

City of Aventura, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2007



Prepared By

The Finance Support Services Department

Brian K. Raducci, Finance Support Services Director

Brent Rogers, Controller

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March 20, 2008

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

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, 2007.

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 an estimated population of approximately 30,000 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.

The City's combination of upscale residential and commercial developments results in a taxable value of approximately \$8.2 billion within a land area of less than 4 square miles. During fiscal year 2007, the City began to experience a slowdown in both housing and commercial projects due to a sluggish

economy. This trend is anticipated to continue through fiscal year 2008 as the condition of both the national economy and housing market worsen.

The gross taxable value for fiscal year 2008 continued to increase to nearly \$9.6 billion mostly due to changes in our existing assessed values. However, this rosy economic outlook based on recent years must be tempered by recent actions taken by the Florida Legislature as more fully-described in the Management's Discussion and Analysis.

Due to the property tax reform legislation adopted by the State Legislature in special session and its impact of the City's revenue structure, the process to prepare the fiscal year 2008 budget was more complex than in the past and required difficult decisions. Every effort was made to maintain our quality municipal services, in particular public safety services, park availability hours and our signature beautification efforts.

Due to privatizing and outsourcing many City services over the years, completing numerous capital projects since our inception as well as maintaining prudent reserve funds, the City has been able to stabilize costs and is in a better position than most to weather revenue reductions mandated by the property tax reform.

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, we have also directed our efforts to address the change in demographics toward a younger community.

Since its inception, the City has acquired land and constructed four (4) public parks. During fiscal year 2006 the City continued its commitment to expand recreational facilities by working to acquire land to substantially expand Waterways Park and by finalizing plans for the Park once the land acquisition was finalized. Land acquisition was finally completed in November 2006 and a construction contract was awarded in March 2007. During fiscal year 2007, the City expanded Founders Park by adding a Splash pad and additional parking.

During the past year, the City continued to address the traffic flow improvements with the opening of the expansion of the Miami Gardens Drive, increased routes for the shuttle bus service and the initiation of intersection improvements.

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 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. Construction is scheduled for completion in early 2010.

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

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, 2007 for the General Fund is approximately \$18,960,000, representing a significant portion of the fiscal year 2008 budget. Of this amount, approximately \$16,500,000 is used to fund a capital reserve account in the fiscal year 2008 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 19% of each employee's salary, depending on the employee classification. There are no employee contributions. Employer contributions for the fiscal year ended September 30, 2007 were approximately \$565,000.

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, 2007, the principal balance outstanding totaled \$34,255,000.

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, 2006. This was the eleventh 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.

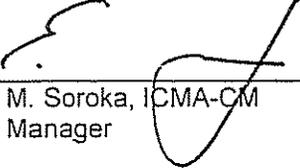
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Acknowledgements

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

Respectfully submitted,



Eric M. Soroka, ICMA-CM
City Manager

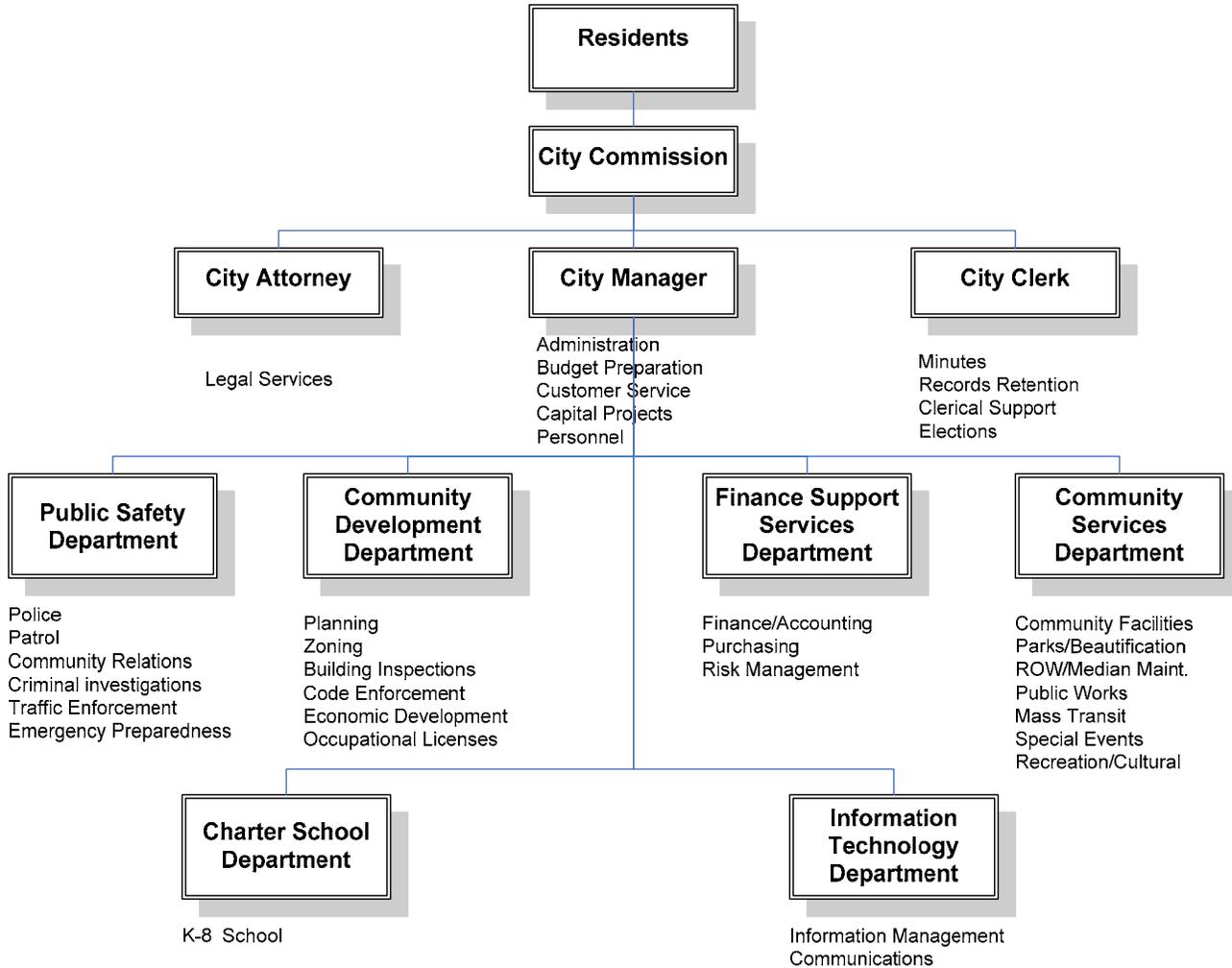


Brian K. Raducci
Finance Support Services Director

**City of Aventura, Florida
List of Principal Officials
As of September 30, 2007**

<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 Support Services Director	Brian K. Raducci
Community Services Director	Robert M. Sherman
City Clerk	Teresa M. Soroka
Police Chief	Steven Steinberg
Planning Director	Joanne Carr
Building Director/Official	Mariano Fernandez
Information Technology Director	Karen J. Lanke
City Attorney	Weiss Serota Helfman Pastoriza Cole & Boniske, P.A.
City Auditor	McGladrey & Pullen, LLP

CITY OF AVENTURA Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Aventura
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

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



Charles S. Cox

President

Jeffrey R. Emery

Executive Director

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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the City of Aventura Police Officers' Retirement Plan Pension Trust Fund which financial statements represent 60% of the total assets and 52% 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, 2007 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 20, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal 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 on pages 3 through 13, pages 48 through 50, and pages 51 through 53, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We, 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 20, 2008

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, 2007. 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.

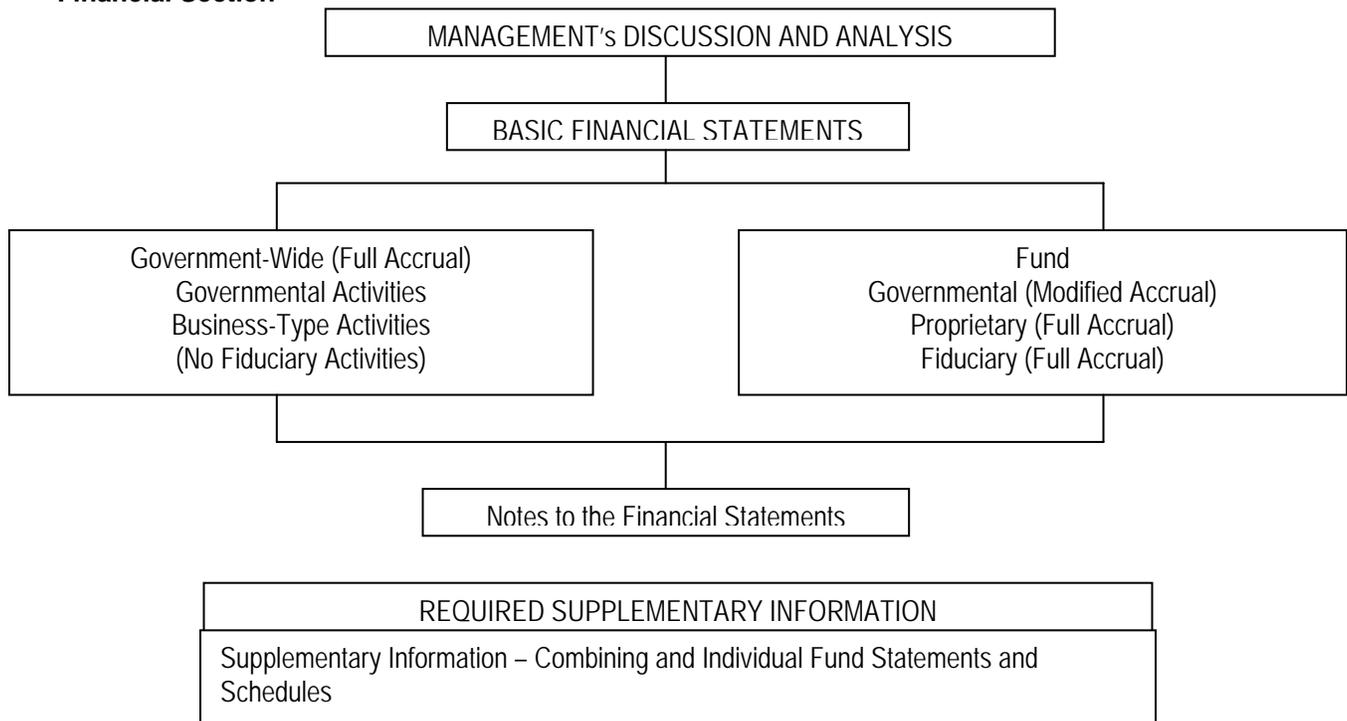
Financial Highlights

- The City's total net assets increased by \$11.5 million – over the course of this year's operations. Net assets of our business-type activities – increased by \$0.9 million, and the net assets of our governmental activities increased by \$10.6 million.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$81 million (net assets). Of this amount, \$25.2 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 \$21.8 million or 75% 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, 2007 and 2006, derived from the government-wide Statement of Net Assets:

	Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 33,387	\$ 27,791	\$ 154	\$ 305	\$ 33,541	\$ 28,096
Capital assets	79,693	61,412	7,503	6,417	87,196	67,829
Total assets	113,080	89,203	7,657	6,722	120,737	95,925
Long-term liabilities	35,836	36,728	-	-	35,836	36,728
Other liabilities	3,817	3,156	36	18	3,853	3,174
Total liabilities	39,653	39,884	36	18	39,689	39,902
Net assets:						
Invested in capital assets, net of related debt	45,439	26,152	7,503	6,417	52,942	32,569
Restricted	2,942	3,047	-	-	2,942	3,047
Unrestricted (deficit)	25,046	20,120	117	287	25,163	20,407
Total net assets	\$ 73,427	\$ 49,319	\$ 7,620	\$ 6,704	\$ 81,047	\$ 56,023

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 65% 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 31% of total net assets. Unrestricted net assets represent resources that are available for spending. Restricted net assets represent 4% of total net assets. Restricted net assets represent resources that are subject to external restrictions on how they can be used.

