

City of Aventura, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2008



Prepared By

The Finance Department

Brian K. Raducci, Finance Director

Brent Rogers, Controller

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City of Aventura

Government Center
19200 West Country Club Drive
Aventura, Florida 33180

SUSAN GOTTLIEB
MAYOR

March 26, 2009

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

COMMISSIONERS
ZEV AUERBACH
BOB DIAMOND
TERI 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, 2008.

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 McGladrey & Pullen, LLP. 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 2008

The City's combination of upscale residential and commercial developments resulted in a taxable value of approximately \$9.6 billion within a land area of less than 4 square miles. During fiscal year 2008, the Country, as well as the South Florida area had experienced an economic downturn that has resulted in lower home values, rising fuel costs, 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

The establishment of a new municipal government structure to meet the needs of an existing City resident and business base has required the dedication of elected officials, the City Manager and all employees. The foundation on which to build the government structure has emphasized customer service, one-stop shopping and privatization where appropriate.

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.

Since its inception, the City has acquired land and constructed five (5) public parks.

During the fiscal year 2008, the City continued to make and consider intersection improvements at various locations along Biscayne Boulevard as well as continue its drainage and street resurfacing programs.

The August 25, 2003 opening of Aventura Charter Elementary School ("School") represented 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 School has been well received and has been at full capacity since its inception. In the 2006 school year, a sixth grade was added, with expansion to seventh and eighth grades in the 2007 and 2008 school years, respectively. The School has obtained academic success receiving an "A" grade issued by the State of Florida for the past three (3) years. In order to address the Florida Class Size Mandate Legislation, ten (10) new classrooms will be constructed and completed in time for the 2010 school year. This will insure that the School will meet the class size requirements of kindergarten through third grade of 18 students per classroom and fourth grade to eighth grade of 22 students per classroom. In addition, the new classrooms will allow an increase of eight (8) students per grade for a total of seventy two (72) new students.

In late 2007, the City Commission authorized the commencement of the design and construction of an Arts and Cultural Center to be located adjacent to the Community Recreation Center. In January 2009, Phase I Demolition was commenced and was completed on March 6, 2009. On March 3, 2009, the City Commission authorized an agreement for construction management services related to Phase II construction which is scheduled to begin in early April 2009. Construction is scheduled for completion in early 2010. A contract with the Broward Performing Arts Center Authority to provide start-up services and manage the City's Arts & Cultural Center was approved at the February Commission Meeting.

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, 2008 for the General Fund is approximately \$29,088,000, representing a significant portion of the fiscal year 2009 budget. Of this amount, approximately \$16,500,000 is used to fund a capital reserve account in the fiscal year 2009 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, 2008 were approximately \$667,000.

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 11 in the Notes to the Financial Statements for a detailed discussion of the retirement program.

Financing Programs and Debt Administration

The City currently has three (3) outstanding long-term debt issues. At September 30, 2008, the principal balance outstanding totaled \$33,220,000.

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 \$1,350,000 per year over the 30-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 April 1, 2020. Debt service requirements average approximately \$510,000 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 April 1, 2029. 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.

Risk Management

The City is insured with the Florida Municipal Insurance Trust for liability, property and workers' compensation coverage. The liability limit under the policy is \$5,000,000.

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 McGladrey & Pullen, 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, 2007. This was the twelfth 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, CMA-CM
City Manager



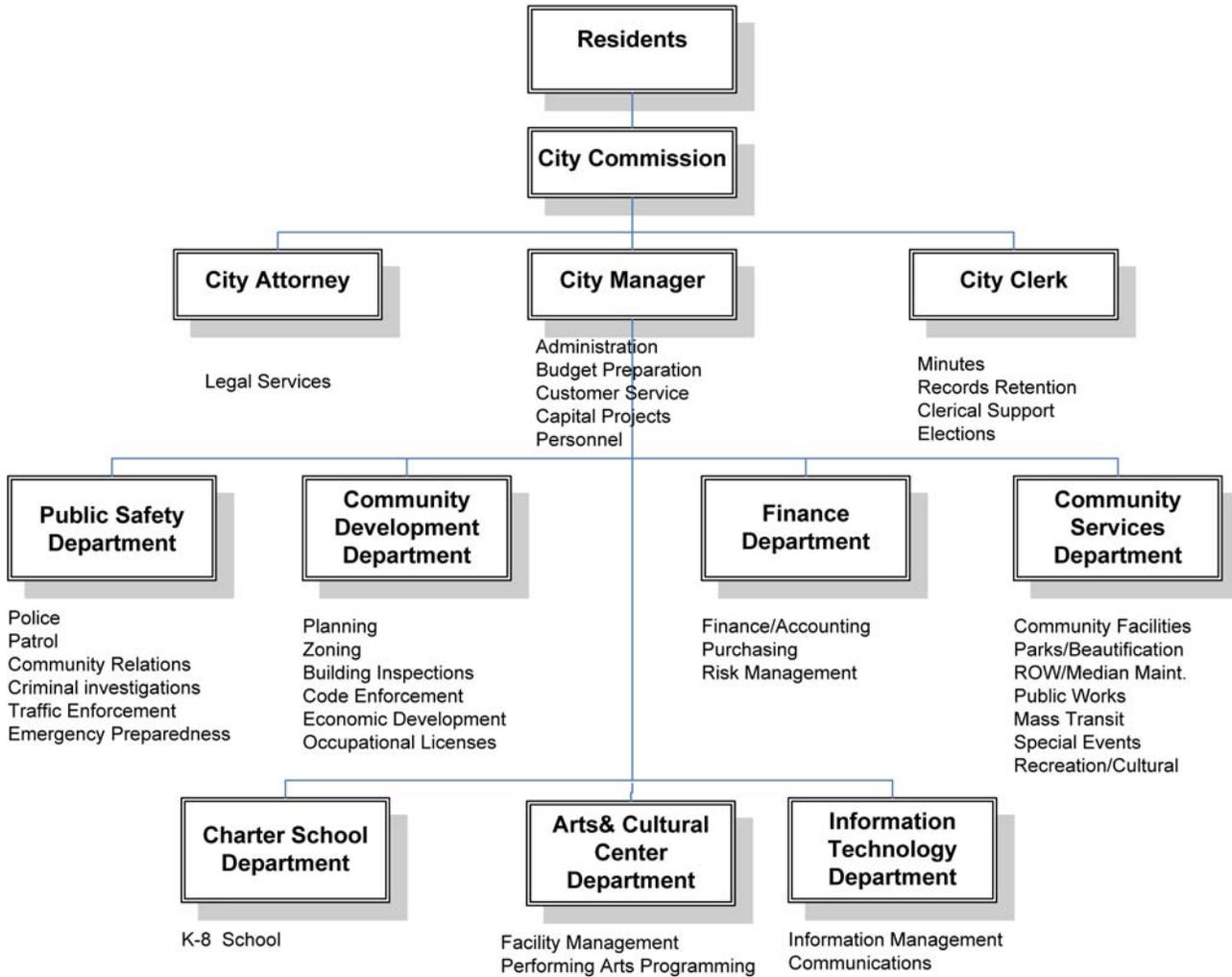
Brian K. Raducci
Finance Director

**City of Aventura, Florida
List of Principal Officials
As of September 30, 2008**

<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 Urbaz Weinberg
City Manager	Eric M. Soroka
Finance Director	Brian K. Raducci
Community Services Director	Robert M. Sherman
City Clerk	Teresa M. Soroka
Community Development	Joanne Carr
Police Chief	Steven Steinberg
Information Technology Director	Karen J. Lanke
Principal Charter School	Julie Alm
City Attorney	Weiss Serota Helfman Pastoriza Cole & Boniske, P.A.
City Auditor	McGladrey & Pullen, LLP

CITY OF AVENTURA

Organizational Chart



McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Commission
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, 2008, 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 City of Aventura Police Officers' Retirement Plan Pension Trust Fund which financial statements represent 78% of the total assets and 19% of the total revenues of the aggregate remaining fund information. The financial statements of the City of Aventura Police Officers' Retirement Plan pension Trust Fund 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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' provide 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, 2008 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 a report dated March 26, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal 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.

Management's discussion and analysis, the budgetary comparison information, and the pension fund schedules of funding progress and employer contributions are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We, and the other auditors, have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Fort Lauderdale, Florida
March 26, 2009

Management's Discussion and Analysis (Unaudited)

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, 2008. 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.

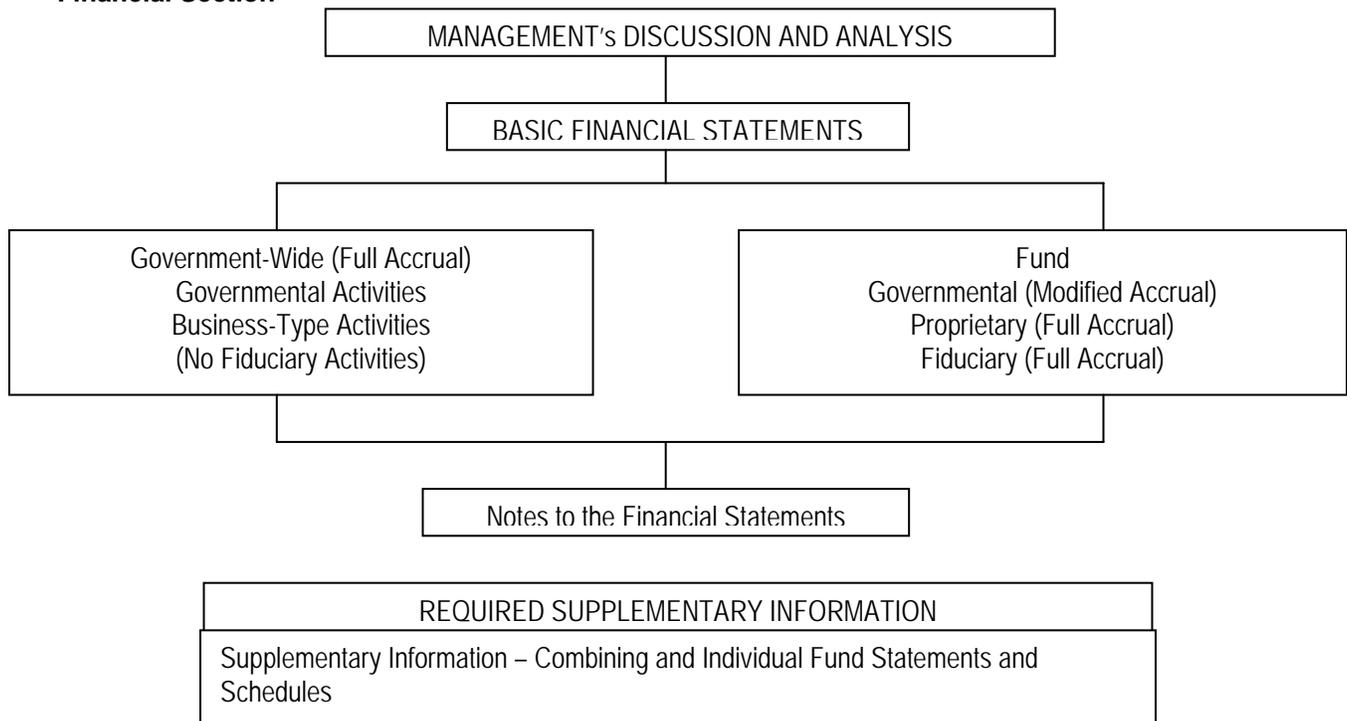
Financial Highlights

- The City's total net assets increased by \$10.1 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 \$9.9 million.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$91.2 million (net assets). Of this amount, \$31.5 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 \$29 million or 107% 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



Management’s Discussion and Analysis (Unaudited)

Major Features of the Basic Financial Statements

	Government-Wide	Fund Financial Statements		
	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 revenue, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenue, 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.

Management's Discussion and Analysis (Unaudited)

- 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.

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, community services and nondepartmental. 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 revenue, 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.

Management's Discussion and Analysis (Unaudited)

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 revenue, 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.

Proprietary funds. Financial statements consist of a statement of net assets, statement of revenue, 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.

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 fund. 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 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 contributions.

Management's Discussion and Analysis (Unaudited)

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.

