u>	<u>24,691</u>	<u>25,306</u>	<u>18,194</u>	<u>89,766</u>
	<u>34,587,053</u>	<u>36,958,531</u>	<u>42,040,561</u>	<u>42,046,955</u>	<u>41,306,866</u>	<u>45,147,123</u>
	<u>(213,530)</u>	<u>5,363,857</u>	<u>5,035,991</u>	<u>4,228,656</u>	<u>5,244,931</u>	<u>407,667</u>
	-	-	-	-	-	10,385,000
	2,821,795	2,740,850	2,898,498	2,907,111	5,254,251	4,526,447
	(2,718,585)	(2,690,108)	(2,898,498)	(2,907,111)	(5,254,251)	(4,526,447)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	(10,321,560)
	<u>103,210</u>	<u>50,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,440</u>
\$	<u>(110,320)</u>	<u>\$ 5,414,599</u>	<u>\$ 5,035,991</u>	<u>\$ 4,228,656</u>	<u>\$ 5,244,931</u>	<u>\$ 471,107</u>
	10.96%	9.43%	8.93%	8.89%	8.58%	9.60%

CITY OF AVENTURA, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended September 30,	Taxes	Inter- Governmental	Licenses and Permits	Charges for Services	Fines and Forfeitures	Interest Income	Other	Total
2001	\$ 14,171,431	\$ 2,688,105	\$ 2,624,459	\$ 647,410	\$ 491,688	\$ 1,115,650	\$ 1,165,394	\$ 22,904,137
2002	15,594,848	3,091,728	3,360,172	722,125	386,758	310,096	870,976	24,336,703
2003	16,347,306	2,965,158	2,185,654	965,067	399,899	246,216	161,045	23,270,345
2004	17,788,520	7,663,308	2,146,913	1,099,321	351,698	174,983	975,564	30,200,307
2005	19,893,052	7,263,468	3,335,034	1,598,230	472,465	553,135	1,258,139	34,373,523
2006	23,463,665	10,905,885	3,277,960	1,904,741	601,339	1,159,778	1,009,020	42,322,388
2007	27,632,296	11,586,872	3,229,778	2,194,596	577,148	1,580,978	274,884	47,076,552
2008	26,954,594	11,762,763	2,808,112	2,313,107	652,747	1,035,457	748,831	46,275,611
2009	26,285,054	13,273,593	1,892,862	2,078,224	2,275,882	292,180	454,002	46,551,797
2010	24,388,830	12,970,784	2,025,310	2,322,794	3,107,179	310,885	429,008	45,554,790

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

Fiscal Year Ended September 30,	Tax Roll Year	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
		Real Property	Real Property						
2001	2000	\$ 3,349,591,933	\$ 160,779,980	\$	N/A	\$ 3,510,371,913	2.2270	N/A	N/A
2002	2001	3,752,226,238	162,055,639		N/A	3,914,281,877	2.2270	N/A	N/A
2003	2002	4,007,501,399	160,384,595		N/A	4,167,885,994	2.2270	N/A	N/A
2004	2003	4,569,228,195	161,725,854		N/A	4,730,954,049	2.2270	N/A	N/A
2005	2004	5,378,718,735	178,342,801		N/A	5,557,061,536	2.2270	N/A	N/A
2006	2005	6,780,880,599	187,347,215		(351,806,315)	6,616,421,499	2.2270	7,576,931,843	87.323%
2007	2006	8,331,742,670	201,721,611		(372,540,477)	8,160,923,804	2.2270	9,597,268,019	85.034%
2008	2007	9,774,193,983	227,245,274		(391,557,538)	9,609,881,719	1.7261	11,419,378,837	84.154%
2009	2008	9,860,466,135	209,118,365		(629,776,968)	9,439,807,532	1.7261	10,972,855,584	86.029%
2010	2009	8,433,846,719	221,526,640		(591,538,406)	8,063,834,953	1.7261	9,042,917,094	89.173%

Note: (1) Florida Law requires that all property be assessed at current fair market value.