Capital assets increased in the governmental activities due primarily to the completion of the construction for infrastructure improvements in the amount of \$3 million and the retroactive reporting of infrastructure assets acquired before implementation of GASB 34 in the amount of \$13.5 million. Capital assets in the business-type activities increased due to stormwater drainage improvement projects. Current and other assets in governmental activities increased by \$5.5 million due to the increase in cash which was caused by excess revenues over expenditures including the increase in property tax revenues of \$3 million. The increase is also related to projects that were budgeted for expenditure in fiscal year 2007 that had not been completed as of September 30, 2007.

Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During this fiscal year, the net assets of the governmental activities increased by \$10.6 million or 21.5% excluding the effect of the GASB 34 infrastructure adjustment mentioned earlier, and the net assets of the business-type activities increased by \$.9 million or 13.4%.

Property taxes increased \$3 million due to new construction and increases in assessed value of existing property. Intergovernmental revenues increased by \$1 million due to additional local grants and funding. Operating grants and contributions increased by \$0.4 million. Franchise fees increased by \$1 million because Aventura and other recently incorporated cities successfully negotiated with Miami-Dade County to receive a greater portion of Florida Power and Light franchise fees.

Public Safety expenses increased by \$.9 million as a result of payroll and benefits increases. Community Services increased by \$3 million primarily because of costs relating to various beautification and transportation projects. Nondepartmental expenses decreased by \$3.4 million primarily due to expenses related to Hurricane Wilma, which occurred in FY 2005/06 for debris removal, various repairs and tree replacements.

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, 2007 and 2006, as derived from the government-wide Statement of Activities:

	Changes in Net Assets (in thousands)					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2007	2006
	2007	2006	2007	2006	2007	2006
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 5,295	\$ 5,825	\$ 889	\$ 816	\$ 6,184	\$ 6,641
Operating grants and contributions	8,298	7,302	-	-	8,298	7,302
Capital grants and contributions	40	420	581	415	621	835
<i>General revenues:</i>						
Property taxes	17,128	14,089	-	-	17,128	14,089
Other taxes	6,270	6,015	-	-	6,270	6,015
Franchise fees	4,235	3,359	-	-	4,235	3,359
Intergovernmental revenues	4,042	3,004	-	-	4,042	3,004
Other revenues	1,674	1,526	3	3	1,677	1,529
Total revenues	46,982	41,540	1,473	1,234	48,455	42,774
Expenses:						
General government	6,221	8,614	-	-	6,221	8,614
Public safety	15,366	14,480	-	-	15,366	14,480
Community services	13,062	10,057	-	-	13,062	10,057
Interest on long-term debt	1,721	1,805	-	-	1,721	1,805
Stormwater utility	-	-	558	361	558	361
Total expenses	36,370	34,956	558	361	36,928	35,317
Increase in net assets before transfers	10,612	6,584	916	873	11,528	7,457
Transfers	-	51	-	(51)	-	-
Change in net assets	10,612	6,635	916	822	11,528	7,457
Net assets, beginning-as restated*	62,815	42,684	6,704	5,882	69,519	48,566
Net assets, ending	\$ 73,427	\$ 49,319	\$ 7,620	\$ 6,704	\$ 81,047	\$ 56,023

* Beginning balance as of 10/1/06 was restated by \$13,496 to reflect change in accounting principle as disclosed in Note 6.

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 \$18.9 million while the total fund balance reached \$23.3 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 78% of total general fund expenditures, while total fund balance represents 80% of that same amount.

The fund balance of the City's General Fund increased by \$6.9 million during the current fiscal year. Key factors of this increase are as follows:

- An increase in property taxes of \$3 million resulting from continued growth and increased assessed values.
- An increase in Franchise fees of \$.9 million because Aventura and other recently incorporated cities successfully negotiated with Miami-Dade County to receive a greater portion of Florida Power and Light franchise fees.
- \$.6 million increase in Public Safety expenses primarily due to payroll benefits increases and additional hurricane-related personnel costs.
- Capital outlay increased \$2 million primarily because several projects budgeted in 2005/06 fiscal year were still in process and completed in 2006/07. Expenses decreased by \$1 million primarily due to non-recurring Hurricane Wilma-related expenses which were incurred in the prior year.

The Charter School Fund is used to record the operations of the Aventura City of Excellence School. The School's intergovernmental revenues increased by \$.8 million primarily due to the addition of the seventh grade with 100 new students. Debt Service Fund 2000 Series is used to record principal retirement and did not have any significant changes from the prior year.

Proprietary Fund

The proprietary fund showed a \$0.9 million increase in net assets from the prior year. Operating income increased \$0.2 million compared to the prior year primarily due to the receipt of a state grant.

Management's Discussion and Analysis (Unaudited)

General Fund Budgetary Highlights

The original budget was amended and revenues were increased by approximately \$2 million during the year. The increased revenues were caused by a \$.5 million increase due to electric franchise fees from FPL due to increased rates and an increase of \$.8 million in building permits due to new construction. Furthermore, \$.4 million of interest income was also added to the budget and recreation charges for services were also added in the amount of \$.2 million.

Expenditure budgeted for public safety was increased by \$1.4 million due to building permits, inspection costs and payroll and benefits increases. Community services expenditures increased by \$3.6 million primarily due to increased capital improvements relating to replacement trees after Hurricane Wilma. Nondepartmental operating expenditure budget was increased by \$2.6 million to pay expenses of Hurricane Wilma pre and post storm costs.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in an increase in fund balance of \$9 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 \$1 million. Federal, State and local grants exceeded the budget by \$1 million due to additional grants received which were not budgeted. Community services capital outlay was \$1.9 million less than budgeted because the City budgets for entire projects which can take more than one (1) year to be completed. Nondepartmental capital outlay was \$15.6 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

In accordance with GASB 34, the retroactive reporting of infrastructure for assets acquired prior to October 1, 2001 resulted in the addition of \$13.5 million in net assets to the beginning balance of the governmental activities. As of September 30, 2007 and 2006, the City had \$79.7 and \$74.9 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			
	2006				2006	
	2007	as restated	2007	2006	2007	as restated
Land	\$ 17,102	\$ 14,675	\$ -	\$ -	\$ 17,102	\$ 14,675
Buildings	28,880	29,381	-	-	28,880	29,381
Improvements other than buildings	4,453	3,934	-	-	4,453	3,934
Furniture, machinery and equipment	4,249	4,097	-	-	4,249	4,097
Infrastructure	24,567	22,715	7,503	6,417	32,070	29,132
Construction in progress	442	106	-	-	442	106
Total	\$ 79,693	\$ 74,908	\$ 7,503	\$ 6,417	\$ 87,196	\$ 81,325

City of Aventura, Florida

Management's Discussion and Analysis (Unaudited)

Major capital asset events during the year included:

- Infrastructure improvements of approximately \$3 million were constructed during the year.
- Furniture, fixture and equipment totaling approximately \$1.2 million were acquired during the year.
- Stormwater drainage of approximately \$1.3 million was constructed during the year.

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

Debt Administration

As of year-end, the City had \$34.2 million in debt outstanding compared to the \$35.2 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 8:

	Bonded Debt and Notes Payable (in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Non-Ad Valorem bonds	\$ 34,255	\$ 35,260	\$ -	\$ -	\$ 34,255	\$ 35,260

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 budget for fiscal year 2007/08 totals \$49.3 million, 20% lower than the final operating budget for fiscal year 2006/07.

In a special legislative session this past June, the Florida Legislature passed and the Governor signed into law property tax reform bills that have a significant impact on local government's tax revenues now and in the future. By statute, for fiscal year 2007/08 the City was required to adopt the rollback rate and then reduce that amount by 9%. The City will lose approximately \$3 million in property revenues compared to the previous method or \$1.5 million when compared to fiscal year 2006/07. This will result in an approximate \$238 savings for a home assessed at \$500,000 with a homestead exemption. For fiscal year 2008/09, the maximum millage rate will be the roll back rate plus a growth amount based on the per capita Florida personal income.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the

Management's Discussion and Analysis (Unaudited)

existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from the Miami-Dade County Property Appraiser's Office and analysis prepared by City staff, it is estimated that the City will lose between \$.7 million and \$1 million as a result of the passing of Amendment 1,

The preparation of the fiscal year 2007/08 budget document was more difficult than any time in the past primarily based on the property tax reform legislation being adopted very late in our budget preparation process cycle. Since the beginning of the 2007 state legislative session, the tax reform issue was a moving target. There were many proposals introduced during the session. In order to be in the best position to respond to the various proposals and their impact on our budget, numerous workshops were held with the City Commission and several staff meetings were held with Department Directors to obtain input and share information.