Government-Wide Financial Analysis

The table below presents a summary of net assets as of September 30, 2008 and 2007, derived from the government-wide Statement of Net Assets:

	Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 38,550	\$ 33,387	\$ 585	\$ 153	\$ 39,135	\$ 33,540
Capital assets	84,189	79,693	7,432	7,503	91,621	87,196
Total assets	<u>122,739</u>	<u>113,080</u>	<u>8,017</u>	<u>7,656</u>	<u>130,756</u>	<u>120,736</u>
Long-term liabilities	35,285	35,836	-	-	35,285	35,836
Other liabilities	4,148	3,817	167	36	4,315	3,853
Total liabilities	<u>39,433</u>	<u>39,653</u>	<u>167</u>	<u>36</u>	<u>39,600</u>	<u>39,689</u>
Net assets:						
Invested in capital assets, net of related debt	50,969	45,439	7,432	7,503	58,401	52,942
Restricted	1,226	2,942	-	-	1,226	2,942
Unrestricted (deficit)	31,111	25,046	418	117	31,529	25,163
Total net assets	<u>\$ 83,306</u>	<u>\$ 73,427</u>	<u>\$ 7,850</u>	<u>\$ 7,620</u>	<u>\$ 91,156</u>	<u>\$ 81,047</u>

Management's Discussion and Analysis (Unaudited)

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 \$81 million.

The largest portion of the City's net assets is net assets invested in capital assets net of related debt and is 64% 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 35% 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 increased \$4.5 million and \$5.5 million, respectively in the governmental activities due primarily to Waterways Park improvements other than buildings. Current and other assets and unrestricted net assets in the governmental activities increased by \$5.1 million and \$6 million, respectively, due to the increase in cash which primarily resulted from higher than anticipated revenues from utility service taxes, franchise fees and interest income and less than anticipated expenditures for personnel services and capital outlay.

Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. Property taxes decreased \$1.2 million due to the impact of the 2007 Special Legislative Session that required the City to adopt the rollback rate and further reduce that rate by 9%. Intergovernmental revenues increased by \$.8 million due to additional local grants and funding. Other taxes increased by \$.5 million due to an increase in electric and telecommunication taxes.

General government expenses increased by \$.5 million due to an increase in depreciation, capital outlay expenditures that did not meet capitalization thresholds and payroll and benefit increases.

City of Aventura, Florida

Management's Discussion and Analysis (Unaudited)

The table below presents a Summary of changes in net assets for the years ended September 30, 2008 and 2007, as derived from the government-wide Statement of Activities:

	Changes in Net Assets (in thousands)					
	Governmental		Business-Type		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 4,959	\$ 5,295	\$ 882	\$ 889	\$ 5,841	\$ 6,184
Operating grants and contributions	8,380	8,298	-	-	8,380	8,298
Capital grants and contributions	-	40	-	581	-	621
<i>General revenues:</i>						
Property taxes	15,942	17,128	-	-	15,942	17,128
Other taxes	6,742	6,270	-	-	6,742	6,270
Franchise fees	4,271	4,235	-	-	4,271	4,235
Intergovernmental revenues	4,800	4,042	-	-	4,800	4,042
Other revenues	1,784	1,674	18	4	1,802	1,678
Total revenues	46,878	46,982	900	1,474	47,778	48,456
Expenses:						
General government	6,777	6,221	-	-	6,777	6,221
Public safety	15,517	15,366	-	-	15,517	15,366
Community services	13,031	13,062	-	-	13,031	13,062
Interest on long-term debt	1,674	1,721	-	-	1,674	1,721
Stormwater utility	-	-	670	558	670	558
Total expenses	36,999	36,370	670	558	37,669	36,928
Increase in net assets before transfers	9,879	10,612	230	916	10,109	11,528
Transfers	-	-	-	-	-	-
Change in net assets	9,879	10,612	230	916	10,109	11,528
Net assets, beginning	73,427	62,815	7,620	6,704	81,047	69,519
Net assets, ending	\$ 83,306	\$ 73,427	\$ 7,850	\$ 7,620	\$ 91,156	\$ 81,047

Management's Discussion and Analysis (Unaudited)

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.

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 \$29 million while the total fund balance reached \$29.5 million. Much of the unreserved fund balance will be utilized in future years to fund various capital needs. 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 107% of total general fund expenditures, while total fund balance represents 109% of that same amount.

The fund balance of the City's General Fund increased by \$6.2 million during the current fiscal year. Key factors of this increase are as follows:

- An increase in Utility tax revenue of \$.5 million due to higher fuel costs and higher revenues generated by Florida Power and Light which pays a percentage of its revenue earned to the City.
- \$.6 million decrease in Community Service expenditures primarily due to a reduction in contractual services related to engineering and a reduction in utility usage due to the use of more efficient operations.
- Capital outlay decreased \$1.5 million primarily because several projects budgeted in 2005/06 fiscal year were completed in 2006/07. In fiscal year 2007/08 there were less capital projects.

The Charter School Fund is used to record the operations of the Aventura City of Excellence School. The School's intergovernmental revenues increased by \$1 million primarily due to the addition of the eighth grade with 100 new students and corresponding expenditures increased \$.6 million. There was also a decrease in transfers out to fund debt service due to a reduction in the annual payment requirement of \$118,000. Debt Service Fund 2000 Series is used to record principal retirement and did not have any significant changes from the prior year.

The Street Maintenance Fund is used to account for revenue and expenditures, which by State Statute are designated for street maintenance and construction costs. The net change in fund balance of \$.6 million is due to current year construction activities which were in excess of current year intergovernmental revenues received.

Proprietary Fund

The proprietary fund showed a \$0.2 million increase in net assets from the prior year. Operating revenue remained consistent with the prior year and expenses increased by approximately \$100,000 primarily due to an increase in depreciation expense of \$52,000.

Management's Discussion and Analysis (Unaudited)

General Fund Budgetary Highlights

The original budget was amended and revenues were increased by approximately \$650,000 during the year. The increased revenues were caused by a \$.5 million increase in building permits due to new construction and a \$136,000 increase in revenue from certificates of occupancy.

The original budgeted expenditures were increased by approximately \$1 million. Expenditure budgeted for public safety was increased by \$.8 million due to building permits, inspection costs and payroll and benefit increases.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in an increase in fund balance before other financing sources and uses of approximately \$20 million and a positive variance in the net change in fund balance of approximately \$2 million. As explained earlier, much of the unreserved fund balance will be utilized in future years to fund various capital needs. Franchise fee revenue exceeded the revised budget by \$.9 million and utility service tax revenues exceeded budget by \$.6 million due to increased cost of electricity due to increases in fuel costs which resulted in increased revenue. Nondepartmental capital outlay was \$16.5 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, 2008 and 2007, the City had \$91.6 and \$87.2 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets					
	(in thousands, net of depreciation)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Land	\$ 17,102	\$ 17,102	\$ -	\$ -	\$ 17,102	\$ 17,102
Buildings	28,480	28,880	-	-	28,480	28,880
Improvements other than buildings	9,336	4,453	-	-	9,336	4,453
Furniture, machinery and equipment	3,688	4,249	-	-	3,688	4,249
Infrastructure	25,344	24,567	7,432	7,503	32,776	32,070
Construction in progress	239	442	-	-	239	442
Total	\$ 84,189	\$ 79,693	\$ 7,432	\$ 7,503	\$ 91,621	\$ 87,196

Management’s Discussion and Analysis (Unaudited)

Major capital asset events during the year included:

- Improvements other than buildings increased by approximately \$4.8 million due to the construction of Waterways Park.

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

Debt Administration

As of year-end, the City had \$33.2 million in debt outstanding compared to the \$34.2 million last year, a 3% decrease. All debt is secured only by a covenant to budget and appropriate.

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 Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Non-Ad Valorem bonds	\$ 33,220	\$ 34,255	\$ -	\$ -	\$ 33,220	\$ 34,255

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 2009 totals \$54.8 million, 5% lower (after eliminating capital) than the final operating and capital budget for fiscal year 2008.

On January 29, 2008, Florida voters passed Amendment One, which provides additional tax relief benefits to property owners throughout the state. The following benefits are effective for fiscal year 2009:

- o An Additional \$25,000 Homestead Exemption
- o A \$25,000 Tangible Personal Property Exemption
- o Portability, which allows homeowners to transfer all or part of their “Save Our Homes” Assessment Difference to a new home.

The fourth benefit, a 10% cap on increases in the annual assessment of non-homesteaded properties will go into effect next year. The net effect on the City’s taxable value from Amendment One was a reduction of \$247 million or 2.6% as compared to last year.

In addition to the reduction in the City’s taxable value caused by Amendment One, the sagging housing market resulted in another \$477 million reduction in taxable value. Taxable value increases from new construction in the amount of \$555 million assisted in offsetting the loss in property values. However, the overall reduction of \$170 million or \$279,000 in tax revenue resulted in the City experiencing its first loss of taxable value in its 12 years of incorporation.

Management's Discussion and Analysis (Unaudited)

All of these challenges made the process of preparing the fiscal year 2009 budget more complex than that previously experienced. Due to privatizing and outsourcing many City services over the years, completing \$110 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 revenue reductions caused by Amendment One and the economic slowdown. Last year's comprehensive reevaluation of service levels and budget line items which resulted in operating cost reductions also played in a key role in creating the foundation and financial sustainability for the City to respond to lower revenues as we prepared this year's budget.

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 Finance Director at 19200 W. Country Club Drive, Aventura, Florida 33180.

City of Aventura, Florida

Statement of Net Assets
September 30, 2008

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 35,019,059	\$ 464,245	\$ 35,483,304
Receivables (net of allowance for uncollectibles)	462,560	-	462,560
Due from other governments	1,809,037	120,797	1,929,834
Prepaid expenses	254,596	-	254,596
Inventories	24,994	-	24,994
Bond issuance costs (net)	378,059	-	378,059
Restricted cash, cash equivalents and investments	601,763	-	601,763
Capital assets:			
Nondepreciable	17,341,589	-	17,341,589
Depreciable (net of accumulated depreciation)	66,847,341	7,431,770	74,279,111
Total assets	<u>122,738,998</u>	<u>8,016,812</u>	<u>130,755,810</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable	1,842,562	167,122	2,009,684
Accrued liabilities	1,340,374	-	1,340,374
Retainage payable	257,132	-	257,132
Due to other governments	4,377	-	4,377
Unearned revenues	484,238	-	484,238
Accrued interest payable	104,021	-	104,021
Net pension obligation	114,683	-	114,683
Due within one year:			
Compensated absences payable	516,317	-	516,317
Bonds payable	1,080,000	-	1,080,000
Due in more than one year:			
Compensated absences payable	1,548,952	-	1,548,952
Bonds payable	32,140,000	-	32,140,000
Total liabilities	<u>39,432,656</u>	<u>167,122</u>	<u>39,599,778</u>
Commitments and Contingencies			
Net assets:			
Invested in capital assets, net of related debt	50,968,930	7,431,770	58,400,700
Restricted for:			
Police purposes	617,348	-	617,348
Capital improvements	609,345	-	609,345
Unrestricted	31,110,719	417,920	31,528,639
Total net assets	<u>\$ 83,306,342</u>	<u>\$ 7,849,690</u>	<u>\$ 91,156,032</u>

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Activities
Fiscal Year Ended September 30, 2008

Function/Program	Net (Expense) Revenue and Changes in Net Assets						
	Expenses	Program Revenues			Governmental Activities	Business-type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental activities:							
General government	\$ 6,776,605	\$ -	\$ 71,139	\$ -	\$ (6,705,466)	\$ -	\$ (6,705,466)
Public safety	15,517,221	2,965,541	506,946	-	(12,044,734)	-	(12,044,734)
Community services	13,030,566	1,993,719	7,801,602	-	(3,235,245)	-	(3,235,245)
Interest and fiscal charges	1,674,297	-	-	-	(1,674,297)	-	(1,674,297)
Total governmental activities	<u>36,998,689</u>	<u>4,959,260</u>	<u>8,379,687</u>	<u>-</u>	<u>(23,659,742)</u>	<u>-</u>	<u>(23,659,742)</u>
Business-type activities:							
Stormwater utility	670,602	882,429	-	-	-	211,827	211,827
Total	<u>\$ 37,669,291</u>	<u>\$ 5,841,689</u>	<u>\$ 8,379,687</u>	<u>\$ -</u>	<u>\$ (23,659,742)</u>	<u>\$ 211,827</u>	<u>\$ (23,447,915)</u>
General revenue:							
Taxes:							
Ad valorem taxes					\$ 15,942,020	\$ -	\$ 15,942,020
Utility service taxes					6,741,903	-	6,741,903
Franchise fees					4,270,671	-	4,270,671
Intergovernmental, not restricted for specific purposes					4,799,706	-	4,799,706
Interest income					1,035,457	17,528	1,052,985
Miscellaneous					748,831	-	748,831
Total general revenues					<u>33,538,588</u>	<u>17,528</u>	<u>33,556,116</u>
Change in net assets					9,878,846	229,355	10,108,201
Net assets, beginning					73,427,496	7,620,335	81,047,831
Net assets, ending					<u>\$ 83,306,342</u>	<u>\$ 7,849,690</u>	<u>\$ 91,156,032</u>

See Notes to Financial Statements.