**CITY OF AVENTURA, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$ 1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Tax Roll Year	Overlapping Rates							
		City	School District			State			
		Operating and Total Millage	Operating Millage	Debt Service Millage	Total School Millage	Everglades Project	South Florida Water Management District	Florida Inland Navigational District	Total State Millage
2001	2000	2.2270	8.7020	0.9150	9.6170	0.1000	0.5970	0.0410	0.7380
2002	2001	2.2270	8.5280	0.8480	9.3760	0.1000	0.5970	0.0385	0.7355
2003	2002	2.2270	8.4820	0.7700	9.2520	0.1000	0.5970	0.0385	0.7355
2004	2003	2.2270	8.4180	0.6820	9.1000	0.1000	0.5970	0.0385	0.7355
2005	2004	2.2270	8.0900	0.5970	8.6870	0.1000	0.5970	0.0385	0.7355
2006	2005	2.2270	7.9470	0.4910	8.4380	0.1000	0.5970	0.0385	0.7355
2007	2006	2.2270	7.6910	0.4140	8.1050	0.1000	0.5970	0.0385	0.7355
2008	2007	1.7261	7.5700	0.3780	7.9480	0.0894	0.5346	0.0345	0.6585
2009	2008	1.7261	7.5330	0.2640	7.7970	0.0894	0.5346	0.0345	0.6585
2010	2009	1.7261	7.6980	0.2970	7.9950	0.0894	0.5346	0.0345	0.6585

Source: Miami-Dade County Appraiser's Office.

Table 8

Miami-Dade County			Overlapping Rates				Special Districts		Total Direct and Overlapping Rates
Operating Millage	Debt Service Millage	Total County Millage	Children's Trust	Fire and Rescue	Fire Debt	Library	Total District's Millage		
5.7510	0.6520	6.4030	-	2.6830	0.0690	0.3510	3.1030	22.0880	
5.7130	0.5520	6.2650	-	2.6830	0.0690	0.4510	3.2030	21.8065	
5.8890	0.3900	6.2790	-	2.5820	0.0790	0.4860	3.1470	21.6405	
5.9690	0.2850	6.2540	0.5000	2.5820	0.0790	0.4860	3.6470	21.9635	
5.9350	0.2850	6.2200	0.4442	2.5920	0.0690	0.4860	3.5912	21.4607	
5.8350	0.2850	6.1200	0.4288	2.6090	0.0520	0.4860	3.5758	21.0963	
5.6150	0.2850	5.9000	0.4223	2.6090	0.0420	0.4860	3.5593	20.5268	
4.5796	0.2850	4.8646	0.4223	2.2067	0.0420	0.3842	3.0552	18.2524	
4.8379	0.2850	5.1229	0.4212	2.1851	0.0420	0.3822	3.0305	18.3350	
4.8379	0.2850	5.1229	0.5000	2.1851	0.0420	0.3822	3.1093	18.6118	

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

Table 9

Taxpayer	Type of Use	2010				2001			
		Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value	
				Value	Rank			Value	Rank
Aventura Mall Ventures	Shopping Center	\$ 391,052,842	1	4.85%	1	\$ 278,300,000	1	7.93%	1
Miami Beach Health Care Group, LTD	Hospital & Health Care Facility	166,293,623	2	2.06%	-	-	-	-	-
Peninsula II Dev., Inc.	Condominium Developer	103,965,620	3	1.29%	-	-	-	-	-
Turnberry Isle Resort, LP	Golf Course, Hotel & Marina	82,498,018	4	1.02%	5	47,352,000	5	1.35%	5
Summit Properties Partnership, LP	Rental Apartment Complex	61,081,983	5	0.76%	7	29,641,000	7	0.84%	7
NNN Aventura Harbour Centre, LLC	Mixed Use Zones & Offices	61,000,000	6	0.76%	-	-	-	-	-
Bruce Strohm and D. Neithercut TRS	Rental Apartment Complex	58,000,000	7	0.72%	-	-	-	-	-
D. Soffer and B. Redich TRS	Commercial Developer	54,258,098	8	0.67%	8	25,250,000	8	0.72%	8
Promventure Limited Partnership	Retail Outlet	46,117,251	9	0.57%	-	-	-	-	-
Champion Retail, Inc.	Retail Outlet, Hotel, Warehouse or Storage	41,384,771	10	0.51%	-	-	-	-	-
The Bay Club of Aventura	Rental Apartment Complex	-	-	-	2	63,000,000	2	1.80%	2
The Prudential Insurance Harding & Carbona, Inc.	Shopping Center	-	-	-	3	57,842,000	3	1.65%	3
Finvest Ltd, Partnership	Rental Apartment Complex	-	-	-	4	48,391,000	4	1.38%	4
Miami Beach Healthcare Group, Ltd.	Hospital/Medical Office	-	-	-	6	30,317,000	6	0.86%	6
S.J. Furnary & C. Grossman & John A. Weitz, Trustees	Shopping Center	-	-	-	9	24,500,000	9	0.70%	9
Champion Retail, Ltd. & D. Soffer & B. Redich Trust	Developer	-	-	-	10	21,116,000	10	0.60%	10
Totals		\$ 1,065,652,206		13.21%		\$ 625,709,000		17.83%	