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

City of Aventura, Florida

Statement of Net Assets
September 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 28,432,804	\$ -	\$ 28,432,804
Receivables (net of allowance for uncollectibles)	559,198	-	559,198
Due from other governments	796,748	598,496	1,395,244
Prepaid expenses	492,796	-	492,796
Inventories	16,020	-	16,020
Internal balances	444,903	(444,903)	-
Bond issuance costs (net)	393,510	-	393,510
Restricted cash, cash equivalents and investments	2,250,686	-	2,250,686
Capital assets:		-	
Nondepreciable	17,544,437	-	17,544,437
Depreciable (net of accumulated depreciation)	62,149,268	7,502,883	69,652,151
Total assets	<u>113,080,370</u>	<u>7,656,476</u>	<u>120,736,846</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable	1,504,781	36,141	1,540,922
Accrued liabilities	1,241,227	-	1,241,227
Retainage payable	302,713	-	302,713
Due to other governments	3,961	-	3,961
Unearned revenues	527,727	-	527,727
Accrued interest payable	113,088	-	113,088
Net pension obligation	123,006	-	123,006
Due within one year:			
Compensated absences payable	395,343	-	395,343
Bonds payable	1,035,000	-	1,035,000
Due in more than one year:			
Compensated absences payable	1,186,028	-	1,186,028
Bonds payable	33,220,000	-	33,220,000
Total liabilities	<u>39,652,874</u>	<u>36,141</u>	<u>39,689,015</u>
Commitments and Contingencies			
Net assets:			
Invested in capital assets, net of related debt	45,438,705	7,502,883	52,941,588
Restricted for:			
Police purposes	633,292	-	633,292
Capital improvements	2,308,969	-	2,308,969
Unrestricted	25,046,530	117,452	25,163,982
Total net assets	<u>\$ 73,427,496</u>	<u>\$ 7,620,335</u>	<u>\$ 81,047,831</u>

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Activities
Fiscal Year Ended September 30, 2007

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 6,221,118	\$ -	\$ 167,264	\$ -	\$ (6,053,854)	\$ -	\$ (6,053,854)
Public safety	15,364,893	3,489,180	1,487,958	40,340	(10,347,415)	-	(10,347,415)
Community services	13,061,771	1,805,425	6,642,828	-	(4,613,518)	-	(4,613,518)
Interest and fiscal charges	1,720,827	-	-	-	(1,720,827)	-	(1,720,827)
Total governmental activities	<u>36,368,609</u>	<u>5,294,605</u>	<u>8,298,050</u>	<u>40,340</u>	<u>(22,735,614)</u>	<u>-</u>	<u>(22,735,614)</u>
Business-type activities:							
Stormwater utility	557,635	889,178	-	580,759	-	912,302	912,302
Total	<u>\$ 36,926,244</u>	<u>\$ 6,183,783</u>	<u>\$ 8,298,050</u>	<u>\$ 621,099</u>	<u>\$ (22,735,614)</u>	<u>\$ 912,302</u>	<u>\$ (21,823,312)</u>
General revenue:							
Taxes:							
Ad valorem taxes				\$ 17,127,913	\$ -	\$ 17,127,913	
Utility service taxes				6,269,809	-	6,269,809	
Franchise fees				4,234,574	-	4,234,574	
Intergovernmental, not restricted for specific purposes				4,041,947	-	4,041,947	
Interest income				1,580,978	3,335	1,584,313	
Miscellaneous				92,987	-	92,987	
Total general revenues and transfers				<u>33,348,208</u>	<u>3,335</u>	<u>33,351,543</u>	
Change in net assets				10,612,594	915,637	11,528,231	
Net assets, beginning - as restated				62,814,902	6,704,698	69,519,600	
Net assets, ending				<u>\$ 73,427,496</u>	<u>\$ 7,620,335</u>	<u>\$ 81,047,831</u>	

See Notes to Financial Statements.

City of Aventura, Florida

Balance Sheet
Governmental Funds
September 30, 2007

	General Fund	Charter School Fund	Debt Service Fund Series 2000	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 23,757,984	\$ 1,437,905	\$ -	\$ 3,236,915	\$ 28,432,804
Restricted cash, cash equivalents and investments	-	-	500,533	1,750,153	2,250,686
Accounts receivable, net	513,213	45,985	-	-	559,198
Inventories	16,020	-	-	-	16,020
Due from other funds	566,562	-	-	-	566,562
Due from other governments	624,186	4,408	-	168,154	796,748
Prepaid expenditures	488,331	4,465	-	-	492,796
Total assets	<u>\$ 25,966,296</u>	<u>\$ 1,492,763</u>	<u>\$ 500,533</u>	<u>\$ 5,155,222</u>	<u>\$ 33,114,814</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,138,240	\$ 154,992	\$ -	\$ 211,549	\$ 1,504,781
Accrued liabilities	750,677	112,494	378,056	-	1,241,227
Retainage payable	257,133	-	-	45,580	302,713
Due to other governments	3,961	-	-	-	3,961
Deferred and unearned revenue	527,727	30,862	-	-	558,589
Due to other funds	-	-	121,659	-	121,659
Total liabilities	<u>2,677,738</u>	<u>298,348</u>	<u>499,715</u>	<u>257,129</u>	<u>3,732,930</u>
Fund balances:					
Reserved for:					
Encumbrances	1,018,650	161,293	-	20,802	1,200,745
Inventory	16,020	-	-	-	16,020
Prepaid expenditures	488,331	4,465	-	-	492,796
Unreserved:					
Designated for subsequent year expenditures in:					
General Fund	21,765,557	-	-	-	21,765,557
Special Revenue Funds	-	1,028,657	-	-	1,028,657
Capital Projects Funds	-	-	-	1,823,597	1,823,597
Undesignated, reported in:					
Special Revenue Funds	-	-	-	2,921,459	2,921,459
Debt Service Funds	-	-	818	132,235	133,053
Capital Projects Funds	-	-	-	-	-
Total fund balances	<u>23,288,558</u>	<u>1,194,415</u>	<u>818</u>	<u>4,898,093</u>	<u>29,381,884</u>
Total liabilities and fund balances	<u>\$ 25,966,296</u>	<u>\$ 1,492,763</u>	<u>\$ 500,533</u>	<u>\$ 5,155,222</u>	<u>\$ 33,114,814</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, 2007**

Total fund balances – governmental funds		\$ 29,381,884
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets is	\$ 100,199,263	
Accumulated depreciation is	(20,505,558)	
		79,693,705
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		30,862
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.		(123,006)
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.		393,510
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(1,581,371)	
Bonds payable	(34,255,000)	
Accrued interest payable	(113,088)	
		(35,949,459)
Net assets of governmental activities		\$ 73,427,496

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, 2007**

	Major Funds				
	General Fund	Charter School Fund	Debt Service Fund Series 2000	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 17,127,913	\$ -	\$ -	\$ -	\$ 17,127,913
Utility service taxes	6,269,809	-	-	-	6,269,809
Franchise fees	4,234,574	-	-	-	4,234,574
Intergovernmental	3,934,618	5,986,513	-	1,665,741	11,586,872
Licenses and permits	3,229,778	-	-	-	3,229,778
Charges for services	1,680,201	514,395	-	-	2,194,596
Fines and forfeitures	404,617	-	-	172,531	577,148
Impact fees	-	-	-	40,340	40,340
Interest income	1,240,361	64,869	25,130	250,618	1,580,978
Miscellaneous	105,744	128,800	-	-	234,544
Total revenues	<u>38,227,615</u>	<u>6,694,577</u>	<u>25,130</u>	<u>2,129,230</u>	<u>47,076,552</u>
Expenditures:					
Current:					
General government	4,884,708	-	-	-	4,884,708
Public safety	14,339,977	-	-	20,896	14,360,873
Community services	4,598,889	5,200,449	-	1,017,972	10,817,310
Capital outlay	5,358,565	148,120	-	3,758,996	9,265,681
Debt service:					
Principal retirement	-	-	245,000	760,000	1,005,000
Interest	-	-	266,112	1,416,186	1,682,298
Trustee fees and other	-	-	-	24,691	24,691
Total expenditures	<u>29,182,139</u>	<u>5,348,569</u>	<u>511,112</u>	<u>6,998,741</u>	<u>42,040,561</u>
Excess (deficiency) of revenues over expenditures	<u>9,045,476</u>	<u>1,346,008</u>	<u>(485,982)</u>	<u>(4,869,511)</u>	<u>5,035,991</u>
Other financing sources (uses):					
Transfers in	37,500	-	483,239	2,377,759	2,898,498
Transfers out	(2,228,497)	(592,500)	-	(77,501)	(2,898,498)
Total other financing sources (uses)	<u>(2,190,997)</u>	<u>(592,500)</u>	<u>483,239</u>	<u>2,300,258</u>	<u>-</u>
Net change in fund balances	6,854,479	753,508	(2,743)	(2,569,253)	5,035,991
Fund balances, beginning	16,434,079	440,907	3,561	7,467,346	24,345,893
Fund balances, ending	<u>\$ 23,288,558</u>	<u>\$ 1,194,415</u>	<u>\$ 818</u>	<u>\$ 4,898,093</u>	<u>\$ 29,381,884</u>

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, 2007**

Net change in fund balances – total governmental funds	\$ 5,035,991
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	8,089,018
Less: current year's depreciation	<u>(3,302,983)</u>
	4,786,035
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,005,000
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	7,988
Interest	1,929
Amortization of bond issuance costs	(15,770)
Compensated absences	(113,231)
Revenues that were previously recognized in the statement of activities that are available in the fund financial statements.	<u>(95,348)</u>
Change in net assets of governmental activities	<u><u>\$ 10,612,594</u></u>

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Net Assets
Proprietary Fund
September 30, 2007

	Stormwater Utility Fund
Assets:	
Current assets:	
Due from other governments	\$ 598,496
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>7,502,883</u>
Total assets	<u>8,101,379</u>
Liabilities:	
Current liabilities:	
Accounts payable	36,141
Due to other funds	<u>444,903</u>
Total liabilities	<u>481,044</u>
Net Assets:	
Invested in capital assets, net of related debt	7,502,883
Unrestricted	<u>117,452</u>
Total net assets	<u>\$ 7,620,335</u>

See Notes to Financial Statements.

City of Aventura, Florida

**Statement of Operating Revenues, Expenses and Change in Net Assets
Proprietary Fund
Fiscal Year Ended September 30, 2007**

	Stormwater Utility Fund
<hr/>	
Operating revenues:	
Charges for services	<u>\$ 889,178</u>
Operating expenses:	
Cost of sales and services	354,533
Depreciation expense	<u>203,102</u>
Total operating expenses	<u>557,635</u>
Operating income	331,543
Nonoperating revenues:	
Interest income	<u>3,335</u>
Income before contributions and transfers	334,878
Capital contributions	<u>580,759</u>
Change in net assets	915,637
Net assets, beginning	<u>6,704,698</u>
Net assets, ending	<u><u>\$ 7,620,335</u></u>

See Notes to Financial Statements.

City of Aventura, Florida

Statement of Cash Flows

Proprietary Fund

Fiscal Year Ended September 30, 2007

<hr/>	
Cash Flows From Operating Activities	
Cash received from customers, users and other	\$ 626,347
Cash paid to suppliers	<u>(336,070)</u>
Net cash provided by operating activities	<u>290,277</u>
Cash Flows From Noncapital Financing Activities	
Interfund loans	<u>76,000</u>
Cash Flows From Capital and Related Financing Activities	
Capital contributions	580,759
Purchase of capital assets	<u>(1,288,767)</u>
Net cash (used) by capital and related financing activities	<u>(708,008)</u>
Cash Flows Provided By Investing Activities	
Interest received	<u>3,335</u>
Net (decrease) in cash and cash equivalents	<u>(338,396)</u>
Cash and cash equivalents, beginning	<u>338,396</u>
Cash and cash equivalents, ending	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating income	\$ 331,543
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	203,102
Changes in assets and liabilities:	
(Increase) in due from other governments	(262,831)
Increase in accounts payable	18,463
Total adjustments	<u>(41,266)</u>
Net cash provided by operating activities	<u>\$ 290,277</u>

See Notes to Financial Statements.