City of Aventura, Florida

Balance Sheet
Governmental Funds
September 30, 2008

	General	Charter	Street	Debt	Nonmajor	Total
	Fund	School	Maintenance	Service	Governmental	Governmental
	Fund	Fund	Fund	Fund	Funds	Funds
				Series 2000		
Assets						
Cash and cash equivalents	\$ 30,066,315	\$ 2,921,214	\$ 253,945	\$ 3,729	\$ 1,773,856	\$ 35,019,059
Restricted cash, cash equivalents and investments	-	-	-	500,533	101,230	601,763
Accounts receivable, net	460,824	1,736	-	-	-	462,560
Inventories	24,994	-	-	-	-	24,994
Due from other funds	256,439	-	-	-	-	256,439
Due from other governments	1,302,137	5,127	267,763	-	234,010	1,809,037
Prepaid expenditures	248,562	6,034	-	-	-	254,596
Total assets	<u>\$ 32,359,271</u>	<u>\$ 2,934,111</u>	<u>\$ 521,708</u>	<u>\$ 504,262</u>	<u>\$ 2,109,096</u>	<u>\$ 38,428,448</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 751,062	\$ 206,513	\$ 588,731	\$ -	\$ 296,256	\$ 1,842,562
Accrued liabilities	793,876	164,616	-	381,882	-	1,340,374
Retainage payable	257,132	-	-	-	-	257,132
Due to other governments	4,377	-	-	-	-	4,377
Deferred and unearned revenue	1,025,836	-	91,188	-	-	1,117,024
Due to other funds	-	-	-	121,659	134,780	256,439
Total liabilities	<u>2,832,283</u>	<u>371,129</u>	<u>679,919</u>	<u>503,541</u>	<u>431,036</u>	<u>4,817,908</u>
Fund balances:						
Reserved for:						
Encumbrances	165,829	161,293	-	-	2,892	330,014
Inventory	24,994	-	-	-	-	24,994
Prepaid expenditures	248,562	6,034	-	-	-	254,596
Unreserved:						
Designated for subsequent year expenditures in:						
General Fund	14,701,066	-	-	-	-	14,701,066
Special Revenue Funds	-	2,395,655	-	-	-	2,395,655
Capital Projects Funds	-	-	-	-	-	-
Undesignated, reported in:						
General Fund	14,386,537	-	-	-	-	14,386,537
Special Revenue Funds	-	-	(158,211)	-	1,439,435	1,281,224
Debt Service Funds	-	-	-	721	136,069	136,790
Capital Projects Funds	-	-	-	-	99,664	99,664
Total fund balances	<u>29,526,988</u>	<u>2,562,982</u>	<u>(158,211)</u>	<u>721</u>	<u>1,678,060</u>	<u>33,610,540</u>
Total liabilities and fund balances	<u>\$ 32,359,271</u>	<u>\$ 2,934,111</u>	<u>\$ 521,708</u>	<u>\$ 504,262</u>	<u>\$ 2,109,096</u>	<u>\$ 38,428,448</u>

See Notes to Financial Statements.

City of Aventura, Florida

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2008**

Total fund balances – governmental funds		\$ 33,610,540
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets is	\$ 107,594,139	
Accumulated depreciation is	(23,405,209)	
		84,188,930
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		632,786
Net pension obligation resulting from deficiency of contributions to pension plans is not reported in the fund financial statements as it is not due and payable in the current period.		(114,683)
Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the government-wide financial statements bond issuance costs.		378,059
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(2,065,269)	
Bonds payable	(33,220,000)	
Accrued interest payable	(104,021)	
		(35,389,290)
Net assets of governmental activities		\$ 83,306,342

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2008

	Major Funds					
	General Fund	Charter School Fund	Street Maintenance Fund	Debt Service Fund Series 2000	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	\$ 15,942,020	\$ -	\$ -	\$ -	\$ -	\$ 15,942,020
Utility service taxes	6,741,903	-	-	-	-	6,741,903
Franchise fees	4,270,671	-	-	-	-	4,270,671
Intergovernmental	2,405,522	6,944,003	1,929,317	-	483,921	11,762,763
Licenses and permits	2,808,112	-	-	-	-	2,808,112
Charges for services	1,821,609	491,498	-	-	-	2,313,107
Fines and forfeitures	424,016	-	-	-	228,731	652,747
Interest income	860,077	59,843	2,874	25,417	87,246	1,035,457
Miscellaneous	81,803	219,550	442,678	-	4,800	748,831
Total revenues	35,355,733	7,714,894	2,374,869	25,417	804,698	46,275,611
Expenditures:						
Current:						
General government	4,561,020	-	-	-	-	4,561,020
Public safety	14,586,776	-	-	-	141,073	14,727,849
Community services	3,964,090	5,817,560	1,016,622	-	-	10,798,272
Capital outlay	3,859,832	210,293	1,930,010	-	3,256,767	9,256,902
Debt service:						
Principal retirement	-	-	-	255,000	780,000	1,035,000
Interest	-	-	-	253,764	1,388,842	1,642,606
Trustee fees and other	-	-	-	-	25,306	25,306
Total expenditures	26,971,718	6,027,853	2,946,632	508,764	5,591,988	42,046,955
Excess (deficiency) of revenues over expenditures	8,384,015	1,687,041	(571,763)	(483,347)	(4,787,290)	4,228,656
Other financing sources (uses):						
Transfers in	81,000	155,526	-	483,250	2,187,335	2,907,111
Transfers out	(2,226,585)	(474,000)	-	-	(206,526)	(2,907,111)
Total other financing sources (uses)	(2,145,585)	(318,474)	-	483,250	1,980,809	-
Net change in fund balances	6,238,430	1,368,567	(571,763)	(97)	(2,806,481)	4,228,656
Fund balances, beginning	23,288,558	1,194,415	413,552	818	4,484,541	29,381,884
Fund balances (deficit) , ending	\$ 29,526,988	\$ 2,562,982	\$ (158,211)	\$ 721	\$ 1,678,060	\$ 33,610,540

See Notes to Financial 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
Fiscal Year Ended September 30, 2008**

Net change in fund balances – total governmental funds	\$ 4,228,656
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	\$ 8,614,293
Less: current year's depreciation	(3,864,987)
	4,749,306
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	(1,219,416)
Related accumulated depreciation	965,336
Loss on sale of disposal of capital assets	(254,080)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,035,000
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)	8,323
Interest	9,067
Amortization of bond issuance costs	(15,452)
Compensated absences	(483,898)
Revenues that were previously recognized in the statement of activities that are available in the fund financial statements.	601,924
Change in net assets of governmental activities	\$ 9,878,846

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Net Assets
Proprietary Fund
September 30, 2008

	Stormwater Utility Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 464,245
Due from other governments	120,797
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>7,431,770</u>
Total assets	<u>8,016,812</u>
Liabilities:	
Current liabilities:	
Accounts payable	<u>167,122</u>
Total liabilities	<u>167,122</u>
Net Assets:	
Invested in capital assets, net of related debt	7,431,770
Unrestricted	<u>417,920</u>
Total net assets	<u><u>\$ 7,849,690</u></u>

See Notes to Financial Statements.

City of Aventura, Florida

**Statement of Revenues, Expenses and Change in Net Assets
Proprietary Fund
Fiscal Year Ended September 30, 2008**

	Stormwater Utility Fund
<hr/>	
Operating revenues:	
Charges for services	<u>\$ 882,429</u>
Operating expenses:	
Cost of sales and services	415,887
Depreciation expense	<u>254,715</u>
Total operating expenses	<u>670,602</u>
Operating income	211,827
Nonoperating revenues:	
Interest income	<u>17,528</u>
Change in net assets	229,355
Net assets, beginning	<u>7,620,335</u>
Net assets, ending	<u><u>\$ 7,849,690</u></u>

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Cash Flows

Proprietary Fund

Fiscal Year Ended September 30, 2008

Cash Flows From Operating Activities	
Cash received from customers, users and other	\$ 1,360,128
Cash paid to suppliers	<u>(284,906)</u>
Net cash provided by operating activities	<u>1,075,222</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	<u>(183,602)</u>
Net cash (used) by capital and related financing activities	<u>(183,602)</u>
Cash Flows Provided By Investing Activities	
Interest received	<u>17,528</u>
Net increase in cash and cash equivalents	<u>464,245</u>
Cash and cash equivalents, beginning	<u>-</u>
Cash and cash equivalents, ending	<u><u>\$ 464,245</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating income	<u>\$ 211,827</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	254,715
Changes in assets and liabilities:	
Decrease in due from other governments	477,699
Increase in accounts payable	<u>130,981</u>
Total adjustments	<u>863,395</u>
Net cash provided by operating activities	<u><u>\$ 1,075,222</u></u>

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Fiduciary Net Assets
Police Officers' Retirement Plan Fund
September 30, 2008

Assets:		
Investments	\$	7,662,697
Accrued interest		33,859
Total assets		<u>7,696,556</u>
Liabilities:		
Accrued expenses		-
Net assets held in trust for pension benefits	\$	<u><u>7,696,556</u></u>

See Notes to Financial Statements.

City of Aventura, Florida

**Statement of Changes in Fiduciary Net Assets
Police Officers' Retirement Plan Fund
Year Ended September 30, 2008**

Additions:	
Contributions:	
Employer	\$ 965,138
Employees	388,567
State of Florida, premium tax	163,088
Total contributions	<u>1,516,793</u>
Investment earnings (loss):	
Net depreciation in fair value of investments	(1,480,843)
Interest income	231,451
Total investment loss	<u>(1,249,392)</u>
Less investment expense	<u>(77,041)</u>
Net investment loss	<u>(1,326,433)</u>
Total additions	<u>190,360</u>
Deductions:	
Administrative expenses	35,022
Benefits paid	70,070
Total deductions	<u>105,092</u>
Change in net assets	85,268
Net assets held in trust for pension benefits, beginning	<u>7,611,288</u>
Net assets held in trust for pension benefits, ending	<u>\$ 7,696,556</u>

See Notes to Financial Statements.

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, nonspecific intergovernmental revenues, interest income, etc.).

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 Basis of Presentation

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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 post-employment 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.

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.

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

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.

Notes to Financial Statements

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, which consist of cash and short-term investments with original maturities of three (3) months or less when purchased, include cash on hand, demand deposits and investments with the Florida State Board of Administration ("SBA") a Local Government Surplus Funds Trust Fund Investment Pool ("Pool").

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. Interest earned on pooled cash and investments is allocated monthly based on cash balances of the respective funds. Investments are reported at their fair value based on quoted market prices as reported by recognized security exchanges. The SBA investments are allocated among two funds, Fund A and Fund B (hereinafter referred to as "LGIP-A" and "LGIP-B"). For LGIP-A, 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, 2008, the City's investment in LGIP-A was that of \$24,729,581. LGIP-B is accounted for as a fluctuating NAV pool. The balance of the City's investment in LGIP-B at year end amounted to \$209,170, with a net asset value factor of 0.798385.

The City has an investment policy, in accordance with Section 218.415, State Statutes, that allows the City to invest in relatively low risk securities, such as the SBA Pool and U.S. Government Agency Securities. The City invests its pooled cash primarily in qualified public depositories and the SBA Pool.

The pension plan's investments in common stocks, corporate bonds and 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 (last-in, first-out) or market. These amounts are reserved in governmental fund financial statements.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the September 30, 2003 fiscal year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for the City's fiscal year ending in 2008. The City has implemented the retroactive infrastructure provisions for the fiscal year ending September 30, 2008.

Within governmental funds, 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.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 issue costs are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premiums and discounts.