Source: Tax Roll of Miami-Dade County, Florida.

Table 10

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

Fiscal Year Ended September 30,	Tax Roll Year	Property Tax Levy	(1)		Net Tax Levy	Current Tax Collection	Percentage of Current Tax Collections to Net Tax Levy	Delinquent Tax Collection (2)	Total Tax Collection	Percentage of Total Tax Collection to Property Tax Levy
			Property Tax Discount	Property Tax Levy						
2001	2000	\$ 7,817,598	\$ 312,704	\$ 7,504,894	\$ 7,397,312	98.57%	\$ 43,086	\$ 7,440,398	95.17%	
2002	2001	8,717,106	348,684	8,368,422	8,227,629	98.32%	201,069	8,428,698	96.69%	
2003	2002	9,281,882	371,275	8,910,607	9,013,384	101.15%	61,712	9,075,096	97.77%	
2004	2003	10,535,835	421,433	10,114,402	10,054,175	99.40%	89,071	10,143,246	96.27%	
2005	2004	12,375,576	495,023	11,880,553	11,804,181	99.36%	38,508	11,842,689	95.69%	
2006	2005	14,734,771	589,391	14,145,380	14,023,963	99.14%	65,425	14,089,388	95.62%	
2007	2006	18,174,377	726,975	17,447,402	16,997,222	97.42%	130,691	17,127,913	94.24%	
2008	2007	16,587,617	663,505	15,924,112	15,719,769	98.72%	222,251	15,942,020	96.11%	
2009	2008	16,294,052	651,762	15,642,290	15,062,722	96.29%	126,283	15,189,005	93.22%	
2010	2009	13,918,986	556,759	13,362,227	12,585,864	94.19%	667,984	13,253,848	95.22%	

Source: Miami-Dade County, Florida, Tax Collector.

Notes: (1) Florida Law allows up to a 4% discount for timely payment of property taxes.

(2) Includes corrections and penalties.

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

Table 11

Fiscal Year Ended September 30,	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Line of Credit	Outstanding Bonds			
2001	\$ -	\$ 26,610,000	\$ -	\$ -	\$ 26,610,000	3.90%	\$ 1,032.68
2002	-	38,650,000	-	-	38,650,000	5.45%	1,478.46
2003	-	38,055,000	-	-	38,055,000	5.01%	1,396.98
2004	-	37,155,000	-	-	37,155,000	4.42%	1,317.23
2005	-	36,225,000	-	-	36,225,000	3.97%	1,271.05
2006	-	35,260,000	-	-	35,260,000	3.55%	1,197.24
2007	-	34,255,000	-	-	34,255,000	*	1,127.44
2008	-	33,220,000	-	-	33,220,000	*	1,070.09
2009	-	32,140,000	-	-	32,140,000	*	1,032.58
2010	-	30,815,000	-	-	30,815,000	*	988.26

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

* Information not available.