City of Aventura, Florida

**Statement of Fiduciary Net Assets
Police Officers' Retirement Plan Fund
September 30, 2007**

Assets:	
Investments	\$ 7,536,491
Contributions receivable:	
Employer	33,307
Employees	14,667
Accrued interest	<u>26,823</u>
Total assets	<u>7,611,288</u>
Liabilities:	
Accrued expenses	-
Net assets held in trust for pension benefits	<u>\$ 7,611,288</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, 2007**

Additions:	
Contributions:	
Employer	\$ 1,000,802
Employees	385,080
State of Florida, premium tax	160,063
Total contributions	<u>1,545,945</u>
Investment earnings:	
Net appreciation in fair value of investments	597,482
Interest income	201,591
Total investment income	<u>799,073</u>
Less investment expense	<u>(62,014)</u>
Net investment income	<u>737,059</u>
Total additions	<u>2,283,004</u>
Deductions:	
Administrative expenses	31,724
Employee contribution refunds	43,312
Total deductions	<u>75,036</u>
Change in net assets	<u>2,207,968</u>
Net assets held in trust for pension benefits, beginning	<u>5,403,320</u>
Net assets held in trust for pension benefits, ending	<u>\$ 7,611,288</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 based 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 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 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.

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") 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 the closing sale price as reported by recognized security exchanges. The reported value of the SBA investment pool is the same as the value of the pool shares, which is recorded at amortized cost.

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 plans investments in common stocks, corporate bonds and government securities are valued is 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 2007. The City has implemented the retroactive infrastructure provisions for the fiscal year ending September 30, 2007.

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 year of issuance. Bond proceeds at face value and premiums are reported at par as an 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, 2007 was 2.2270 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, 2007.

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 Support Services 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, 2007 is \$500,533 and the value of the GIC is expected to be sufficient to meet the reserve fund requirement for the Series 200A Revenue Note of a minimum of \$500,000.

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 Federal National Mortgage Association. This investment represented 10.44% of plan net assets as of September 30, 2007.

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, 2007, the City’s cash and investments consisted of the following:

Cash and cash equivalents and investments	
Deposits with financial institutions	\$ 5,650,848
SBA	24,532,109
Guaranteed investment contract	500,533
	<u>30,683,490</u>
Fiduciary Fund investments:	
Common stocks	4,661,362
U.S. Government securities	1,280,884
Corporate bonds	1,129,000
Money market funds	465,245
Total fiduciary fund investments	<u>7,536,491</u>
Total cash, cash equivalents and investments	<u>\$ 38,219,981</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	\$ 28,432,804
Restricted cash, cash equivalents and investments	2,250,686
	<u>30,683,490</u>

Statement of Fiduciary Net Assets:

Common stocks	4,661,362
U.S. Government securities	1,280,884
Corporate bonds	1,129,000
Money market funds	465,245
Total fiduciary fund investments	<u>7,536,491</u>
Total cash and investments	<u>\$ 38,219,981</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	\$ 1,280,884	\$ 39,638	\$ 620,534	\$ 620,712	\$ -
Corporate bonds	1,129,000	35,186	1,022,518	71,296	-
Money market funds	465,245	465,245	-	-	-
SBA	24,532,109	24,532,109	-	-	-
	<u>\$ 27,407,238</u>	<u>\$ 25,072,178</u>	<u>\$ 1,643,052</u>	<u>\$ 692,008</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, 2007, 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	\$ 79,942
Aa1	83,521
Aa2	35,186
Aa3	151,195
A1	406,369
A2	259,057
A3	113,730
	\$ 1,129,000

Note 4. Receivables

Receivables as of September 30, 2007 consist of the following:

Governmental activities	General Fund	Charter School Fund	Total
Utility service taxes	\$ 331,630	\$ -	\$ 331,630
Police services	86,615	-	86,615
Vendors	53,319	45,985	99,304
Franchise fees	41,649	-	41,649
Total governmental activities	\$ 513,213	\$ 45,985	\$ 559,198

Notes to Financial Statements

Note 5. Interfund Balances and Transfers

Interfund receivables and payables as of September 30, 2007 were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 566,562	\$ -
Debt Service Fund Series 2000	-	121,659
Stormwater Utility Fund	-	444,903
	<u>\$ 566,562</u>	<u>\$ 566,562</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, 2007 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 37,500	\$ 2,228,497
Charter School Fund	-	592,500
Debt Service Fund Series 2000	483,239	-
Other nonmajor governmental funds	2,377,759	77,501
	<u>\$ 2,898,498</u>	<u>\$ 2,898,498</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 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 of \$37,500 from the Charter School Fund was for administrative support services provided by the General Fund. The transfer from the General Fund of \$2,228,497 and \$555,000 from the Charter School Fund represented 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 and Restatement

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

	Balance October 1, 2006 As Restated	Additions	Retirements	Balance September 30, 2007
<i>Governmental Activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 14,675,367	\$ 2,426,977	\$ -	\$ 17,102,344
Construction in progress	106,353	335,740	-	442,093
Total capital assets, not being depreciated	<u>14,781,720</u>	<u>2,762,717</u>	<u>-</u>	<u>17,544,437</u>
Capital assets, being depreciated:				
Buildings	33,190,532	354,147		33,544,679
Improvements other than buildings	5,333,075	727,625	(150,276)	5,910,424
Infrastructure	28,855,293	3,003,147	-	31,858,440
Furniture, machinery and equipment	10,469,361	1,241,382	(369,460)	11,341,283
Total capital assets, being depreciated	<u>77,848,261</u>	<u>5,326,301</u>	<u>(519,736)</u>	<u>82,654,826</u>
Less accumulated depreciation for:				
Buildings	3,809,928	854,516	-	4,664,444
Improvement other than buildings	1,398,727	208,561	(150,276)	1,457,012
Infrastructure	6,140,800	1,150,760	-	7,291,560
Furniture, machinery and equipment	6,372,856	1,089,146	(369,460)	7,092,542
Total accumulated depreciation	<u>17,722,311</u>	<u>3,302,983</u>	<u>(519,736)</u>	<u>20,505,558</u>
Total capital assets, being depreciated, net	<u>60,125,950</u>	<u>2,023,318</u>	<u>-</u>	<u>62,149,268</u>
Governmental activities capital assets, net	<u>\$ 74,907,670</u>	<u>\$ 4,786,035</u>	<u>\$ -</u>	<u>\$ 79,693,705</u>
<i>Business-Type Activities:</i>				
Capital assets, being depreciated:				
Infrastructure	\$ 7,365,765	\$ 1,288,767	\$ -	\$ 8,654,532
Less accumulated depreciation	948,547	203,102	-	1,151,649
Business-type activities capital assets, net	<u>\$ 6,417,218</u>	<u>\$ 1,085,665</u>	<u>\$ -</u>	<u>\$ 7,502,883</u>

Notes to Financial Statements

Note 6. Capital Assets and Restatement (Continued)

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

Governmental activities:	
General government	\$ 1,041,296
Public safety	441,399
Community services	1,820,288
Total depreciation expense – governmental activities	<u>\$ 3,302,983</u>
Business-type activities:	
Stormwater utility	<u>\$ 203,102</u>

The beginning balances of capital assets and net assets of Governmental Activities have been restated as shown below to reflect the addition of infrastructure assets acquired prior to October 1, 2002, in accordance with Governmental Accounting Standards Board Statement Number 34.

Governmental activities capital assets, net:	
Beginning balance as originally stated	\$ 61,411,708
Capital assets being depreciated, infrastructure	18,680,596
Less accumulated depreciation, infrastructure	<u>(5,184,634)</u>
Beginning balance as restated	<u>\$ 74,907,670</u>
Governmental activities net assets:	
Beginning balance as originally stated	\$ 49,318,940
Capital assets being depreciated, infrastructure	18,680,596
Less accumulated depreciation, infrastructure	<u>(5,184,634)</u>
Beginning balance as restated	<u>\$ 62,814,902</u>

Notes to Financial Statements

Note 7. Long-Term Liabilities of Governmental Activities

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2007 were as follows:

	Balance October 1, 2006	Additions	Retirements	Balance September 30, 2007	Due Within One Year
Series 1999 Revenue Bonds payable	\$ 18,225,000	\$ -	\$ 460,000	\$ 17,765,000	\$ 475,000
Series 2000 Revenue Bonds payable	5,280,000	-	245,000	5,035,000	255,000
Series 2002 Revenue Bonds payable	11,755,000	-	300,000	11,455,000	305,000
Compensated absences payable	1,468,140	924,884	811,653	1,581,371	395,343
	<u>\$ 36,728,140</u>	<u>\$ 924,884</u>	<u>\$ 1,816,653</u>	<u>\$ 35,836,371</u>	<u>\$ 1,430,343</u>

Notes to Financial Statements

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

Revenue bonds as of September 30, 2007 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.	\$ 17,765,000
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.	5,035,000
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.	11,455,000
	<u>\$ 34,255,000</u>

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, 2007 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
2008	\$ 1,035,000	\$ 1,642,703	\$ 2,677,703
2009	1,080,000	1,600,005	2,680,005
2010	1,130,000	1,553,981	2,683,981
2011	1,175,000	1,504,239	2,679,239
2012	1,230,000	1,451,758	2,681,758
2013-2017	7,050,000	6,336,281	13,386,281
2018-2022	7,955,000	4,445,416	12,400,416
2023-2027	7,830,000	2,523,000	10,353,000
2028-2032	5,770,000	633,250	6,403,250
	<u>\$ 34,255,000</u>	<u>\$ 21,690,633</u>	<u>\$ 55,945,633</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 \$4,200,000 to the City for the year ended September 30, 2007.

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 \$889,000 to the City during the year ended September 30, 2007.

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.

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, 2007. 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, 2007 was approximately \$2,795,000.

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 7-19% 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 \$565,000 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.

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 initial funding levels of covered payroll are 15.385% 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 \$160,063 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, 2004, 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.

Notes to Financial Statements

Note 11. Defined Benefit Pension Plan (Continued)

On October 1, 2004 (the last plan year valuation date), Plan membership consisted of:

Retirees and beneficiaries receiving benefits	2
Active plan members	79
	<hr/>
	81
	<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 Support Services Department.

Benefits

Normal retirement may be received upon attainment of age 55 with (ten) 10 years of credited service or upon completion of 25 years of credited service. 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%.

Notes to Financial Statements

Note 11. Defined Benefit Pension Plan (Continued)

Trend information: Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the year ended September 30, 2006 is as follows:

Year Ended September 30,	Annual Pension Cost ("APC")	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 1,152,877	101%	\$ 123,006
2006	1,124,997	100%	130,994
2005	786,308	103%	132,266

The annual pension cost and net pension obligation (asset) for the Plan for year ended September 30, 2006 is as follows:

	Police Pension Plan
Annual Required Contribution (ARC)	\$ 1,154,250
Interest on net pension obligation	10,480
Adjustment to annual required contribution	(11,853)
Annual pension cost	1,152,877
Contributions made	1,160,865
Decrease in net pension obligation	(7,988)
Net pension obligation, beginning	130,994
Net pension obligation, ending	<u>\$ 123,006</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. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, will be effective for periods beginning after December 15, 2006. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

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. 50, "*Pension Disclosures*", issued May 31, 2007, is effective for the City beginning with its fiscal year ending September 30, 2008. This Statement amends GASB Statements No. 25, "*Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*", and No. 27, "*Accounting for Pensions by State and Local Governmental Employers*,". This Statement aligns current pension disclosure requirements for governments with those that governments are beginning to implement for retiree health insurance and other post-employment benefits.