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 at par as other financing source. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Bond principal payments and discounts are reported as an expenditure.

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.
- 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.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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, 2008 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 State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

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, 2008.

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

Note 3. Deposits and Investments (Continued)

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 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. 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 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.

Investments: The City's policy for investments other than pension plan investments is summarized below. The Finance Director has responsibility for the type of investments the City makes. 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) commercial paper with a rating of at least A1/P1.

The City policy for pension investments is under the oversight of the 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 three (3) ratings issued by nationally-recognized statistical rating organizations.

The City has a Guaranteed Investment Contract ("GIC") that is not subject to interest rate 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, 2008 is \$527,059 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 \$500,533.

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

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 practice 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.

Concentrations – The City’s policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer. 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 pension fund’s plan net assets are invested in debt securities issued by the United States Treasury. This investment represented 10.44% of plan net assets as of September 30, 2008.

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 does not have a formal custodial credit risk policy, but its practice is to ensure that all investments are registered in the City’s name and held by the counterparty.

As of September 30, 2008, the City’s cash and investments consisted of the following:

Cash and cash equivalents and investments	
Deposits with financial institutions	\$ 10,643,653
SBA	24,938,751
Guaranteed investment contract	500,533
Petty cash	2,130
	<u>36,085,067</u>
Fiduciary Fund investments:	
Common stocks	4,437,221
U.S. Government securities	1,145,948
Corporate bonds	1,484,476
Money market funds	595,052
Total fiduciary fund investments	<u>7,662,697</u>
Total cash, cash equivalents and investments	<u>\$ 43,747,764</u>

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

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

Statement of Net Assets:

Cash and cash equivalents	\$ 35,483,304
Restricted cash, cash equivalents and investments	601,763
	<u>36,085,067</u>

Statement of Fiduciary Net Assets:

Common stocks	4,437,221
U.S. Government securities	1,145,948
Corporate bonds	1,484,476
Money market funds	595,052
Total fiduciary fund investments	<u>7,662,697</u>
Total cash and investments	<u>\$ 43,747,764</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. Information about the exposure of the entity's debt-type investments to this risk using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Investment Maturities (in Years)				
	Fair Value	Less Than 1 Year	1 – 5 Years	6 – 10 Years	Greater Than 10 Years
U.S. Government securities	\$ 1,145,948	\$ 35,566	\$ 902,558	\$ 207,824	\$ -
Corporate bonds	1,484,476	143,578	1,060,275	280,623	-
Money market funds	595,052	595,052	-	-	-
SBA	24,938,751	24,938,751	-	-	-
	<u>\$ 28,164,227</u>	<u>\$ 25,712,947</u>	<u>\$ 1,962,833</u>	<u>\$ 488,447</u>	<u>\$ -</u>

Notes to Financial Statements

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. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As of September 30, 2008, only the City’s pension plan had investments in other than the SBA Pool. Investments in the SBA Pool and the money market funds are not rated. The pension funds corporate bonds were rated by Moody’s Investors Services as follows:

Rating	Fair Value
Aaa	\$ 74,294
Aa2	263,018
Aa3	114,681
A1	394,790
A2	430,379
A3	137,898
BAA1	69,416
	\$ 1,484,476

Note 4. Receivables

Receivables as of September 30, 2008 consist of the following:

Governmental activities	General Fund	Charter School Fund	Total
Utility service taxes	\$ 350,620	\$ -	\$ 350,620
Police services	40,377	-	40,377
Vendors	25,995	1,736	27,731
Franchise fees	43,832	-	43,832
Total governmental activities	\$ 460,824	\$ 1,736	\$ 462,560

Notes to Financial Statements

Note 5. Interfund Balances and Transfers

Interfund receivables and payables as of September 30, 2008 were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 256,439	\$ -
Debt Service Fund Series 2000	-	121,659
Other nonmajor governmental funds	-	134,780
	<u>\$ 256,439</u>	<u>\$ 256,439</u>

These balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting systems; and (3) payments between funds are actually made.

Interfund transfers during the year ended September 30, 2008 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 81,000	\$ 2,226,585
Charter School Fund	155,526	474,000
Debt Service Fund Series 2000	483,250	-
Other nonmajor governmental funds	2,187,335	206,526
	<u>\$ 2,907,111</u>	<u>\$ 2,907,111</u>

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. The transfer to the Charter School Fund of \$155,526 is unrestricted residual balances from the Charter School Capital Projects funds which are being used to support future capital projects occurring in the Charter School Special Revenue Fund. The transfer from the General Fund of \$2,226,585 and \$444,000 from the Charter School Fund represent transfers to meet debt service requirements in the Debt Service Fund Series 2000 and the other debt service funds included in the other nonmajor governmental funds.

Notes to Financial Statements

Note 6. Capital Assets

Capital assets activity for the year ended September 30, 2008 was as follows:

	Balance October 1, 2007	Additions	Retirements and transfers	Balance September 30, 2008
<i>Governmental Activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 17,102,344	\$ -	\$ -	\$ 17,102,344
Construction in progress	442,093	239,245	(442,093)	239,245
Total capital assets, not being depreciated	17,544,437	239,245	(442,093)	17,341,589
Capital assets, being depreciated:				
Buildings	33,544,679	487,912	-	34,032,591
Improvements other than buildings	5,910,424	4,639,030	417,490	10,966,944
Infrastructure	31,858,440	2,732,769	(575,322)	34,015,887
Furniture, machinery and equipment	11,341,283	957,429	(1,061,584)	11,237,128
Total capital assets, being depreciated	82,654,826	8,817,140	(1,219,416)	90,252,550
Less accumulated depreciation for:				
Buildings	4,664,444	888,365	-	5,552,809
Improvement other than buildings	1,457,012	388,781	(214,359)	1,631,434
Infrastructure	7,291,560	1,238,299	141,610	8,671,469
Furniture, machinery and equipment	7,092,542	1,349,542	(892,587)	7,549,497
Total accumulated depreciation	20,505,558	3,864,987	(965,336)	23,405,209
Total capital assets, being depreciated, net	62,149,268	4,952,153	(254,080)	66,847,341
Governmental activities capital assets, net	\$ 79,693,705	\$ 5,191,398	\$ (696,173)	\$ 84,188,930
<i>Business-Type Activities:</i>				
Capital assets, being depreciated:				
Infrastructure	\$ 8,654,532	\$ 183,602	\$ -	\$ 8,838,134
Less accumulated depreciation	1,151,649	254,715	-	1,406,364
Business-type activities capital assets, net	\$ 7,502,883	\$ (71,113)	\$ -	\$ 7,431,770

Notes to Financial Statements

Note 6. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 1,218,473
Public safety	516,503
Community services	<u>2,130,011</u>
Total depreciation expense – governmental activities	<u><u>\$ 3,864,987</u></u>
Business-type activities:	
Stormwater utility	<u><u>\$ 254,715</u></u>

Note 7. Long-Term Liabilities of Governmental Activities

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2008 were as follows:

	Balance October 1, 2007	Additions	Retirements	Balance September 30, 2008	Due Within One Year
Series 1999 Revenue Bonds payable	\$ 17,765,000	\$ -	\$ 475,000	\$ 17,290,000	\$ 495,000
Series 2000 Revenue Bonds payable	5,035,000	-	255,000	4,780,000	270,000
Series 2002 Revenue Bonds payable	11,455,000	-	305,000	11,150,000	315,000
Compensated absences payable	1,581,371	1,422,685	938,787	2,065,269	516,317
	<u><u>\$ 35,836,371</u></u>	<u><u>\$ 1,422,685</u></u>	<u><u>\$ 1,973,787</u></u>	<u><u>\$ 35,285,269</u></u>	<u><u>\$ 1,596,317</u></u>

Notes to Financial Statements

Note 7. Long-Term Liabilities of Governmental Activities (Continued)

Revenue bonds as of September 30, 2008 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. \$ 17,290,000

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. 4,780,000

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. 11,150,000
\$ 33,220,000

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

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, 2008 was sufficient to meet this requirement. The indenture also requires the maintenance of a minimum debt service coverage ratio of 2.50:1.00.

The City also 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.

Notes to Financial Statements

Note 7. Long-Term Liabilities of Governmental Activities (Continued)

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

Year Ending September 30,	Principal	Interest	Total
2009	\$ 1,080,000	\$ 1,611,001	\$ 2,691,001
2010	1,130,000	1,565,698	2,695,698
2011	1,175,000	1,516,811	2,691,811
2012	1,230,000	1,464,864	2,694,864
2013	1,280,000	1,410,294	2,690,294
2014-2018	7,300,000	6,081,193	13,381,193
2019-2023	7,840,000	4,155,226	11,995,226
2024-2028	8,225,000	2,263,500	10,488,500
2029-2032	3,960,000	407,250	4,367,250
	<u>\$ 33,220,000</u>	<u>\$ 20,475,837</u>	<u>\$ 53,695,837</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.

Franchise fees: The City previously entered into an interlocal agreement with Miami-Dade County (the "County") which provided for the Florida Power & Light Co. franchise fees collected by the County within the City's boundaries, to be remitted to the City. This agreement will be in effect as long as the ordinance establishing the collection of these fees is in place. In accordance with the agreement, the County remitted approximately \$3,762,000 to the City for the year ended September 30, 2008.

Stormwater fees: The City previously entered into another interlocal agreement with the County to administer, bill and collect stormwater utility charges from residents within the City's boundaries. The County remits all fees collected, less the County's compensation for the billing and collection of these charges. The agreement expired during the year and is currently being negotiated. In accordance with this agreement, the County remitted approximately \$882,000 to the City during the year ended September 30, 2008.

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.

Notes to Financial Statements

Note 8. Commitments and Contingencies (continued)

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.

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 900 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 agreements with several engineering consulting firms (the "Consultants") to provide building inspections and plan review services until November 1, 2008. Pursuant to the agreements, the Consultants receive 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.

Construction commitments: The City is a party to several construction contracts for City infrastructure improvements. The amount remaining on these uncompleted contracts as of September 30, 2008 was approximately \$770,745.

Pension funding: Subsequent to September 30, 2008, 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. 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 \$667,000 during the year. Plan provisions and contribution requirements may be amended by the City Commission.

The Plan's assets are administered by ICMA Retirement Corp. The City does not exercise any control or fiduciary responsibility over the Plan's assets.

Notes to Financial Statements

Note 11. 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 17.780% for the City's contribution, 6.775% for the employee's contribution and 5% 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 \$163,088 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.

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, 2007, included no cost of living adjustments and a 3% annual inflation rate; an annual investment rate of return of 8.00%; projected annual salary increases of 5.0%; the amortization method is level percent, closed; and an amortization period of 30 years.

On October 1, 2007 (the last plan year valuation date), Plan membership consisted of:

Retirees and beneficiaries receiving benefits	2
Active plan members	75
	<hr/>
	77
	<hr/> <hr/>

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) member 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.

Notes to Financial Statements

Note 11. Defined Benefit Pension Plan (Continued)

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. For the first 40 years of service, the monthly benefit received will be 3% of final monthly compensation multiplied by the number of years of service, to a maximum of 80%. Years credited beyond 40 will be taken into account at 2% 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% 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% 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 no-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% of final monthly compensation for each year of credited service, but not less than 30%.

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, 2008 is as follows:

September 30,	Contribution	Contributed	(Asset)
2008	\$ 1,049,891	101%	\$ 114,683
2007	994,187	101%	123,006
2006	976,702	100%	130,994

The annual pension cost and net pension obligation (asset) for the Plan for year ended September 30, 2008 is as follows:

Annual Required Contribution (ARC)	\$ 1,050,168
Interest on net pension obligation	9,840
Adjustment to annual required contribution	(10,117)
Annual pension cost	<u>1,049,891</u>
Contributions made	<u>1,058,214</u>
Decrease in net pension obligation	(8,323)
Net pension obligation, beginning	<u>123,006</u>
Net pension obligation, ending	<u><u>\$ 114,683</u></u>

Notes to Financial Statements

Note 12. 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. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending September 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* will be effective for the City beginning with its fiscal year ending September 30, 2009. This statement addressed accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* issued July 10, 2007, is effective for the City beginning with its fiscal year ending September 30, 2010. This Statement provides guidance regarding how to identify, account for, and report intangible assets.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* issued November 2007, is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. Governments are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued in June 2008. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2010.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, was issued March 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. 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. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2011.