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

Table 12

Fiscal Year Ended <u>September 30,</u>	Gross Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Assessed Value of Taxable Property	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita (1)
2001	\$ 26,610,000	\$ 866,000	\$ 25,744,000	\$ 3,510,371,913	0.73%	\$ 999.07
2002	38,650,000	1,668,000	36,982,000	3,914,281,877	0.94%	1,414.66
2003	38,055,000	529,000	37,526,000	4,167,885,994	0.90%	1,377.56
2004	37,155,000	31,000	37,124,000	4,730,954,049	0.78%	1,316.13
2005	36,225,000	42,000	36,183,000	5,557,061,536	0.65%	1,269.58
2006	35,260,000	24,278	35,235,722	6,616,421,499	0.53%	1,196.42
2007	34,255,000	133,053	34,121,947	8,160,923,804	0.42%	1,123.06
2008	33,220,000	136,790	33,083,210	9,609,881,719	0.34%	1,065.69
2009	32,140,000	137,175	32,002,825	9,439,807,532	0.34%	1,028.17
2010	30,815,000	280,321	30,534,679	8,063,834,953	0.38%	979.27

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

(1) See the Schedule of Demographic and Economic Statistics for population data.

CITY OF AVENTURA, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
 September 30, 2010

Table 13

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Aventura (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 3,343,176,892	3.645%	\$ 121,858,798
Miami-Dade County School Board (2)	<u>3,445,003,000</u>	3.645%	<u>125,570,359</u>
Subtotal overlapping debt	<u>6,788,179,892</u>		<u>247,429,157</u>
Direct debt:			
City of Aventura	<u>30,815,000</u>	100.000%	<u>30,815,000</u>
Subtotal direct debt	<u>30,815,000</u>		<u>30,815,000</u>
Total direct and overlapping debt	<u>\$ 6,818,994,892</u>		<u>\$ 278,244,157</u>

Notes: (1) Based on ratio of assessed taxable values obtained from the Miami-Dade County, Florida Tax Collector.

**CITY OF AVENTURA, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 351,037,200	\$ 391,428,200	\$ 416,788,600	\$ 473,095,400	\$ 555,706,154	\$ 661,642,150	\$ 816,092,380	\$ 960,988,172	\$ 943,980,753	\$ 806,383,495
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 351,037,200	\$ 391,428,200	\$ 416,788,600	\$ 473,095,400	\$ 555,706,154	\$ 661,642,150	\$ 816,092,380	\$ 960,988,172	\$ 943,980,753	\$ 806,383,495
Total net debt applicable to the limit as a percentage of debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed valuation of taxable real and personal property	\$ 8,063,834,953
Bonded debt limit - 10% above (1)	\$ 806,383,495
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 30,815,000
Less: debt to be repaid from specified revenue sources:	
Covenant to budget and appropriate	<u>(30,815,000)</u>
Total net debt applicable to limit	<u>-</u>
Legal Debt Margin (1)	<u>\$ 806,383,495</u>

Note: (1) The City Charter allows revenue bonds to be issued when authorized by the City Commission as long as five (5) of the seven (7) Commission members approve the debt. Ad Valorem (general obligation bonds) must be approved by referendum of the electorate. The Charter provides no limit on the amount of the general obligation debt; however, the adopted Capital Improvement Program provides that general obligation bonds shall not exceed 10% of the City's total assessed value.

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

Table 15

Fiscal Year Ended September 30,	Population (1)	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	25,768	\$ 681,435	\$ 26,445	3.6%
2002	26,142	709,677	27,147	3.9%
2003	27,241	759,779	27,891	3.5%
2004	28,207	841,048	29,817	3.2%
2005	28,500	912,713	32,025	3.7%
2006	29,451	992,852	33,712	3.3%
2007	30,383	*	*	3.1%
2008	31,044	*	*	3.7%
2009	31,126	*	*	7.1%
2010	31,181	*	*	9.9%

Data sources:

- (1) Years are as of April 1 of each year per the University of Florida Bureau of Economics & Business Research.
- (2) Represents income per capita for Miami-Dade County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) Florida Department of Labor, Bureau of Labor Market Information.

* Information not available.