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.

Note 12 Pronouncements Issued But Not Yet Effective (Continued)

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

Note 13. Subsequent Event Disclosure

As discussed in Note 3, at September 30, 2007, the City had \$25,532,109 invested in the SBA Pool. On November 29, 2007, the SBA implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restructured the Pool into two (2) separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2,000,000, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of November 19, 2007, the City had withdrawn the majority of its investments in the pool without being subject to any losses. As of January 31, 2008, the City had \$4,029,405 and \$652,118 invested in Pool A and B, respectively. Additional information regarding the Pool may be obtained from the SBA.

City of Aventura, Florida

**Schedule of Revenues and Expenditures – Budget and Actual
General Fund
For the Year Ended September 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Ad Valorem taxes:				
Current	\$ 17,265,658	\$ 17,265,658	\$ 16,997,222	\$ (268,436)
Delinquent	7,000	7,000	130,691	123,691
Utility service taxes:				
Electric	3,299,000	3,299,000	3,363,499	64,499
Telecommunication	2,015,710	2,015,710	2,253,325	237,615
Water	500,000	500,000	609,024	109,024
Gas	35,000	35,000	43,961	8,961
Franchise fees:				
Electric	2,191,840	2,691,840	3,760,394	1,068,554
Gas	28,000	28,000	54,717	26,717
Sanitation	321,000	321,000	400,141	79,141
Towing	25,000	25,000	19,322	(5,678)
Total taxes	<u>25,688,208</u>	<u>26,188,208</u>	<u>27,632,296</u>	<u>1,444,088</u>
Intergovernmental revenues:				
Federal grants	-	-	231,860	231,860
State and local grants	574,500	574,500	1,410,106	835,606
Alcoholic beverage licenses	13,000	13,000	19,373	6,373
State revenue sharing	324,000	324,000	334,115	10,115
Half cent sales tax	1,654,000	1,654,000	1,894,418	240,418
County occupational licenses	25,000	25,000	44,746	19,746
Total intergovernmental revenues	<u>2,590,500</u>	<u>2,590,500</u>	<u>3,934,618</u>	<u>1,344,118</u>
Licenses and permits:				
City business tax receipts	650,000	650,000	706,917	56,917
Building permits	1,100,000	1,900,000	1,983,328	83,328
Certificates of occupancy	100,000	100,000	415,428	315,428
Engineering	6,000	6,000	124,105	118,105
Total licenses and permits	<u>1,856,000</u>	<u>2,656,000</u>	<u>3,229,778</u>	<u>573,778</u>
Charges for services:				
Certificate of use fees	5,000	5,000	3,710	(1,290)
Lien search fees	60,000	60,000	52,358	(7,642)
Development review fees	10,000	10,000	95,185	85,185
Recreation/cultural events	460,000	665,000	657,714	(7,286)
Police services	487,000	487,000	871,134	384,134
Other	1,000	1,000	100	(900)
Total charges for services	<u>1,023,000</u>	<u>1,228,000</u>	<u>1,680,201</u>	<u>452,201</u>

(Continued)

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 General Fund (Continued)
 For the Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Fines and forfeitures:				
County court fees	\$ 215,000	\$ 215,000	\$ 398,717	\$ 183,717
Code violation fines	1,500	1,500	5,900	4,400
Total fines and forfeitures	<u>216,500</u>	<u>216,500</u>	<u>404,617</u>	<u>188,117</u>
Other:				
Interest income	450,000	895,000	1,240,361	345,361
Miscellaneous	42,000	42,180	105,744	63,564
Total other	<u>492,000</u>	<u>937,180</u>	<u>1,346,105</u>	<u>408,925</u>
Total revenues	<u>31,866,208</u>	<u>33,816,388</u>	<u>38,227,615</u>	<u>4,411,227</u>
Expenditures:				
Current:				
General government:				
City Commission:				
Personnel services	59,593	59,593	62,124	(2,531)
Operating	55,596	55,596	53,039	2,557
City Manager:				
Personnel services	648,566	648,566	641,177	7,389
Operating	177,000	177,000	162,001	14,999
Capital outlay	4,000	4,000	2,726	1,274
Finance support services:				
Personnel services	708,717	746,717	727,066	19,651
Operating	116,200	128,200	108,398	19,802
Capital outlay	6,000	35,620	35,635	(15)
Information technology:				
Personnel services	492,389	492,389	469,641	22,748
Operating	178,112	178,112	154,554	23,558
Capital outlay	113,000	188,000	119,417	68,583
Legal:				
Operating	280,000	280,000	199,887	80,113
City Clerk:				
Personnel services	186,386	186,386	183,332	3,054
Operating	101,600	101,600	90,463	11,137
Capital outlay	6,000	6,000	7,044	(1,044)
Total general government	<u>3,133,159</u>	<u>3,287,779</u>	<u>3,016,504</u>	<u>271,275</u>

(Continued)

City of Aventura, Florida

Schedule of Revenues and Expenditures – Budget and Actual
 General Fund (Continued)
 For the Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Public safety:				
Police:				
Personnel services	\$ 10,752,187	\$ 10,752,187	\$ 10,569,108	\$ 183,079
Operating	1,249,850	1,249,850	1,264,161	(14,311)
Capital outlay	853,560	1,437,820	1,331,919	105,901
Community development:				
Personnel services	649,723	649,723	618,161	31,562
Operating	1,146,700	1,946,700	1,888,547	58,153
Capital outlay	28,000	28,000	7,196	20,804
Total public safety	<u>14,680,020</u>	<u>16,064,280</u>	<u>15,679,092</u>	<u>385,188</u>
Community services:				
Personnel services	1,009,114	1,009,114	949,403	59,711
Operating	3,944,750	3,793,727	3,649,486	144,241
Capital outlay	2,111,750	5,837,190	3,926,711	1,910,479
Total community services	<u>7,065,614</u>	<u>10,640,031</u>	<u>8,525,600</u>	<u>2,114,431</u>
Nondepartmental:				
Operating	1,995,687	2,172,517	1,913,609	258,908
Capital outlay	13,202,574	15,624,036	47,334	15,576,702
Total nondepartmental	<u>15,198,261</u>	<u>17,796,553</u>	<u>1,960,943</u>	<u>15,835,610</u>
Total expenditures	<u>40,077,054</u>	<u>47,788,643</u>	<u>29,182,139</u>	<u>18,606,504</u>
Excess (deficiency) of revenues over expenditures	<u>(8,210,846)</u>	<u>(13,972,255)</u>	<u>9,045,476</u>	<u>23,017,731</u>
Other financing sources (uses):				
Transfers in	952,646	201,443	37,500	(163,943)
Transfers out	(2,241,800)	(2,233,022)	(2,228,497)	4,525
Appropriated fund balance	9,500,000	16,003,834	-	(16,003,834)
Total other financing sources (uses)	<u>8,210,846</u>	<u>13,972,255</u>	<u>(2,190,997)</u>	<u>(16,163,252)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,854,479</u>	<u>\$ 6,854,479</u>

See Notes to Required Supplementary Information.

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
10/01/03	\$ 1,389,389	\$ 4,080,982	\$ 2,691,593	34.1%	\$ 4,050,591	66.4%
10/01/04	2,393,593	5,118,997	2,725,404	46.8%	4,085,348	66.7%

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
2007	\$ 1,154,250	101%	\$ 160,063
2006	1,126,269	100%	149,567
2005	787,658	102%	143,037
2004	787,658	81%	50,866

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 \$7,700,000 in the General Fund.
- f. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").
- g. The City Manager is authorized to transfer part or all of an unencumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. The classification detail at which expenditures may not legally exceed appropriations is at the department level.
- h. Unencumbered appropriations lapse at fiscal year-end. Unencumbered amounts are reappropriated in the following year's budget for capital accounts only.
- i. Expenditures did not exceed appropriations in any of the governmental funds.

Note 2. Actuarial Assumptions

Information as of the latest actuarial valuation date of October 1, 2004 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.

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

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

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

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.

City of Aventura, Florida

Combining Balance Sheet
Other Nonmajor Governmental Funds
September 30, 2007

	Special Revenue Funds					
	Police Education Fund	Street Maintenance Fund	Police Capital Outlay Impact Fee Fund	Park Development Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund
Assets						
Cash and cash equivalents	\$ 4,197	\$ 409,075	\$ 85,292	\$ 1,905,142	\$ 348,883	\$ 201,561
Restricted cash, cash equivalents and investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other governments	624	167,530	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-
Total assets	<u>\$ 4,821</u>	<u>\$ 576,605</u>	<u>\$ 85,292</u>	<u>\$ 1,905,142</u>	<u>\$ 348,883</u>	<u>\$ 201,561</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 220	\$ 135,506	\$ 2,758	\$ 9,725	\$ 3,794	\$ 493
Retainage payable	-	27,547	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>220</u>	<u>163,053</u>	<u>2,758</u>	<u>9,725</u>	<u>3,794</u>	<u>493</u>
Fund balances:						
Reserved for:						
Encumbrances	-	3,487	-	-	17,315	-
Unreserved:						
Designated for subsequent year's expenditures in:						
Capital project funds	-	-	-	-	-	-
Undesignated, reported in:						
Special revenue funds	4,601	410,065	82,534	1,895,417	327,774	201,068
Debt service funds	-	-	-	-	-	-
Total fund balances	<u>4,601</u>	<u>413,552</u>	<u>82,534</u>	<u>1,895,417</u>	<u>345,089</u>	<u>201,068</u>
Total liabilities and fund balances	<u>\$ 4,821</u>	<u>\$ 576,605</u>	<u>\$ 85,292</u>	<u>\$ 1,905,142</u>	<u>\$ 348,883</u>	<u>\$ 201,561</u>