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

Note 13. Subsequent Events

On January 13, 2009, the City Commission approved a construction contract for ten (10) classroom additions to the Charter School in the amount of \$2,099,000.

On March 3, 2009, the City Commission approved a construction contract for the Phase II of the Arts & Cultural Center project in the amount of \$6,800,000.

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 General Fund
 For the Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Ad Valorem taxes:				
Current	\$ 15,758,236	\$ 15,758,236	\$ 15,719,769	\$ (38,467)
Delinquent	7,000	7,000	222,251	215,251
Utility service taxes:				
Electric	3,380,000	3,380,000	3,635,065	255,065
Telecommunication	2,112,000	2,112,000	2,442,771	330,771
Water	600,000	600,000	619,650	19,650
Gas	35,000	35,000	44,417	9,417
Franchise fees:				
Electric	2,956,000	2,956,000	3,762,159	806,159
Gas	28,000	28,000	51,539	23,539
Sanitation	400,000	400,000	426,880	26,880
Towing	25,000	25,000	30,093	5,093
Total taxes	<u>25,301,236</u>	<u>25,301,236</u>	<u>26,954,594</u>	<u>1,653,358</u>
Intergovernmental revenues:				
Federal grants	-	-	72,763	72,763
State and local grants	8,500	8,500	8,677	177
Alcoholic beverage licenses	13,000	13,000	14,867	1,867
State revenue sharing	452,000	452,000	390,923	(61,077)
Half cent sales tax	1,800,000	1,800,000	1,875,399	75,399
County occupational licenses	30,000	30,000	42,893	12,893
Total intergovernmental revenues	<u>2,303,500</u>	<u>2,303,500</u>	<u>2,405,522</u>	<u>102,022</u>
Licenses and permits:				
City business tax receipts	650,000	650,000	814,706	164,706
Building permits	1,100,000	1,614,000	1,615,627	1,627
Certificates of occupancy	175,000	311,000	339,015	28,015
Engineering	35,000	35,000	38,764	3,764
Total licenses and permits	<u>1,960,000</u>	<u>2,610,000</u>	<u>2,808,112</u>	<u>198,112</u>
Charges for services:				
Certificate of use fees	5,000	5,000	5,715	715
Lien search fees	60,000	60,000	37,286	(22,714)
Development review fees	25,000	25,000	197,197	172,197
Recreation/cultural events	497,000	497,000	806,473	309,473
Police services	831,000	831,000	774,938	(56,062)
Total charges for services	<u>1,418,000</u>	<u>1,418,000</u>	<u>1,821,609</u>	<u>403,609</u>

(Continued)

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 General Fund (Continued)
 For the Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Fines and forfeitures:				
County court fees	\$ 225,000	\$ 225,000	\$ 404,653	\$ 179,653
Code violation fines	1,500	1,500	19,363	17,863
Total fines and forfeitures	<u>226,500</u>	<u>226,500</u>	<u>424,016</u>	<u>197,516</u>
Other:				
Interest income	550,000	550,000	860,077	310,077
Miscellaneous	72,000	72,000	81,803	9,803
Total other	<u>622,000</u>	<u>622,000</u>	<u>941,880</u>	<u>319,880</u>
Total revenues	<u>31,831,236</u>	<u>32,481,236</u>	<u>35,355,733</u>	<u>2,874,497</u>
Expenditures:				
Current:				
General government:				
City Commission:				
Personnel services	59,428	59,428	62,076	(2,648)
Operating	55,976	55,976	52,192	3,784
City Manager:				
Personnel services	679,652	679,652	681,928	(2,276)
Operating	165,500	165,500	155,872	9,628
Capital outlay	4,000	4,000	2,939	1,061
Finance:				
Personnel services	715,329	715,329	650,340	64,989
Operating	105,450	105,450	103,584	1,866
Capital outlay	24,000	26,080	20,866	5,214
Information technology:				
Personnel services	523,565	523,565	531,336	(7,771)
Operating	196,147	196,147	182,715	13,432
Capital outlay	89,000	157,583	88,510	69,073
Legal:				
Operating	280,000	280,000	192,763	87,237
City Clerk:				
Personnel services	195,663	195,663	193,766	1,897
Operating	63,800	88,800	71,652	17,148
Capital outlay	3,000	3,000	2,820	180
Total general government- departmental	<u>3,160,510</u>	<u>3,256,173</u>	<u>2,993,359</u>	<u>262,814</u>

(Continued)

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 General Fund (Continued)
 For the Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Nondepartmental:				
Operating	\$ 1,661,002	\$ 1,758,187	\$ 1,682,796	\$ 75,391
Capital outlay	16,547,117	16,547,117	-	16,547,117
Total nondepartmental	18,208,119	18,305,304	1,682,796	16,622,508
Total general government	21,368,629	21,561,477	4,676,155	16,885,322
Public safety:				
Police:				
Personnel services	11,419,192	11,419,192	11,149,779	269,413
Operating	1,283,000	1,283,000	1,211,892	71,108
Capital outlay	838,768	996,100	1,039,604	(43,504)
Community development:				
Personnel services	669,869	669,869	686,095	(16,226)
Operating	993,600	1,598,600	1,539,010	59,590
Capital outlay	9,600	9,600	8,012	1,588
Total public safety	15,214,029	15,976,361	15,634,392	341,969
Community services:				
Personnel services	1,161,716	1,355,716	1,190,717	164,999
Operating	3,001,547	2,806,047	2,773,373	32,674
Capital outlay	2,626,514	2,630,229	2,697,081	(66,852)
Total community services	6,789,777	6,791,992	6,661,171	130,821
Total expenditures	43,372,435	44,329,830	26,971,718	17,358,112
Excess (deficiency) of revenues over expenditures	(11,541,199)	(11,848,594)	8,384,015	20,232,609
Other financing sources (uses):				
Transfers in	(81,000)	(81,000)	81,000	162,000
Transfers out	2,248,261	2,226,585	(2,226,585)	(4,453,170)
Appropriated fund balance	11,190,764	13,994,179	-	(13,994,179)
Total other financing sources (uses)	13,358,025	16,139,764	(2,145,585)	(18,285,349)
Net change in fund balance	\$ 1,816,826	\$ 4,291,170	\$ 6,238,430	\$ 1,947,260

See Notes to Required Supplementary Information.

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 Street Maintenance Fund
 For the Year Ended September 30, 2008

	Street Maintenance Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental revenues	\$ 1,610,000	\$ 1,610,000	\$ 1,929,317	\$ 319,317
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Interest income	10,000	10,000	2,874	(7,126)
Miscellaneous	750,000	750,000	442,678	(307,322)
Total revenues	<u>2,370,000</u>	<u>2,370,000</u>	<u>2,374,869</u>	<u>4,869</u>
Expenditures:				
Operating	1,043,000	1,046,487	1,016,622	29,865
Capital outlay	2,647,000	2,647,000	1,930,010	716,990
Total expenditures	<u>3,690,000</u>	<u>3,693,487</u>	<u>2,946,632</u>	<u>746,855</u>
Excess (deficiency) of revenues over expenditures	<u>(1,320,000)</u>	<u>(1,323,487)</u>	<u>(571,763)</u>	<u>751,724</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Appropriated fund balances	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,320,000)</u>	<u>\$ (1,323,487)</u>	<u>\$ (571,763)</u>	<u>\$ 751,724</u>

City of Aventura, Florida

Schedule of Funding Progress
Police Officers' Retirement Plan Fund
(Unaudited)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability at Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/01/07	\$ 6,935,097	\$ 10,825,108	\$ 3,890,011	64.1%	\$ 5,576,592	69.8%
10/01/04	2,393,593	5,118,997	2,725,404	46.8%	4,085,348	66.7%
10/01/03	1,389,389	4,080,982	2,691,593	34.1%	4,050,591	66.4%

See Notes to Required Supplementary Information.

City of Aventura, Florida

**Schedule of Contributions From the Employer
and the State of Florida
Police Officers' Retirement Plan Fund
(Unaudited)**

Year Ended September 30,	City Annual Required Contribution	Percentage Contributed	State of Florida Insurance Premium Tax
2008	\$ 1,050,168	101%	\$ 93,076
2007	1,154,250	101%	160,063
2006	1,126,269	100%	149,567

See Notes to Required Supplementary Information.

Notes to Required Supplementary Information

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 \$2,780,000 in the General Fund and approximately \$3,500 in the Street Maintenance 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

Information as of the latest actuarial valuation date of October 1, 2007 included no cost of living adjustments and a 3% annual inflation rate; an annual investment rate of return of 8.00%; projected annual salary increase of 5.0%; the amortization method is level percent, closed; and an amortization period of 30 years.

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.

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 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.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities.

Capital Construction Fund Series 2000 – This fund is used to accumulate monies for the payment of the 2000 Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

Capital Projects Fund Series 2002 – Charter School Land Acquisition – This fund is used to fund the land acquisition for the Charter School.

Capital Projects Fund Series 2002 – Charter School Building Construction – This fund is used to fund the construction of the Charter School facility.

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

City of Aventura, Florida

Combining Balance Sheet
Other Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds					
	Police Education Fund	Police Capital Outlay Impact Fee Fund	Park Development Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund
Assets						
Cash and cash equivalents	\$ 9,400	\$ 47,824	\$ 876,279	\$ 39,078	\$ 346,049	\$ 234,000
Restricted cash, cash equivalents and investments	-	-	-	-	-	-
Due from other governments	1,288	-	-	18,752	-	18,057
Prepaid expenditures	-	-	-	-	-	-
Total assets	<u>\$ 10,688</u>	<u>\$ 47,824</u>	<u>\$ 876,279</u>	<u>\$ 57,830</u>	<u>\$ 346,049</u>	<u>\$ 252,057</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ 39,110	\$ 108,723	\$ 407	\$ 160	\$ -
Retainage payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>39,110</u>	<u>108,723</u>	<u>407</u>	<u>160</u>	<u>-</u>
Fund balances:						
Reserved for:						
Encumbrances	-	2,892	-	-	-	-
Unreserved:						
Designated for subsequent year's expenditures in:						
Capital project funds	-	-	-	-	-	-
Undesignated, reported in:						
Special revenue funds	10,688	5,822	767,556	57,423	345,889	252,057
Debt service funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Total fund balances	<u>10,688</u>	<u>8,714</u>	<u>767,556</u>	<u>57,423</u>	<u>345,889</u>	<u>252,057</u>
Total liabilities and fund balances	<u>\$ 10,688</u>	<u>\$ 47,824</u>	<u>\$ 876,279</u>	<u>\$ 57,830</u>	<u>\$ 346,049</u>	<u>\$ 252,057</u>

Debt Service Funds				Capital Projects Funds				
	Debt Service Fund Series 2002	Debt Service Fund Series 2002	Capital Construction Fund Series 2000	Capital Construction Fund Series 2002 – Charter School Land Acquisition	Capital Construction Fund Series 2002 – Charter School Building Construction	Arts & Cultural Center Fund	Total Nonmajor Governmental Funds	
\$ 18,216	\$ -	\$ 116,287	\$ -	\$ -	\$ 86,723	\$ -	\$ 1,773,856	
-	1,505	61	99,664	-	-	-	101,230	
-	-	-	-	-	-	195,913	234,010	
-	-	-	-	-	-	-	-	
\$ 18,216	\$ 1,505	\$ 116,348	\$ 99,664	\$ -	\$ 86,723	\$ 195,913	\$ 2,109,096	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,723	\$ 61,133	\$ 296,256	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	134,780	134,780	
-	-	-	-	-	86,723	195,913	431,036	
-	-	-	-	-	-	-	2,892	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	1,439,435	
18,216	1,505	116,348	-	-	-	-	136,069	
-	-	-	99,664	-	-	-	99,664	
18,216	1,505	116,348	99,664	-	-	-	1,678,060	
\$ 18,216	\$ 1,505	\$ 116,348	\$ 99,664	\$ -	\$ 86,723	\$ 195,913	\$ 2,109,096	

City of Aventura, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Other Nonmajor Governmental Funds
Year Ended September 30, 2008**