CITY OF AVENTURA, FLORIDA
 OCCUPATIONAL EMPLOYMENT BY GROUP - MIAMI-DADE COUNTY, FLORIDA
 CURRENT YEAR AND NINE YEARS AGO

Table 16

Occupational Groups	2010			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	211,440	1	21.54%	N/A	N/A	N/A
Sales and related	124,590	2	12.69%	N/A	N/A	N/A
Food preparation and service related	78,800	3	8.03%	N/A	N/A	N/A
Transportation and material moving	67,960	4	6.92%	N/A	N/A	N/A
Healthcare practitioner and technical	55,940	7	5.70%	N/A	N/A	N/A
Education, training and library	51,830	6	5.28%	N/A	N/A	N/A
Business and financial operations	51,320	5	5.23%	N/A	N/A	N/A
Protective service	38,580	12	3.93%	N/A	N/A	N/A
Building and grounds cleaning and maintenance	36,390	11	3.71%	N/A	N/A	N/A
Installation, maintenance and repair	36,100	9	3.68%	N/A	N/A	N/A
Production	35,920	8	3.66%	N/A	N/A	N/A
Construction and extraction	32,320	10	3.29%	N/A	N/A	N/A
Management	30,010	13	3.06%	N/A	N/A	N/A
Personal care and service	28,320	14	2.89%	N/A	N/A	N/A
Healthcare support	27,380	15	2.79%	N/A	N/A	N/A
Computer and mathematical science	16,510	16	1.68%	N/A	N/A	N/A
Arts, design, entertainment, sports and media	14,430	17	1.47%	N/A	N/A	N/A
Legal	12,950	18	1.32%	N/A	N/A	N/A
Community and social services	12,240	19	1.25%	N/A	N/A	N/A
Architecture and engineering	10,520	20	1.07%	N/A	N/A	N/A
Life, physical and social sciences	5,220	21	0.53%	N/A	N/A	N/A
Farming, fishing and forestry	2,800	22	0.29%	N/A	N/A	N/A
Total	981,570		100.00%	N/A		N/A

Source: Represents Metropolitan Area Occupational Employment for the entire Miami-Miami Beach-Kendall, Florida geographic region as provided by the U.S. Department of Labor, Bureau of Labor Statistics as of May 2009. Estimates do not include self-employed workers.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FUNCTION:										
General government	23	24	24	26	25	26	23	23	19	20
Public safety:										
Sworn	63	73	74	74	77	74	80	80	80	83
Civilians	32	34	34	34	33	37	34	35	37	37
Community services	17	17	16	16	16	17	15	16	16	16
Community development	12	12	12	11	11	10	10	9	9	8
	<u>147</u>	<u>160</u>	<u>160</u>	<u>161</u>	<u>162</u>	<u>164</u>	<u>162</u>	<u>163</u>	<u>161</u>	<u>164</u>

Source: Various City departments.

**CITY OF AVENTURA, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Table 18

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FUNCTION/PROGRAM:										
Public safety:										
Part 1 Crimes reported*	3,101	2,644	2,636	1,851	1,646	1,797	2,045	2,363	2,302	2,193
Arrests	2,306	2,586	2,463	2,106	2,090	1,733	1,966	2,215	2,387	2,203
Traffic citations and warnings	5,581	11,028	9,714	12,820	13,942	14,431	16,848	16,987	20,026	20,814
Parking citations issued	1,114	1,444	1,452	1,619	2,328	4,816	4,750	4,049	3,639	3,375
Calls for service	20,924	21,987	23,142	23,104	26,891	33,905	34,987	33,281	32,616	31,169
Accidents	1,885	1,749	1,614	1,903	1,939	1,816	2,222	2,087	1,961	1,878
Hours assigned to community policing	8,320	8,320	6,240	6,240	8,320	8,320	8,320	8,320	N/A	8,320
Community development:										
Building permits issued	5,290	3,397	17,365	2,475	3,528	5,242	6,161	4,112	3,377	4,130
Building inspections conducted	19,029	17,365	12,771	7,779	9,112	10,292	13,891	9,365	6,015	6,963
Code notice of violations issued	672	317	283	312	152	170	199	118	122	134
Occupational licenses issued	2,195	2,738	2,523	3,107	3,035	2,966	2,978	2,875	2,817	2,884
Community services:										
Recreation center memberships	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,149	1,112	1,238
Special event attendance	N/A	14,300	16,100	33,500	34,728	36,365	38,714	22,242	23,068	24,017
Shuttle bus ridership	77,000	80,000	82,600	95,000	118,629	146,506	166,255	189,996	209,257	241,273
Charter school enrollment	N/A	N/A	600	600	700	800	800	900	900	932

Source: Various City departments.

* Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.

N/A: Information not available.

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

Table 19

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FUNCTION:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	1	-	-	-	-	-	-
Fire stations (1)	2	2	2	2	2	2	2	2	2	2
Parks and recreation:										
Parks	2	2	3	4	4	4	5	5	5	5
Park acreage	21.00	21.00	21.00	21.00	23.50	23.50	30.50	30.50	30.50	30.50
Baseball/softball diamonds	1	1	1	1	1	1	1	2	2	2
Soccer/football fields	3	3	3	3	3	3	3	3	3	3
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community recreation centers	-	-	1	1	1	1	1	1	1	1
Libraries (1)	1	1	1	1	1	1	1	1	1	1
Public works:										
Street lights	N/A	N/A	N/A	N/A	N/A	639	654	712	712	712
Miles of roads	13.00	13.00	13.00	13.00	13.00	13.00	13.25	13.80	13.80	13.80
Charter schools (K-8)	-	-	1	1	1	1	1	1	1	1
Transit routes/minibuses (2)	3	3	4	4	4	5	5	5	5	5

Notes: (1) Owned and operated by Miami-Dade County, Florida.
(2) Operated under contractual agreement.

N/A: Information not available.

COMPLIANCE SECTION



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*

To the Honorable Mayor
Members of the City Commission and City Manager
City of Aventura, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aventura, Florida (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 3, 2011. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

City of Aventura, Florida

Compliance and Other Matters

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

This report is intended solely for the information and use of the City Commission, management, Federal and state awarding agencies, pass-through entities, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 3, 2011



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor
Members of the City Commission and City Manager
City of Aventura, Florida

Compliance

We have audited the compliance of the City of Aventura, Florida (the "City") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major Federal program for the year ended September 30, 2010. The City's major Federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major Federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2010.

Internal Control over Compliance

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

City of Aventura, Florida

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the City Commission, management, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 3, 2011



INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

To the Honorable Mayor
Members of the City Commission and City Manager
City of Aventura, Florida

We have audited the basic financial statements of City of Aventura, Florida (the "City"), as of and for the year ended September 30, 2010, and have issued our report thereon dated March 3, 2011.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance With Requirements Applicable to each Major Program and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 3, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. 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. There were no recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. 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 violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

City of Aventura, Florida

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the City Commission, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 3, 2011

CITY OF AVENTURA, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended September 30, 2010

Federal Agency Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures
FEDERAL AGENCY NAME:			
Direct Programs:			
United States Department of Justice - Federal Forfeitures	16.XXX	---	\$ 142,839
Indirect Programs:			
United States Department of Transportation - Passed through the Florida Department of Transportation:			
ARRA - Highway Planning and Construction	* 20.205	426548-1 / ARRA-421 426547-1 / ARRA-352	299,826 112,553
United States Department of Agriculture - Passed through the Florida Department of Education:			
National School Lunch Program	10.555	01-0438	<u>67,348</u>
Total expenditures of Federal awards			\$ <u><u>622,566</u></u>

* Denotes a major program

CITY OF AVENTURA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended September 30, 2010

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - CONTINGENCY

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

NOTE 3 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE

Complete Catalog of Federal Domestic Assistance (“CFDA”) numbers are presented for those programs for which such numbers were available. CFDA prefixes are presented for programs for which a complete CFDA number is not available.

CITY OF AVENTURA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2010

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the basic financial statements of City of Aventura, Florida, were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal program are reported in the Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major Federal program for City of Aventura, Florida expresses an unqualified opinion.
6. No audit findings relative to the major Federal program for City of Aventura, Florida are reported in Part C of this schedule.
7. The program tested as a major program is as follows:

Federal Program	Federal CFDA No.
United States Department of Transportation - Highway Planning and Construction	20.205

8. The threshold for distinguishing Types A and B programs was \$ 300,000 for the major Federal programs.
9. City of Aventura, Florida was not determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

NONE

D. OTHER ISSUES

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs.

No Corrective Action Plan is required because there were no findings reported under the Federal Single Audit Act.