Debt Service Funds			Capital Projects Funds			
Debt Service Fund Series 1999	Debt Service Fund Series 2002 Charter School Land Acquisition	Debt Service Fund Series 2002 Charter School Building Construction	Capital Construction Fund Series 2000	Capital Construction Fund Series 2002 – Charter School Land Acquisition	Capital Construction Fund Series 2002 – Charter School Building Construction	Total Nonmajor Governmental Funds
\$ 16,741	\$ -	\$ 110,498	\$ -	\$ 3,966	\$ 151,560	\$ 3,236,915
-	4,935	61	1,745,157	-	-	1,750,153
-	-	-	-	-	-	-
-	-	-	-	-	-	168,154
-	-	-	-	-	-	-
<u>\$ 16,741</u>	<u>\$ 4,935</u>	<u>\$ 110,559</u>	<u>\$ 1,745,157</u>	<u>\$ 3,966</u>	<u>\$ 151,560</u>	<u>\$ 5,155,222</u>
\$ -	\$ -	\$ -	\$ 59,053	\$ -	\$ -	\$ 211,549
-	-	-	18,033	-	-	45,580
-	-	-	-	-	-	-
-	-	-	<u>77,086</u>	-	-	<u>257,129</u>
-	-	-	-	-	-	20,802
-	-	-	1,668,071	3,966	151,560	1,823,597
-	-	-	-	-	-	2,921,459
<u>16,741</u>	<u>4,935</u>	<u>110,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,235</u>
<u>16,741</u>	<u>4,935</u>	<u>110,559</u>	<u>1,668,071</u>	<u>3,966</u>	<u>151,560</u>	<u>4,898,093</u>
<u>\$ 16,741</u>	<u>\$ 4,935</u>	<u>\$ 110,559</u>	<u>\$ 1,745,157</u>	<u>\$ 3,966</u>	<u>\$ 151,560</u>	<u>\$ 5,155,222</u>

City of Aventura, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Other Nonmajor Governmental Funds
Year Ended September 30, 2007**

	Special Revenue Funds					
	Police Education Fund	Street Maintenance Fund	Police Capital Outlay Impact Fee Fund	Park Development Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund
Revenues:						
Intergovernmental revenues	\$ -	\$ 1,665,741	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	8,442	-	-	-	67,493	96,596
Impact fees	-	-	34,526	5,814	-	-
Interest income	48	8,918	4,788	94,054	12,159	14,441
Total revenues	8,490	1,674,659	39,314	99,868	79,652	111,037
Expenditures:						
Current:						
Public safety	9,326	-	-	-	-	11,570
Community services	-	1,017,972	-	-	-	-
Capital outlay	-	658,611	118,534	177,837	54,687	69,679
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Trustee fees and other	-	-	-	-	-	-
Total expenditures	9,326	1,676,583	118,534	177,837	54,687	81,249
Excess (deficiency) of revenues over expenditures	(836)	(1,924)	(79,220)	(77,969)	24,965	29,788
Other financing sources (uses):						
Transfers in	-	-	-	-	77,501	-
Transfers out	-	-	-	-	-	(77,501)
Net change in fund balances	(836)	(1,924)	(79,220)	(77,969)	102,466	(47,713)
Fund balances (deficit), beginning	5,437	415,476	161,754	1,973,386	242,623	248,781
Fund balances, ending	\$ 4,601	\$ 413,552	\$ 82,534	\$ 1,895,417	\$ 345,089	\$ 201,068

Debt Service Funds			Capital Projects Funds			Total Other Nonmajor Governmental Funds
Debt Service Fund Series 1999	Debt Service Fund Series 2002 Charter School Land Acquisition	Debt Service Fund Series 2002 Charter School Building Construction	Capital Construction Fund Series 2002 – Charter School Land Acquisition	Capital Construction Fund Series 2002 – Charter School Building Construction		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,665,741
-	-	-	-	-	-	172,531
-	-	-	-	-	-	40,340
6,000	2,053	4,084	103,885	188	-	250,618
6,000	2,053	4,084	103,885	188	-	2,129,230
-	-	-	-	-	-	20,896
-	-	-	-	-	-	1,017,972
-	-	-	2,679,648	-	-	3,758,996
460,000	141,766	158,234	-	-	-	760,000
877,498	254,480	284,208	-	-	-	1,416,186
18,261	4,872	1,558	-	-	-	24,691
1,355,759	401,118	444,000	2,679,648	-	-	6,998,741
(1,349,759)	(399,065)	(439,916)	(2,575,763)	188	-	(4,869,511)
1,346,410	398,848	555,000	-	-	-	2,377,759
-	-	-	-	-	-	(77,501)
(3,349)	(217)	115,084	(2,575,763)	188	-	(2,569,253)
20,090	5,152	(4,525)	4,243,834	3,778	151,560	7,467,346
\$ 16,741	\$ 4,935	\$ 110,559	\$ 1,668,071	\$ 3,966	\$ 151,560	\$ 4,898,093

City of Aventura, Florida

**Schedule of Revenues and Expenditures – Budget and Actual
Special Revenue Funds
For the Year Ended September 30, 2007**

	Police Education Fund				Street Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget-	Original Budget	Final Budget	Actual	Variance with Final Budget-
				Positive (Negative)				Positive (Negative)
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,517,543	\$ 1,517,543	\$ 1,665,741	\$ 148,198
Fines and forfeitures	4,300	4,300	8,442	4,142	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Interest income	-	-	48	48	7,500	7,500	8,918	1,418
Total revenues	4,300	4,300	8,490	4,190	1,525,043	1,525,043	1,674,659	149,616
Expenditures:								
Operating	12,300	9,737	9,326	411	365,933	1,017,136	1,017,972	(836)
Capital outlay	-	-	-	-	830,053	965,376	658,611	306,765
Total expenditures	12,300	9,737	9,326	411	1,195,986	1,982,512	1,676,583	305,929
Excess (deficiency) of revenues over expenditures	(8,000)	(5,437)	(836)	4,601	329,057	(457,469)	(1,924)	455,545
Other financing sources (uses):								
Transfers out	-	-	-	-	(651,203)	-	-	-
Appropriated fund balances	8,000	5,437	-	(5,437)	322,146	457,469	-	(457,469)
Total other financing sources (uses)	8,000	5,437	-	(5,437)	(329,057)	457,469	-	(457,469)
Net change in fund balances	\$ -	\$ -	\$ (836)	\$ (836)	\$ -	\$ -	\$ (1,924)	\$ (1,924)

Police Capital Outlay Impact Fee Fund				Park Development Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget-	Original Budget	Final Budget	Actual	Variance with Final Budget-
			Positive (Negative)				Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
65,000	65,000	34,526	(30,474)	150,000	150,000	5,814	(144,186)
-	-	4,788	4,788	-	-	94,054	94,054
65,000	65,000	39,314	(25,686)	150,000	150,000	99,868	(50,132)
-	-	-	-	-	-	-	-
145,000	220,825	118,534	102,291	1,500,000	2,123,386	177,837	1,945,549
145,000	220,825	118,534	102,291	1,500,000	2,123,386	177,837	1,945,549
(80,000)	(155,825)	(79,220)	76,605	(1,350,000)	(1,973,386)	(77,969)	1,895,417
-	-	-	-	-	-	-	-
80,000	155,825	-	(155,825)	1,350,000	1,973,386	-	(1,973,386)
80,000	155,825	-	(155,825)	1,350,000	1,973,386	-	(1,973,386)
\$ -	\$ -	\$ (79,220)	\$ (79,220)	\$ -	\$ -	\$ (77,969)	\$ (77,969)

City of Aventura, Florida

**Schedule of Revenues and Expenditures – Budget and Actual
Debt Service Funds
For the Year Ended September 30, 2007**

	Debt Service Fund Series 1999				Debt Service Fund Series 2000			
	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:								
Interest income	\$ -	\$ -	\$ 6,000	\$ 6,000	\$ 25,200	\$ 25,200	\$ 25,130	\$ (70)
Expenditures:								
Debt service:								
Principal	460,000	460,000	460,000	-	245,000	245,000	245,000	-
Interest	886,500	886,500	877,498	9,002	267,000	267,000	266,112	888
Trustee fees and other	20,000	20,000	18,261	1,739	-	-	-	-
Total expenditures	1,366,500	1,366,500	1,355,759	10,741	512,000	512,000	511,112	888
Excess (deficiency) of revenues over expenditures	(1,366,500)	(1,366,500)	(1,349,759)	16,741	(486,800)	(486,800)	(485,982)	818
Other financing sources:								
Transfers in	1,357,500	1,346,410	1,346,410	-	482,300	483,239	483,239	-
Appropriated fund balances	9,000	20,090	-	(20,090)	4,500	3,561	-	(3,561)
Net change in fund balances	\$ -	\$ -	\$ (3,349)	\$ (3,349)	\$ -	\$ -	\$ (2,743)	\$ (2,743)

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)
\$ -	\$ -	\$ 2,053	\$ 2,053	\$ -	\$ -	\$ 4,084	\$ 4,084
142,000	142,000	141,766	234	158,234	158,234	158,234	-
255,000	255,000	254,480	520	284,208	284,208	284,208	-
7,000	7,000	4,872	2,128	1,558	1,558	1,558	-
404,000	404,000	401,118	2,882	444,000	444,000	444,000	-
(404,000)	(404,000)	(399,065)	4,935	(444,000)	(444,000)	(439,916)	4,084
402,000	398,848	398,848	-	444,000	444,000	555,000	111,000
2,000	5,152	-	(5,152)	-	-	-	-
\$ -	\$ -	\$ (217)	\$ (217)	\$ -	\$ -	\$ 115,084	\$ 115,084

City of Aventura, Florida

**Schedule of Revenues and Expenditures – Budget and Actual
Capital Projects Funds
For the Year Ended September 30, 2007**

	Capital Construction Fund Series 2000			
	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest income	\$ -	\$ 200,000	\$ 103,885	\$ (96,115)
Expenditures:				
Capital outlay	-	-	2,679,648	(2,679,648)
Excess (deficiency) of revenues over expenditures	-	200,000	(2,575,763)	(2,775,763)
Other Financing Sources (Uses)				
Appropriated fund balance	1,700,000	4,241,863	-	(4,241,863)
Total other financing sources (uses)	1,700,000	4,241,863	-	(4,241,863)
Net change in fund balances	\$ 1,700,000	\$ 4,441,863	\$ (2,575,763)	\$ (7,017,626)

Capital Construction Fund Series 2002 – Charter School Land Acquisition				Capital Construction 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)
\$ -	\$ -	\$ 188	\$ 188	\$ -	\$ -	\$ -	\$ -
-	3,778	-	3,778	-	151,560	-	(151,560)
-	(3,778)	188	3,966	-	(151,560)	-	151,560
-	3,778	-	(3,778)	-	151,560	-	(151,560)
-	3,778	-	(3,778)	-	151,560	-	(151,560)
\$ -	\$ -	\$ 188	\$ 188	\$ -	\$ -	\$ -	\$ -

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	65
Changes in net assets	66-67
Governmental activities tax revenues by source	68
Fund balances of governmental funds	69
Changes in fund balances of governmental funds	70-71
General governmental tax revenues by source	72

Revenue Capacity

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

Assessed value and estimated actual assessed value of taxable property	73
Property tax rates – direct and overlapping governments	74-75
Principal property taxpayers	76
Property tax levies and collections	77

Debt Capacity:

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratios of outstanding debt by type	78
Ratios of bonded debt outstanding	79
Direct and overlapping governmental activity debt	80
Legal debt margin information	81

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	82
Occupational employment by group – Miami-Dade County, Florida	83

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	84
Operating indicators by function	85
Capital asset statistics by function	86