	<u>Special Revenue Funds</u>					
	Police Education Fund	Police Capital Outlay Impact Fee Fund	Park Development Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund
Revenues:						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 183,459	\$ -	\$ -
Fines and forfeitures	8,486	-	-	-	95,868	124,377
Impact fees	-	-	-	-	-	-
Interest income	142	1,407	34,749	-	10,768	6,955
Miscellaneous	-	-	-	-	-	4,800
Total revenues	<u>8,628</u>	<u>1,407</u>	<u>34,749</u>	<u>183,459</u>	<u>106,636</u>	<u>136,132</u>
Expenditures:						
Current:						
Public safety	2,541	-	-	75,036	-	63,496
Capital outlay	-	75,227	1,162,610	-	105,836	21,647
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Trustee fees and other	-	-	-	-	-	-
Total expenditures	<u>2,541</u>	<u>75,227</u>	<u>1,162,610</u>	<u>75,036</u>	<u>105,836</u>	<u>85,143</u>
Excess (deficiency) of revenues over expenditures	<u>6,087</u>	<u>(73,820)</u>	<u>(1,127,861)</u>	<u>108,423</u>	<u>800</u>	<u>50,989</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(51,000)	-	-
Net change in fund balances	<u>6,087</u>	<u>(73,820)</u>	<u>(1,127,861)</u>	<u>57,423</u>	<u>800</u>	<u>50,989</u>
Fund balances (deficit), beginning	<u>4,601</u>	<u>82,534</u>	<u>1,895,417</u>	<u>-</u>	<u>345,089</u>	<u>201,068</u>
Fund balances, ending	<u>\$ 10,688</u>	<u>\$ 8,714</u>	<u>\$ 767,556</u>	<u>\$ 57,423</u>	<u>\$ 345,889</u>	<u>\$ 252,057</u>

Debt Service Funds				Capital Projects Funds				
	Debt Service Fund Series 2002	Debt Service Fund Series 2002	Capital Construction Fund Series 2000	Capital Construction Fund Series 2002 - Charter School Land Acquisition	Capital Construction Fund Series 2002 - Charter School Building Construction	Arts & Cultural Center Fund	Total Other Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,462	\$ 483,921	
-	-	-	-	-	-	-	228,731	
-	-	-	-	-	-	-	-	
3,871	1,095	5,681	22,578	-	-	-	87,246	
-	-	-	-	-	-	-	4,800	
3,871	1,095	5,681	22,578	-	-	300,462	804,698	
-	-	-	-	-	-	-	141,073	
-	-	-	1,590,985	-	-	300,462	3,256,767	
475,000	143,960	161,040	-	-	-	-	780,000	
858,353	250,537	279,952	-	-	-	-	1,388,842	
15,452	6,954	2,900	-	-	-	-	25,306	
1,348,805	401,451	443,892	1,590,985	-	-	300,462	5,591,988	
(1,344,934)	(400,356)	(438,211)	(1,568,407)	-	-	-	(4,787,290)	
1,346,409	396,926	444,000	-	-	-	-	2,187,335	
-	-	-	-	(3,966)	(151,560)	-	(206,526)	
1,475	(3,430)	5,789	(1,568,407)	(3,966)	(151,560)	-	(2,806,481)	
16,741	4,935	110,559	1,668,071	3,966	151,560	-	4,484,541	
\$ 18,216	\$ 1,505	\$ 116,348	\$ 99,664	\$ -	\$ -	\$ -	\$ 1,678,060	

City of Aventura, Florida

**Schedule of Revenues and Expenditures – Budget and Actual
Special Revenue Funds
For the Year Ended September 30, 2008**

	Police Education Fund				Police Capital Outlay Impact Fee Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	4,300	4,300	8,486	4,186	-	-	-	-
Impact fees	-	-	-	-	65,000	65,000	-	(65,000)
Interest income	-	-	142	142	-	-	1,407	1,407
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>4,300</u>	<u>4,300</u>	<u>8,628</u>	<u>4,328</u>	<u>65,000</u>	<u>65,000</u>	<u>1,407</u>	<u>(63,593)</u>
Expenditures:								
Operating	4,300	8,901	2,541	6,360	-	-	-	-
Capital outlay	-	-	-	-	140,300	147,534	75,227	72,307
Total expenditures	<u>4,300</u>	<u>8,901</u>	<u>2,541</u>	<u>6,360</u>	<u>140,300</u>	<u>147,534</u>	<u>75,227</u>	<u>72,307</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(4,601)</u>	<u>6,087</u>	<u>10,688</u>	<u>(75,300)</u>	<u>(82,534)</u>	<u>(73,820)</u>	<u>8,714</u>
Other financing sources (uses):								
Transfers out	-	-	-	-	-	-	-	-
Appropriated fund balances	-	4,601	-	(4,601)	75,300	82,534	-	(82,534)
Total other financing sources (uses)	<u>-</u>	<u>4,601</u>	<u>-</u>	<u>(4,601)</u>	<u>75,300</u>	<u>82,534</u>	<u>-</u>	<u>(82,534)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,087</u>	<u>\$ 6,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,820)</u>	<u>\$ (73,820)</u>

Park Development Fund

Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
10,000	10,000	-	(10,000)
-	-	34,749	34,749
-	-	-	-
10,000	10,000	34,749	24,749
-	-	-	-
872,764	1,905,417	1,162,610	742,807
872,764	1,905,417	1,162,610	742,807
(862,764)	(1,895,417)	(1,127,861)	767,556
-	-	-	-
862,764	1,895,417	-	(1,895,417)
862,764	1,895,417	-	(1,895,417)
\$ -	\$ -	\$ (1,127,861)	\$ (1,127,861)

City of Aventura, Florida

**Schedule of Revenues and Expenditures – Budget and Actual
Debt Service Funds
For the Year Ended September 30, 2008**

	Debt Service Fund Series 1999				Debt Service Fund Series 2000			
	Original Budget	Final Budget	Actual	Variance with	Original Budget	Final Budget	Actual	Variance with
				Final Budget-				Final Budget-
				Positive (Negative)				Positive (Negative)
Revenues:								
Interest income	\$ -	\$ -	\$ 3,871	\$ 3,871	\$ 25,200	\$ 25,200	\$ 25,417	\$ 217
Expenditures:								
Debt service:								
Principal	475,000	475,000	475,000	-	255,000	255,000	255,000	-
Interest	868,150	868,150	858,353	9,797	254,268	254,268	253,764	504
Trustee fees and other	20,000	20,000	15,452	4,548	-	-	-	-
Total expenditures	1,363,150	1,363,150	1,348,805	14,345	509,268	509,268	508,764	504
Excess (deficiency) of revenues over expenditures	(1,363,150)	(1,363,150)	(1,344,934)	18,216	(484,068)	(484,068)	(483,347)	721
Other financing sources:								
Transfers in	1,363,150	1,346,409	1,346,409	-	484,068	483,250	483,250	-
Appropriated fund balances	-	16,741	-	(16,741)	-	818	-	(818)
Net change in fund balances	\$ -	\$ -	\$ 1,475	\$ 1,475	\$ -	\$ -	\$ (97)	\$ (97)

Debt Service Fund Series 2002 – Charter School Land Acquisition				Debt Service Fund Series 2002 – Charter School Building Construction			
Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
\$ -	\$ -	\$ 1,095	\$ 1,095	\$ -	\$ -	\$ 5,681	\$ 5,681
144,130	144,130	143,960	170	160,872	160,872	161,040	(168)
250,731	250,731	250,537	194	279,856	279,856	279,952	(96)
7,000	7,000	6,954	46	3,272	3,272	2,900	372
401,861	401,861	401,451	410	444,000	444,000	443,892	108
(401,861)	(401,861)	(400,356)	1,505	(444,000)	(444,000)	(438,211)	5,789
401,861	396,926	396,926	-	444,000	444,000	444,000	-
-	4,935	-	(4,935)	-	-	-	-
\$ -	\$ -	\$ (3,430)	\$ (3,430)	\$ -	\$ -	\$ 5,789	\$ 5,789

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 Capital Projects Funds
 For the Year Ended September 30, 2008

	Capital Construction Fund Series 2000				Capital Construction Fund Series 2002 – Charter School Land Acquisition			
	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	100,071	22,578	(77,493)	-	-	-	-
Total revenues	-	100,071	22,578	(77,493)	-	-	-	-
Expenditures:								
Capital outlay	-	1,668,071	1,590,985	77,086	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	(1,568,000)	(1,568,407)	(154,579)	-	-	-	-
Other Financing Sources (Uses)								
Transfers out	-	-	-	-	-	(3,966)	(3,966)	-
Appropriated fund balance	-	1,568,000	-	(1,568,000)	-	3,966	-	(3,966)
Total other financing sources (uses)	-	1,568,000	-	(1,568,000)	-	-	(3,966)	(3,966)
Net change in fund balances	\$ -	\$ -	\$ (1,568,407)	\$ (1,722,579)	\$ -	\$ -	\$ (3,966)	\$ (3,966)

Capital Construction Fund Series 2002 –
Charter School Building Construction

Arts & Cultural Center Fund

Capital Construction Fund Series 2002 – Charter School Building Construction				Arts & Cultural Center Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 300,462	\$ 50,462
-	-	-	-	-	-	-	-
-	-	-	-	-	250,000	300,462	50,462
-	-	-	-	-	250,000	300,462	50,462
-	-	-	-	-	-	-	-
(151,560)	(151,560)	(151,560)	-	-	-	-	-
151,560	151,560	-	(151,560)	-	-	-	-
-	-	(151,560)	(151,560)	-	-	-	-
\$ -	\$ -	\$ (151,560)	\$ (151,560)	\$ -	\$ -	\$ -	\$ -

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	63
Changes in net assets	64-65
Governmental activities tax revenues by source	66
Fund balances of governmental funds	67
Changes in fund balances of governmental funds	68-69
General governmental tax revenues by source	70

Revenue Capacity

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

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Property tax rates – direct and overlapping governments	72-73
Principal property taxpayers	74
Property tax levies and collections	75

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.

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Ratios of bonded debt outstanding	77
Direct and overlapping governmental activity debt	78
Legal debt margin information	79

STATISTICAL SECTION

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	80
Occupational employment by group – Miami-Dade County, Florida	81

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	82
Operating indicators by function	83
Capital asset statistics by function	84

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.

Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
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
Restricted	5,214,557	1,872,770	2,944,000	3,047,457	2,942,261	1,226,693
Unrestricted	6,882,421	12,099,673	15,844,000	20,119,775	25,046,530	31,110,719
Total governmental activities net assets	<u>\$ 31,977,583</u>	<u>\$ 36,444,336</u>	<u>\$ 42,684,000</u>	<u>\$ 49,318,940</u>	<u>\$ 73,427,496</u>	<u>\$ 83,306,342</u>
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
Unrestricted	(221,770)	62,243	(278,512)	287,480	117,452	417,920
Total business-type activities net assets	<u>\$ 5,128,233</u>	<u>\$ 5,412,841</u>	<u>\$ 5,882,496</u>	<u>\$ 6,704,698</u>	<u>\$ 7,620,335</u>	<u>\$ 7,849,690</u>
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
Restricted	5,214,557	1,872,770	2,944,000	3,047,457	2,942,261	1,226,693
Unrestricted	6,660,651	12,161,916	15,565,488	20,407,255	25,163,982	31,528,639
Total primary government net assets	<u>\$ 37,105,816</u>	<u>\$ 41,857,177</u>	<u>\$ 48,566,496</u>	<u>\$ 56,023,638</u>	<u>\$ 81,047,831</u>	<u>\$ 91,156,032</u>

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 Six Fiscal Years
(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 3,901,371	\$ 4,378,320	\$ 5,234,533	\$ 8,614,169	\$ 6,221,118	\$ 6,776,605
Public safety	10,262,009	11,548,304	13,042,732	14,480,174	15,364,893	15,517,221
Community services	4,822,153	8,395,691	8,958,704	10,057,441	13,061,771	13,030,566
Interest expense	1,785,364	1,830,330	1,777,122	1,804,438	1,720,827	1,674,297
Total governmental activities expenses	20,770,897	26,152,645	29,013,091	34,956,222	36,368,609	36,998,689
Business-type activities:						
Stormwater utility	125,727	147,242	249,947	360,712	557,635	670,602
Total business-type activities expenses	125,727	147,242	249,947	360,712	557,635	670,602
Total primary government expenses	\$ 20,896,624	\$ 26,299,887	\$ 29,263,038	\$ 35,316,934	\$ 36,926,244	\$ 37,669,291
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
Community services	187,182	227,512	671,809	944,724	1,805,425	1,993,719
Operating grants and contributions	164,260	4,099,084	5,212,020	7,302,460	8,298,050	8,379,687
Capital grants and contributions	14,523	401,076	8,987	420,493	40,340	-
Total governmental activities program revenues	3,768,253	8,187,554	10,017,209	13,548,089	13,632,995	13,338,947
Business-type activities:						
Charges for services:						
Stormwater utility	820,926	826,199	820,554	815,454	889,178	882,429
Capital grants and contributions	650,000	-	-	415,000	580,759	-
Total business-type activities program revenues	1,470,926	826,199	820,554	1,230,454	1,469,937	882,429
Total primary government program revenues	\$ 5,239,179	\$ 9,013,753	\$ 10,837,763	\$ 14,778,543	\$ 15,102,932	\$ 14,221,376

(Continued)

Change in Net Assets (Continued)
Last Six Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Net (expense)/revenue						
Governmental activities	\$ (17,002,644)	\$ (17,965,091)	\$ (18,995,882)	\$ (21,408,133)	\$ (22,735,614)	\$ (23,659,742)
Business-type activities	1,345,199	678,957	570,607	869,742	912,302	211,827
Total primary government net expense	\$ (15,657,445)	\$ (17,286,134)	\$ (18,425,275)	\$ (20,538,391)	\$ (21,823,312)	\$ (23,447,915)
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
Utility service taxes	5,397,011	5,460,119	5,719,554	6,015,016	6,269,809	6,741,903
Franchise fees on gross receipts	1,875,199	2,185,155	2,330,809	3,359,261	4,234,574	4,270,671
Intergovernmental revenue - unrestricted	2,861,600	3,203,912	3,427,647	3,003,546	4,041,947	4,799,706
Impact fees	56,609	754,954	959,264	-	-	-
Investment earnings not restricted	246,216	174,983	553,135	1,159,778	1,580,978	1,035,457
Miscellaneous revenues	104,436	107,193	298,875	365,705	92,987	748,831
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
Business-type activities:						
Investment earnings not restricted	3,262	2,555	2,258	3,202	3,335	17,528
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
Total primary government	\$ 19,619,429	\$ 22,037,495	\$ 25,134,231	\$ 27,995,896	\$ 33,351,543	\$ 33,556,116
Change in Net Assets						
Governmental activities	\$ 3,180,560	\$ 4,466,753	\$ 6,239,301	\$ 6,635,303	\$ 10,612,594	\$ 9,878,846
Business-type activities	781,424	284,608	469,655	822,202	915,637	229,355
Total primary government	\$ 3,961,984	\$ 4,751,361	\$ 6,708,956	\$ 7,457,505	\$ 11,528,231	\$ 10,108,201

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

Governmental Activities Tax Revenues By Source
Last Six Fiscal Years
(accrual basis of accounting)

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

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

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year Ended September 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 467,809	\$ 1,711,004	\$ 1,192,372	\$ 312,274	\$ 1,111,025	\$ 4,560,475	\$ 1,358,556	\$ 3,799,001	\$ 1,523,001	\$ 439,385
Unreserved	6,476,128	8,830,571	7,788,780	9,520,388	10,488,460	8,089,508	9,975,843	12,635,078	21,765,557	29,087,603
Total General Fund	<u>\$ 6,943,937</u>	<u>\$10,541,575</u>	<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>
All other governmental funds										
Reserved	\$12,267,307	\$ 4,046,885	\$ 866,449	\$ 1,318,680	\$ 18,485	\$ 34,811	\$ 44,124	\$ 1,206,173	\$ 186,560	\$ 170,219
Unreserved, reported in:										
Special revenue funds	1,037,566	1,692,901	2,223,375	1,630,915	1,116,361	2,267,113	3,245,826	2,746,804	3,950,116	3,676,879
Debt service funds	-	-	-	-	-	-	(3,441)	(4,525)	133,053	136,790
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
Total all other governmental funds	<u>\$13,304,873</u>	<u>\$ 5,739,786</u>	<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>

City of Aventura, Florida

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	1999	2000	2001	2002
Revenues				
Ad valorem taxes	\$ 12,990,627	\$ 7,140,655	\$ 7,440,398	\$ 8,428,698
Utility service taxes	-	4,346,175	4,413,388	3,316,474
Franchise fees	-	2,230,486	2,317,645	3,849,676
Intergovernmental	3,100,321	2,836,374	2,688,105	3,091,728
Licenses and permits	1,781,863	1,886,777	2,624,459	3,360,172
Charges for services	918,108	797,774	647,410	722,125
Fines and forfeitures	531,499	441,717	491,688	386,758
Impact fees	324,383	439,512	799,766	599,244
Interest income	586,067	1,059,418	1,115,650	310,096
Developer contributions	611,430	242,915	221,894	152,385
Miscellaneous	77,288	153,959	143,734	119,347
Total revenues	<u>20,921,586</u>	<u>21,575,762</u>	<u>22,904,137</u>	<u>24,336,703</u>
Expenditures				
General government	1,606,965	1,526,679	1,831,007	2,015,866
Public safety	6,785,764	7,804,469	8,607,783	9,333,199
Community services	2,419,162	2,717,728	3,102,494	3,600,234
Nondepartmental	543,665	529,737	725,434	1,163,975
Capital outlay	10,919,960	11,850,784	11,652,841	12,409,178
Debt service:				
Principal	6,900,000	355,000	590,000	570,000
Interest	691,607	982,410	1,260,248	1,276,224
Trustee fees and other	-	-	52,582	20,214
Total expenditures	<u>29,867,123</u>	<u>25,766,807</u>	<u>27,822,389</u>	<u>30,388,890</u>
Excess (deficiency) of revenues over expenditures	(8,945,537)	(4,191,045)	(4,918,252)	(6,052,187)
Other financing sources (uses)				
Transfers in	968,920	2,504,084	2,583,136	2,709,879
Transfers out	(1,005,595)	(1,755,488)	(2,402,595)	(2,524,839)
Proceeds from line of credit	900,000	-	-	-
Bonds issued	21,000,000	-	6,555,000	12,610,623
Discount on bonds	-	-	-	(427,343)
Bond issuance costs	-	(525,000)	-	-
Total other financing sources / (uses)	<u>21,863,325</u>	<u>223,596</u>	<u>6,735,541</u>	<u>12,368,320</u>
Net change in fund balances	<u>\$ 12,917,788</u>	<u>\$ (3,967,449)</u>	<u>\$ 1,817,289</u>	<u>\$ 6,316,133</u>

Table 5

Fiscal Year Ended September 30,

	2003	2004	2005	2006	2007	2008
\$	9,075,096	\$ 10,143,246	\$ 11,842,689	\$ 14,089,388	\$ 17,127,913	\$ 15,942,020
	5,397,011	5,460,119	5,719,554	6,015,016	6,269,809	6,741,903
	1,875,199	2,185,155	2,330,809	3,359,261	4,234,574	4,270,671
	2,965,158	7,663,308	7,263,468	10,905,885	11,586,872	11,762,763
	2,185,654	2,146,913	3,335,034	3,277,960	3,229,778	2,808,112
	965,067	1,099,321	1,598,230	1,904,741	2,194,596	2,313,107
	399,899	351,698	472,465	601,339	577,148	652,747
	56,609	754,954	959,264	398,436	40,340	-
	246,216	174,983	553,135	1,159,778	1,580,978	1,035,457
	30,000	85,842	-	-	-	-
	74,436	134,768	298,875	610,584	234,544	748,831
	<u>23,270,345</u>	<u>30,200,307</u>	<u>34,373,523</u>	<u>42,322,388</u>	<u>47,076,552</u>	<u>46,275,611</u>
	2,163,885	2,371,236	2,580,989	2,668,284	4,884,708	4,561,020
	9,438,156	10,594,453	12,256,346	13,781,535	14,360,873	14,727,849
	4,226,979	7,495,145	7,997,769	9,019,229	10,817,310	10,798,272
	1,040,052	1,292,580	1,623,794	2,978,900	-	-
	12,153,846	3,905,875	7,416,346	5,800,374	9,265,681	9,256,902
	595,000	900,000	930,000	965,000	1,005,000	1,035,000
	1,746,446	1,786,797	1,753,446	1,719,392	1,682,298	1,642,606
	73,760	28,932	28,363	25,817	24,691	25,306
	<u>31,438,124</u>	<u>28,375,018</u>	<u>34,587,053</u>	<u>36,958,531</u>	<u>42,040,561</u>	<u>42,046,955</u>
	(8,167,779)	1,825,289	(213,530)	5,363,857	5,035,991	4,228,656
	2,379,299	3,687,963	2,821,795	2,740,850	2,898,498	2,907,111
	(1,812,262)	(3,285,681)	(2,718,585)	(2,690,108)	(2,898,498)	(2,907,111)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>567,037</u>	<u>402,282</u>	<u>103,210</u>	<u>50,742</u>	<u>-</u>	<u>-</u>
\$	<u>(7,600,742)</u>	<u>\$ 2,227,571</u>	<u>\$ (110,320)</u>	<u>\$ 5,414,599</u>	<u>\$ 5,035,991</u>	<u>\$ 4,228,656</u>

**General Governmental Tax Revenues By Source
Last Ten Fiscal Years**

Fiscal Year Ended September 30,	Taxes	Inter- Governmental	Licenses and Permits	Charges for Services	Fines and Forfeitures	Interest	Other	Total
1999	\$ 12,990,627	\$ 3,100,321	\$ 1,781,863	\$ 918,108	\$ 531,499	\$ 586,067	\$ 1,013,101	\$ 20,921,586
2000	13,717,316	2,836,374	1,886,777	797,774	441,717	1,059,418	836,386	21,575,762
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

**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
1999	1998	\$ 2,971,907,364	\$ 123,652,444	N/A	\$ 3,095,559,808	2.2270	N/A	N/A
2000	1999	3,238,050,389	142,847,663	N/A	3,380,898,052	2.2270	N/A	N/A
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%

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	City Operating & Total Millage	Overlapping Rates						
			School District			State			
			Operating Millage	Debt Service Millage	Total School Millage	Everglades Project	South Florida Water Management District	Florida Inland Navigational District	Total State Millage
1998	1997	2.2270	9.3560	1.1060	10.4620	0.1000	0.5970	0.0500	0.7470
1999	1998	2.2270	9.1820	0.9780	10.1600	0.1000	0.5970	0.0470	0.7440
2000	1999	2.2270	8.6540	0.9900	9.6440	0.1000	0.5970	0.0440	0.7410
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

Source: Miami-Dade County Appraiser's Office.

Table 8

Overlapping Rates								
Miami-Dade County			Special Districts					
Operating Millage	Debt Service Millage	Total County Millage	Children's Trust	Fire & Rescue	Fire Debt	Library	Total District's Millage	Total Direct & Overlapping Rates
6.0230	0.9290	6.9520	-	2.6500	0.0750	0.3160	3.0410	23.4290
6.0230	0.8370	6.8600	-	2.7960	0.0680	0.3340	3.1980	23.1890
5.8090	0.8160	6.6250	-	2.6830	0.0690	0.3210	3.0730	22.3100
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

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Use	Fiscal Year Ended September 30,					
		2008			1999		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Aventura Mall Ventures	Shopping Center	\$ 370,100,000	1	3.94%	\$ 243,290,000	1	7.86%
Miami Beach Health Care Group, LTD	Hospital & Health Care Facility	151,566,230	2	1.61%	23,589,000	9	0.76%
CC-Aventura, Inc.	Condominium & Assisted Living Facility	85,500,000	3	0.91%	-	-	N/A
Turnberry Country Club	Golf Course, Hotel & Marina	82,459,629	4	0.88%	39,987,000	5	1.29%
Summit Properties Partnership, LP	Rental Apartment Complex	60,650,843	5	0.65%	26,243,000	7	0.85%
NNN Aventura Harbour Center LLC	Mixed Use Zones & Offices	59,100,000	6	0.63%	-	-	N/A
Bruce Strohm and D. Neithercut TRS	Rental Apartment Complex	52,836,000	7	0.56%	-	-	N/A
D. Soffer and B. Redich TRS	Commercial Developer	52,048,453	8	0.55%	25,889,000	8	0.84%
Promventure Limited Partnership f/n/a Promenade Ventures, LP	Shopping Center	43,788,112	9	0.47%	-	-	N/A
Shefaor Tarragon LLLP	Multi-family Property	40,000,000	10	0.43%			
The Prudential Insurance	Shopping Center	-	-	N/A	58,003,000	2	1.87%
CG Bay One and Two, LLC	Rental Apartment Complex	-	-	N/A	49,002,000	3	1.58%
Yacht Club of Aventura	Condominium Hotel	-	-	N/A	46,101,000	4	1.51%
Finvest Ltd, Partnership	Rental Apartment Complex	-	-	N/A	28,527,000	6	0.92%
S J Fornary & C Grossman & John A. Weitz, Trustees	Shopping Center	-	-	N/A	23,079,000	10	0.75%
Totals		\$ 998,049,267		10.63%	\$ 563,710,000		18.23%