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 Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended September 30,				
	2003	2004	2005	2006	2007
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
Restricted	5,214,557	1,872,770	2,944,000	3,047,457	2,942,261
Unrestricted	<u>6,882,421</u>	<u>12,099,673</u>	<u>15,844,000</u>	<u>20,119,775</u>	<u>25,046,530</u>
Total governmental activities net assets	<u><u>\$ 31,977,583</u></u>	<u><u>\$ 36,444,336</u></u>	<u><u>\$ 42,684,000</u></u>	<u><u>\$ 49,318,940</u></u>	<u><u>\$ 73,427,496</u></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
Unrestricted	<u>(221,770)</u>	<u>62,243</u>	<u>(278,512)</u>	<u>287,480</u>	<u>117,452</u>
Total business-type activities net assets	<u><u>\$ 5,128,233</u></u>	<u><u>\$ 5,412,841</u></u>	<u><u>\$ 5,882,496</u></u>	<u><u>\$ 6,704,698</u></u>	<u><u>\$ 7,620,335</u></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
Restricted	5,214,557	1,872,770	2,944,000	3,047,457	2,942,261
Unrestricted	<u>6,660,651</u>	<u>12,161,916</u>	<u>15,565,488</u>	<u>20,407,255</u>	<u>25,163,982</u>
Total primary government net assets	<u><u>\$ 37,105,816</u></u>	<u><u>\$ 41,857,177</u></u>	<u><u>\$ 48,566,496</u></u>	<u><u>\$ 56,023,638</u></u>	<u><u>\$ 81,047,831</u></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 Five Fiscal Years
(accrual basis of accounting)**

	Fiscal Year Ended September 30,				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 3,901,371	\$ 4,378,320	\$ 5,234,533	\$ 8,614,169	\$ 6,221,118
Public safety	10,262,009	11,548,304	13,042,732	14,480,174	15,364,893
Community services	4,822,153	8,395,691	8,958,704	10,057,441	13,061,771
Interest expense	1,785,364	1,830,330	1,777,122	1,804,438	1,720,827
Total governmental activities expenses	<u>20,770,897</u>	<u>26,152,645</u>	<u>29,013,091</u>	<u>34,956,222</u>	<u>36,368,609</u>
Business-type activities:					
Stormwater utility	<u>125,727</u>	<u>147,242</u>	<u>249,947</u>	<u>360,712</u>	<u>557,635</u>
Total business-type activities expenses	<u>125,727</u>	<u>147,242</u>	<u>249,947</u>	<u>360,712</u>	<u>557,635</u>
Total primary government expenses	<u>\$ 20,896,624</u>	<u>\$ 26,299,887</u>	<u>\$ 29,263,038</u>	<u>\$ 35,316,934</u>	<u>\$ 36,926,244</u>
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
Community services	187,182	227,512	671,809	944,724	1,805,425
Operating grants and contributions	164,260	4,099,084	5,212,020	7,302,460	8,298,050
Capital grants and contributions	<u>14,523</u>	<u>401,076</u>	<u>8,987</u>	<u>420,493</u>	<u>40,340</u>
Total governmental activities program revenues	<u>3,768,253</u>	<u>8,187,554</u>	<u>10,017,209</u>	<u>13,548,089</u>	<u>13,632,995</u>
Business-type activities:					
Charges for services:					
Stormwater utility	820,926	826,199	820,554	815,454	889,178
Capital grants and contributions	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>415,000</u>	<u>580,759</u>
Total business-type activities program revenues	<u>1,470,926</u>	<u>826,199</u>	<u>820,554</u>	<u>1,230,454</u>	<u>1,469,937</u>
Total primary government program revenues	<u>\$ 5,239,179</u>	<u>\$ 9,013,753</u>	<u>\$ 10,837,763</u>	<u>\$ 14,778,543</u>	<u>\$ 15,102,932</u>

(Continued)

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

	Fiscal Year Ended September 30,				
	2003	2004	2005	2006	2007
Net (expense)/revenue					
Governmental activities	\$ (17,002,644)	\$ (17,965,091)	\$ (18,995,882)	\$ (21,408,133)	\$ (22,735,614)
Business-type activities	1,345,199	678,957	570,607	869,742	912,302
Total primary government net expense	<u>\$ (15,657,445)</u>	<u>\$ (17,286,134)</u>	<u>\$ (18,425,275)</u>	<u>\$ (20,538,391)</u>	<u>\$ (21,823,312)</u>
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
Utility service taxes	5,397,011	5,460,119	5,719,554	6,015,016	6,269,809
Franchise fees on gross receipts	1,875,199	2,185,155	2,330,809	3,359,261	4,234,574
Intergovernmental revenue - unrestricted	2,861,600	3,203,912	3,427,647	3,003,546	4,041,947
Impact fees	56,609	754,954	959,264	-	-
Investment earnings not restricted	246,216	174,983	553,135	1,159,778	1,580,978
Miscellaneous revenues	104,436	107,193	298,875	365,705	92,987
Transfers	567,037	402,282	103,210	50,742	-
Total governmental activities	<u>20,183,204</u>	<u>22,431,844</u>	<u>25,235,183</u>	<u>28,043,436</u>	<u>33,348,208</u>
Business-type activities:					
Investment earnings not restricted	3,262	2,555	2,258	3,202	3,335
Transfers	(567,037)	(396,904)	(103,210)	(50,742)	-
Total business-type activities	<u>(563,775)</u>	<u>(394,349)</u>	<u>(100,952)</u>	<u>(47,540)</u>	<u>3,335</u>
Total primary government	<u>\$ 19,619,429</u>	<u>\$ 22,037,495</u>	<u>\$ 25,134,231</u>	<u>\$ 27,995,896</u>	<u>\$ 33,351,543</u>
Change in Net Assets					
Governmental activities	\$ 3,180,560	\$ 4,466,753	\$ 6,239,301	\$ 6,635,303	\$ 10,612,594
Business-type activities	781,424	284,608	469,655	822,202	915,637
Total primary government	<u>\$ 3,961,984</u>	<u>\$ 4,751,361</u>	<u>\$ 6,708,956</u>	<u>\$ 7,457,505</u>	<u>\$ 11,528,231</u>

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 Five 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

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,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 30,037	\$ 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
Unreserved	5,911,752	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
Total General Fund	<u>\$ 5,941,789</u>	<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>
All other governmental funds										
Reserved	\$ 743,047	\$12,267,307	\$ 4,046,885	\$ 866,449	\$ 1,318,680	\$ 18,485	\$ 34,811	\$ 44,124	\$ 1,206,173	\$ 186,560
Unreserved, reported in:										
Special revenue funds	582,728	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
Debt service funds	-	-	-	-	-	-	-	(3,441)	(4,525)	133,053
Capital projects funds	63,458	-	-	6,027,675	11,632,527	4,079,711	4,089,706	4,310,386	3,963,362	1,823,597
Total all other governmental funds	<u>\$ 1,389,233</u>	<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>

City of Aventura, Florida

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

	1998	1999	2000	2001
Revenues				
Ad valorem taxes	\$ 10,671,397	\$ 12,990,627	\$ 7,140,655	\$ 7,440,398
Utility service taxes	-	-	4,346,175	4,413,388
Franchise fees	-	-	2,230,486	2,317,645
Intergovernmental	1,390,596	3,100,321	2,836,374	2,688,105
Licenses and permits	2,756,432	1,781,863	1,886,777	2,624,459
Charges for services	512,141	918,108	797,774	647,410
Fines and forfeitures	667,824	531,499	441,717	491,688
Impact fees	773,844	324,383	439,512	799,766
Interest income	515,759	586,067	1,059,418	1,115,650
Developer contributions	-	611,430	242,915	221,894
Miscellaneous	95,395	77,288	153,959	143,734
Total revenues	<u>17,383,388</u>	<u>20,921,586</u>	<u>21,575,762</u>	<u>22,904,137</u>
Expenditures				
General government	1,598,865	1,606,965	1,526,679	1,831,007
Public safety	7,400,225	6,785,764	7,804,469	8,607,783
Community services	5,487,456	2,419,162	2,717,728	3,102,494
Nondepartmental	3,732,473	543,665	529,737	725,434
Capital outlay	-	10,919,960	11,850,784	11,652,841
Debt service:				
Principal	-	6,900,000	355,000	590,000
Interest	237,549	691,607	982,410	1,260,248
Trustee fees and other	-	-	-	52,582
Total expenditures	<u>18,456,568</u>	<u>29,867,123</u>	<u>25,766,807</u>	<u>27,822,389</u>
Excess (deficiency) of revenues over expenditures	(1,073,180)	(8,945,537)	(4,191,045)	(4,918,252)
Other financing sources (uses)				
Transfers in	937,500	968,920	2,504,084	2,583,136
Transfers out	(1,732,704)	(1,005,595)	(1,755,488)	(2,402,595)
Proceeds from line of credit	2,800,000	900,000	-	-
Bonds issued	-	21,000,000	-	6,555,000
Discount on bonds	-	-	-	-
Bond issuance costs	-	-	(525,000)	-
Total other financing sources / (uses)	<u>2,004,796</u>	<u>21,863,325</u>	<u>223,596</u>	<u>6,735,541</u>
Net change in fund balances	<u>\$ 931,616</u>	<u>\$ 12,917,788</u>	<u>\$ (3,967,449)</u>	<u>\$ 1,817,289</u>
Debt service as a percentage of noncapital expenditures	1.29%	32.75%	9.61%	10.20%

Table 5

Fiscal Year Ended September 30,

	2002	2003	2004	2005	2006	2007
\$	8,428,698	\$ 9,075,096	\$ 10,143,246	\$ 11,842,689	\$ 14,089,388	\$ 17,127,913
	3,316,474	5,397,011	5,460,119	5,719,554	6,015,016	6,269,809
	3,849,676	1,875,199	2,185,155	2,330,809	3,359,261	4,234,574
	3,091,728	2,965,158	7,663,308	7,263,468	10,905,885	11,586,872
	3,360,172	2,185,654	2,146,913	3,335,034	3,277,960	3,229,778
	722,125	965,067	1,099,321	1,598,230	1,904,741	2,194,596
	386,758	399,899	351,698	472,465	601,339	577,148
	599,244	56,609	754,954	959,264	398,436	40,340
	310,096	246,216	174,983	553,135	1,159,778	1,580,978
	152,385	30,000	85,842	-	-	-
	119,347	74,436	134,768	298,875	610,584	234,544
	<u>24,336,703</u>	<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>
	2,015,866	2,163,885	2,371,236	2,580,989	2,668,284	4,884,708
	9,333,199	9,438,156	10,594,453	12,256,346	13,781,535	14,360,873
	3,600,234	4,226,979	7,495,145	7,997,769	9,019,229	10,817,310
	1,163,975	1,040,052	1,292,580	1,623,794	2,978,900	-
	12,409,178	12,153,846	3,905,875	7,416,346	5,800,374	9,265,681
	570,000	595,000	900,000	930,000	965,000	1,005,000
	1,276,224	1,746,446	1,786,797	1,753,446	1,719,392	1,682,298
	20,214	73,760	28,932	28,363	25,817	24,691
	<u>30,388,890</u>	<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>
	(6,052,187)	(8,167,779)	1,825,289	(213,530)	5,363,857	5,035,991
	2,709,879	2,379,299	3,687,963	2,821,795	2,740,850	2,898,498
	(2,524,839)	(1,812,262)	(3,285,681)	(2,718,585)	(2,690,108)	(2,898,498)
	-	-	-	-	-	-
	12,610,623	-	-	-	-	-
	(427,343)	-	-	-	-	-
	-	-	-	-	-	-
	<u>12,368,320</u>	<u>567,037</u>	<u>402,282</u>	<u>103,210</u>	<u>50,742</u>	<u>-</u>
\$	<u>6,316,133</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>
	9.02%	11.38%	10.19%	9.20%	7.60%	7.99%