Source: Tax Roll of Miami-Dade County, Florida

**Property Tax Levies and Collections
Last Ten Fiscal Years
(\$ in 000's)**

Fiscal Year Ended September 30,	Tax Roll Year	Property Tax Levy	(1) Property Tax Discount	Net Tax Levy	Current Tax Collection	(2) Delinquent Tax Collection	Total Tax Collection	Percentage of Total Tax Collections to Net Tax Levy
1999	1998	\$ 6,893,812	\$ 275,752	\$ 6,618,060	\$ 6,572,466	\$ 4,156	\$ 6,576,622	99.37%
2000	1999	7,529,260	301,170	7,228,090	7,114,602	26,052	7,140,654	98.79%
2001	2000	7,817,598	312,704	7,504,894	7,397,312	43,086	7,440,398	99.14%
2002	2001	8,717,106	348,684	8,368,422	8,227,629	201,069	8,428,698	100.72%
2003	2002	9,281,882	371,275	8,910,607	9,013,384	61,712	9,075,096	101.85%
2004	2003	10,535,835	421,433	10,114,402	10,054,175	89,071	10,143,246	100.29%
2005	2004	12,375,576	495,023	11,880,553	11,804,181	38,508	11,842,689	99.68%
2006	2005	14,734,771	589,391	14,145,380	14,023,963	65,424	14,089,387	99.60%
2007	2006	18,174,377	726,975	17,447,402	16,997,222	130,691	17,127,913	98.17%
2008	2007	16,587,617	663,505	15,924,112	15,719,769	222,251	15,942,020	100.11%

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.
 (3) The City was incorporated during the 1995/96 fiscal year. The first year that the City was authorized to levy ad valorem (property) taxes was the 1996/97 fiscal year.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

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				
1999	\$ -	\$ 21,000,000	\$ -	\$ -	\$ 21,000,000	3.83%	\$ 921.05	
2000	-	20,645,000	-	-	20,645,000	3.19%	817.07	
2001	-	26,610,000	-	-	26,610,000	3.91%	1,032.68	
2002	-	38,650,000	-	-	38,650,000	5.46%	1,478.46	
2003	-	38,055,000	-	-	38,055,000	5.05%	1,396.98	
2004	-	37,155,000	-	-	37,155,000	4.53%	1,317.23	
2005	-	36,225,000	-	-	36,225,000	*	1,271.05	
2006	-	35,260,000	-	-	35,260,000	*	1,197.24	
2007	-	34,255,000	-	-	34,255,000	*	1,127.44	
2008	-	33,220,000	-	-	33,220,000	*	1,070.09	

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

**Ratios of Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended September 30,	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)
1999	\$ 21,000,000	\$ 351,000	\$ 20,649,000	\$ 3,095,559,808	0.67%	\$ 905.66
2000	20,645,000	356,000	20,289,000	3,380,898,052	0.60%	802.98
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

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.

**Direct and Overlapping Governmental Activity Debt
September 30, 2008**

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to City of Aventura (1)	Estimated Share of Overlapping Debt
Direct:			
City of Aventura	\$ 33,220,000	100.000%	\$ 33,220,000
Overlapping:			
Miami-Dade Board of County Commissioners (2)	2,316,811,902	4.019%	93,122,158
Miami-Dade County School Board (2)	<u>3,120,636,000</u>	4.019%	<u>125,431,140</u>
Total direct and overlapping	<u>\$ 5,470,667,902</u>		<u>\$ 251,773,298</u>

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

(2) Source: Miami-Dade County, Florida, Finance Department.

**Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year Ended September 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 309,556,000	\$ 338,089,800	\$351,037,200	\$391,428,200	\$416,788,600	\$ 473,095,400	\$555,706,154	\$661,642,150	\$ 816,092,380	\$ 960,988,172
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 309,556,000	\$ 338,089,800	\$351,037,200	\$391,428,200	\$416,788,600	\$ 473,095,400	\$555,706,154	\$661,642,150	\$ 816,092,380	\$ 960,988,172
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 2008

Assessed valuation of taxable real and personal property	\$ 9,609,881,719
Bonded debt Limit - 10% of above (1)	\$ 960,988,172
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 33,220,000
Less: debt to be repaid from specified revenue sources:	
Covenant to budget and appropriate	<u>(33,220,000)</u>
Total net debt applicable to limit	<u>\$ -</u>
Legal debt Margin (1)	<u>\$ 960,988,172</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.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year Ended September 30,	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
1999	22,800	\$ 548,340	\$ 24,050	*
2000	25,267	647,618	25,631	3.0%
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%

Data sources:

- (1) Year 2000 is from the U.S. Census. All other years are as of April 1 of each year per the University of Florida Bureau of Economic & 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.

**Occupational Employment by Group – Miami-Dade County, Florida
Current Year and Nine Years Ago**

Occupational Groups	Fiscal Year Ended September 30,					
	2008			1999		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	211,390	1	20.53%	N/A	N/A	N/A
Sales and related	137,040	2	13.31%	N/A	N/A	N/A
Food preparation and service related	79,100	3	7.68%	N/A	N/A	N/A
Transportation and material moving	75,390	4	7.32%	N/A	N/A	N/A
Business and financial operations	55,760	5	5.42%	N/A	N/A	N/A
Education, training and library	53,640	7	5.21%			
Healthcare practitioner and technical	53,230	6	5.17%	N/A	N/A	N/A
Production	43,940	8	4.27%	N/A	N/A	N/A
Construction and extraction	42,440	9	4.12%	N/A	N/A	N/A
Protective service	40,080	10	3.89%	N/A	N/A	N/A
Installation, maintenance and repair	39,960	11	3.89%	N/A	N/A	N/A
Building and grounds cleaning and maintenance	34,020	12	3.30%	N/A	N/A	N/A
Management	30,250	13	2.94%	N/A	N/A	N/A
Personal care and service	29,290	14	2.84%	N/A	N/A	N/A
Healthcare support	26,170	15	2.54%	N/A	N/A	N/A
Arts, design, entertainment, sports and media	16,500	16	1.60%	N/A	N/A	N/A
Computer and mathematical science	15,360	17	1.49%	N/A	N/A	N/A
Architecture and engineering	12,670	18	1.23%	N/A	N/A	N/A
Legal	12,670	19	1.23%	N/A	N/A	N/A
Community and social services	12,050	20	1.17%	N/A	N/A	N/A
Life, physical and social sciences	5,400	21	0.53%	N/A	N/A	N/A
Farming, fishing and forestry	3,250	22	0.32%	N/A	N/A	N/A
Total	1,029,600		100.01%	N/A		N/A

Notes:

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 2007. Estimates do not include self-employed workers.

**Full-Time Equivalent Government Employees By Function
Last Ten Fiscal Years**

Function	Fiscal Year Ended September 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	22	22	23	24	24	26	25	26	23	23
Public Safety:										
Sworn	59	60	63	73	74	74	77	74	80	80
Civilians	24	28	32	34	34	34	33	37	34	35
Community Services	13	17	17	17	16	16	16	17	15	16
Community Development	11	11	12	12	12	11	11	10	10	9
Total	129	138	147	160	160	161	162	164	162	163

Source: Various City departments

**Operating Indicators by Function
Last Ten Fiscal Years**

Function/Program	Fiscal Year Ended September 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety:										
Part 1 Crimes Reported*	3,200	3,600	3,101	2,644	2,636	1,851	1,646	1,797	2,045	2,363
Arrests	1,200	1,500	2,306	2,586	2,463	2,106	2,090	1,733	1,966	2,215
Traffic Citations and Warnings	6,000	5,000	5,581	11,028	9,714	12,820	13,942	14,431	16,848	16,987
Parking Citations Issued	2,000	1,500	1,114	1,444	1,452	1,619	2,328	4,816	4,750	4,049
Calls for Service	13,000	15,000	20,924	21,987	23,142	23,104	26,891	33,905	34,987	33,281
Accidents	1,845	1,700	1,885	1,749	1,614	1,903	1,939	1,816	2,222	2,087
Hours Assigned to Community Policing	N/A	N/A	8,320	8,320	6,240	6,240	8,320	8,320	8,320	8,320
Community Development:										
Building Permits Issued	2,457	4,415	5,290	3,397	17,365	2,475	3,528	5,242	6,161	4,112
Building Inspections Conducted	6,743	7,500	19,029	17,365	12,771	7,779	9,112	10,292	13,891	9,365
Code Notice of Violations Issued	150	404	672	317	283	312	152	170	199	118
Occupational Licenses Issued	1,949	1,916	2,195	2,738	2,523	3,107	3,035	2,966	2,978	2,875
Community Services:										
Recreation Center Memberships	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,149
Special Event Attendance	N/A	N/A	N/A	14,300	16,100	33,500	34,728	36,365	38,714	22,242
Shuttle Bus Ridership	N/A	N/A	77,000	80,000	82,600	95,000	118,629	146,506	166,255	189,996
Charter School Enrollment	N/A	N/A	N/A	N/A	600	600	700	800	800	900

Notes:

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.

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year Ended September 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	2	2	2	2	2	1	-	-	-	-
Fire Stations (1)	2	2	2	2	2	2	2	2	2	2
Parks and Recreation:										
Parks	1	2	2	2	3	4	4	4	5	5
Park Acreage	21.00	21.00	21.00	21.00	21.00	21.00	23.50	23.50	30.50	30.50
Baseball/Softball Diamonds	1	1	1	1	1	1	1	1	1	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
Libraries (1)	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	639	654	712
Miles of Roads	12.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.25	13.80
Charter Schools (K-8)	-	-	-	-	1	1	1	1	1	1
Transit Routes/Minibuses (2)	-	-	3	3	4	4	4	5	5	5

NOTES: (1) Owned and operated by Miami-Dade County, Florida
 (2) Operated under contractual agreement
 N/A = information not available

OTHER REPORTS SECTION

McGladrey & Pullen

Certified Public Accountants

**Independent Auditor's 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 and
Members of the City Commission
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, 2008, and have issued our report thereon dated March 26, 2009. Our report was modified to include 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 which financial statements represent 78% of the total assets and 19% of the total revenues of the aggregate remaining fund information, as described in our report on the City's financial statements. This report does not include the results of the other auditor's 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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, 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 those specified parties.

McGladrey & Pullen, LLP

Fort Lauderdale, Florida
March 26, 2009

McGladrey & Pullen

Certified Public Accountants

Management Letter Required By Chapter 10.550 of the Rules of the Auditor General of the State of Florida

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 fiscal year ended September 30, 2008 which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2009. We did not audit the City of Aventura Police Officers' Retirement Plan Pension Trust Fund which financial statements represent 78% of the total assets and 19% of the total revenues of the aggregate remaining fund information. The financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund 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. Our reports do not address their respective internal control or compliance.

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*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report which is dated March 26, 2009, 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 government entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(i) 1.) require 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.

As required by the Rules of the Auditor General (Section 10.554(1)(i)2.), the scope of our audit included 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.

The Rules of the Auditor General (Section 10.554(1)(i)3.) require that we address in the management letter any recommendations to improve the City's financial management. There were no recommendations to improve the City's financial management, accounting procedures, and internal controls.

The Rules of the Auditor General (Section 10.554(1)(i)4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and Questioned costs whether there were any violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i)5.) provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors:: (1) violations of laws, regulations, contracts or grant agreements or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e. g., the omission of required disclosures from the annual financial statements); (b) failure to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. No such conditions were noted during the audit.

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

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. 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.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.b.), we determined that the annual financial report for the City for the fiscal year ended September 30, 2008, 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, 2008.

As required by the Rules of the Auditor General (Sections 10.554(1)(i)7.c.), and 10.556(7), we applied financial assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

McGladrey & Pullen, LLP

Fort Lauderdale, Florida
March 26, 2009