**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
1998	\$10,671,397	\$ 1,390,596	\$ 2,756,432	\$ 512,141	\$ 667,824	\$ 515,759	\$ 869,239	\$17,383,388
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

**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
1998	1997	\$ 2,664,701,818	\$ 107,083,192	N/A	\$ 2,771,785,010	2.2270	N/A	N/A
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%

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
1997	1996	2.2270	9.3560	1.1060	10.4620	0.1000	0.5970	0.0500	0.7470
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

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	0.9290	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

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

Taxpayer	Type of Use	Fiscal Year Ended September 30,					
		2007			1998		
		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	\$ 401,685,659	1	4.18%	\$ 147,500,000	1	5.32%
Miami Beach Health Care Group, LTD	Hospital & Health Care Facility	155,847,525	2	1.62%	22,877,000	9	0.83%
CC-Aventura, Inc.	Condominium & Assisted Living Facility	94,792,420	3	0.99%	-	-	N/A
Turnberry Country Club	Golf Course, Hotel & Marina	93,937,990	4	0.98%	39,609,000	3	1.43%
Aventura Marina, Ltd	Condominium Developer	87,635,150	5	0.91%	-	-	N/A
Summit Properties Partnership, LP	Rental Apartment Complex	61,341,860	6	0.64%	24,875,000	8	0.90%
D. Soffer and B. Redich Trusts	Commercial Developer	60,356,770	7	0.63%	25,707,000	7	0.93%
Harbour Center Associates	Mixed Use Zones & Offices	59,100,000	8	0.61%	-	-	N/A
Bruce Strohm and D. Neithercut Trust	Rental Apartment Complex	58,000,000	9	0.60%	-	-	N/A
Promventura Limited Partnership f/n/a Promenade Ventures, LP	Shopping Center	43,855,251	10	0.46%	-	-	N/A
CG Bay One and Two, LLC	Rental Apartment Complex	-	-	N/A	47,807,000	2	1.73%
Yacht Club of Aventura	Condominium Hotel	-	-	N/A	32,458,000	4	1.17%
PCT Biscayne Boulevard Partnership	Shopping Center	-	-	N/A	27,250,000	5	0.98%
The Prudential Insurance	Shopping Center	-	-	N/A	26,003,000	6	0.94%
S J Fornary & C Grossman & John A. Weitz, Trustees	Shopping Center	-	-	N/A	21,885,000	10	0.79%
Totals		\$ 1,116,552,625		11.62%	\$ 415,971,000		15.02%

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
1998	1997	\$ 6,172,765	\$ 246,911	\$ 5,925,854	\$ 5,823,304	\$ 18,365	\$ 5,841,669	98.58%
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	14,997,222	130,691	15,127,913	86.71%

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				
1998	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	1.27%	\$ 294.85
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

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)
1997	\$ -	\$ -	\$ -	\$ 2,605,131,000	0.00%	\$ -
1998	-	-	-	2,771,785,010	0.00%	-
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	29,000	35,231,000	6,616,421,499	0.53%	1,196.26
2007	34,255,000	22,494	34,232,506	8,160,923,804	0.42%	1,126.70

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, 2007**

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to City of Aventura (1)	Estimated Share of Overlapping Debt
Direct:			
City of Aventura	\$ 34,255,000	100.000%	\$ 34,255,000
Overlapping:			
Miami-Dade Board of County Commissioners (2)	2,114,400,960	3.930%	83,105,609
Miami-Dade County School Board (2)	<u>2,661,973,000</u>	3.930%	<u>104,627,690</u>
Total direct and overlapping	<u>\$ 4,810,628,960</u>		<u>\$ 221,988,299</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,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 277,078,500	\$ 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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 277,078,500	\$ 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
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 2007

Assessed valuation of taxable real and personal property	\$ 8,160,923,804
Bonded debt Limit - 10% of above (1)	\$ 816,092,380
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 34,255,000
Less: debt to be repaid from specified revenue sources:	
Covenant to budget and appropriate	<u>(34,255,000)</u>
Total net debt applicable to limit	<u>\$ -</u>
Legal debt Margin (1)	<u><u>\$ 816,092,380</u></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)
1998	20,349	\$ 472,422	\$ 23,216	*
1999	22,800	548,340	24,050	*
2000	25,267	647,492	25,626	3.0%
2001	25,768	680,533	26,410	3.6%
2002	26,142	705,703	26,995	3.9%
2003	27,241	751,661	27,593	3.5%
2004	28,207	820,147	29,076	3.2%
2005	28,500	624,777	21,922	3.7%
2006	29,451	659,496	22,393	3.3%
2007	30,383	707,894	23,299	3.1%

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,					
	2007			1998		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	210,070	1	20.65%	N/A	N/A	N/A
Sales and related	131,330	2	12.91%	N/A	N/A	N/A
Food preparation and service related	79,040	3	7.77%	N/A	N/A	N/A
Transportation and material moving	78,020	4	7.67%	N/A	N/A	N/A
Healthcare practitioner and technical	57,110	5	5.62%	N/A	N/A	N/A
Business and financial operations	52,540	6	5.17%	N/A	N/A	N/A
Production	45,350	7	4.46%	N/A	N/A	N/A
Construction and extraction	40,990	8	4.03%	N/A	N/A	N/A
Installation, maintenance and repair	36,700	9	3.61%	N/A	N/A	N/A
Protective service	36,650	10	3.60%	N/A	N/A	N/A
Building and grounds cleaning and maintenance	35,400	11	3.48%	N/A	N/A	N/A
Management	30,320	12	2.98%	N/A	N/A	N/A
Personal care and service	27,500	13	2.70%	N/A	N/A	N/A
Healthcare support	23,930	14	2.35%	N/A	N/A	N/A
Arts, design, entertainment, sports and media	15,950	15	1.57%	N/A	N/A	N/A
Computer and mathematical science	14,790	16	1.45%	N/A	N/A	N/A
Architecture and engineering	13,480	17	1.33%	N/A	N/A	N/A
Community and social services	12,880	18	1.27%	N/A	N/A	N/A
Legal	12,720	19	1.25%	N/A	N/A	N/A
Life, physical and social sciences	5,490	20	0.54%	N/A	N/A	N/A
Other not classified	56,980	21	5.60%	N/A	N/A	N/A
Total	1,017,240		100.00%	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 2006. Estimates do not include self-employed workers.

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

Function	Fiscal Year Ended September 30,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	22	22	22	23	24	24	26	25	26	23
Public Safety:										
Sworn	51	59	60	63	73	74	74	77	74	80
Civilians	21	24	28	32	34	34	34	33	37	34
Community Services	6	13	17	17	17	16	16	16	17	15
Community Development	11	11	11	12	12	12	11	11	10	10
Total	111	129	138	147	160	160	161	162	164	162

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

Function/Program	Fiscal Year Ended September 30,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety:										
Part 1 Crimes Reported*	2,500	3,200	3,600	3,101	2,644	2,636	1,851	1,646	1,797	2,045
Arrests	850	1,200	1,500	2,306	2,586	2,463	2,106	2,090	1,733	1,966
Traffic Citations and Warnings	3,000	6,000	5,000	5,581	11,028	9,714	12,820	13,942	14,431	16,848
Parking Citations Issued	1,440	2,000	1,500	1,114	1,444	1,452	1,619	2,328	4,816	4,750
Calls for Service	9,000	13,000	15,000	20,924	21,987	23,142	23,104	26,891	33,905	34,987
Accidents	1,700	1,845	1,700	1,885	1,749	1,614	1,903	1,939	1,816	2,222
Hours Assigned to Community Policing	N/A	N/A	N/A	8,320	8,320	6,240	6,240	8,320	8,320	8,320
Community Development:										
Building Permits Issued	4,506	2,457	4,415	5,290	3,397	17,365	2,475	3,528	5,242	6,161
Building Inspections Conducted	9,137	6,743	7,500	19,029	17,365	12,771	7,779	9,112	10,292	13,891
Code Notice of Violations Issued	277	150	404	672	317	283	312	152	170	199
Occupational Licenses Issued	2,001	1,949	1,916	2,195	2,738	2,523	3,107	3,035	2,966	2,978
Community Services:										
Recreation Center Memberships	N/A	N/A	N/A	N/A	N/A	1,056	1,343	2,116	3,050	3,851
Special Event Attendance	N/A	N/A	N/A	N/A	14,300	16,100	33,500	34,728	36,365	38,714
Shuttle Bus Ridership	N/A	N/A	N/A	77,000	80,000	82,600	95,000	118,629	146,506	166,255
Charter School Enrollment	N/A	N/A	N/A	N/A	N/A	600	600	700	800	800

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,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	1	2	2	2	2	2	1	-	-	-
Fire Stations (1)	1	2	2	2	2	2	2	2	2	2
Parks and Recreation:										
Parks	1	1	2	2	2	3	4	4	4	5
Park Acreage	5.50	21.00	21.00	21.00	21.00	21.00	21.00	23.50	23.50	30.50
Baseball/Softball diamonds	1	1	1	1	1	1	1	1	1	1
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
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	N/A	639	654
Miles of Roads	12.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.25
Charter Schools (K-8)	-	-	-	-	-	1	1	1	1	1
Transit Routes/Minibuses (2)	-	-	-	3	3	4	4	4	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, 2007, and have issued our report thereon dated March 20, 2008. We did not audit the City of Aventura Police Officers' Retirement Plan Pension Trust Fund which financial statements represent 60% of the total assets and 52% 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 report does 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.

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 20, 2008

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, 2007 which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2008. We did not audit the City of Aventura Police Officers' Retirement Plan Pension Trust Fund which financial statements represent 60% of the total assets and 52% 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 20, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local 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 address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs, whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no 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 findings and recommendations to improve the City's financial management, accounting procedures, and internal controls. We did not have any recommendations to improve 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 provisions of contracts and grant agreements or abuse that have an effect on the financial statement that is less than material but more than inconsequential. There were no such matters noted during our audit.

The Rules of the Auditor General (Section 10.554(1)(i)5.) 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 and are not clearly inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper expenditures or illegal acts; (3) improper or inadequate accounting procedures (e. g., the omission of required disclosures from the annual financial statements); (4) failures to properly record financial transactions; and (5) other 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, 2007, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2007.

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 20, 2008