

THE CITY OF AVENTURA, FLORIDA



Comprehensive Annual
Financial Report
For The Fiscal Year Ended
September 30, 2014



COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF AVENTURA, FLORIDA
FOR THE YEAR ENDED
SEPTEMBER 30, 2014



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

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INTRODUCTORY SECTION



City of Aventura

Government Center
19200 West Country Club Drive
Aventura, Florida 33180

February 19, 2015

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

ENID WEISMAN
MAYOR

COMMISSIONERS

ENBAR COHEN
TERI HOLZBERG
DENISE LANDMAN
MARC NAROTSKY
ROBERT SHELLEY
HOWARD WEINBERG

ERIC M. SOROKA, ICMA-CM
CITY MANAGER

In accordance with Section 11.45(3)(a) (4), Florida Statutes, and Article I, Section 4.11 of the City of Aventura (the "City") Charter, we hereby submit the City's Comprehensive Annual Financial Report (the "CAFR") for the fiscal year ended September 30, 2014. The CAFR includes an Introductory, Financial, Statistical and Compliance section. The financial statements included in the CAFR conform to accounting principles generally accepted in the United States ("GAAP") as set forth by the Governmental Accounting Standards Board ("GASB").

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe this data fairly reflects the financial position of the City and the results of its operation.

The Certified Public Accounting firm of Keefe McCullough, has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2014. The independent's auditor report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City was incorporated on November 7, 1995 and is a political subdivision of the State of Florida. It is located on the Intracoastal Waterway in northeast Miami-Dade County (the "County") between Miami and Fort Lauderdale. The City is 3.2 square miles and serves a population of more than 37,000 residents and 2,700 businesses.

Pursuant to its Charter, the City operates under a commission-manager form of government. Under this form of government the City Commission (the "Commission") and the City Manager are the legislative and executive branches of the government, respectively. The Commission enacts

Ordinances, the laws of the City, adopts Resolutions authorizing actions on behalf of the City, reviews plans for development and establishes the policies by which the City is governed. The City Manager is the City's Chief Executive Officer who oversees the day-to-day operations, administers the City's service providers, prepares long range plans and implements the policies established by the Commission.

The Commission is comprised of seven (7) members, including the Mayor and six (6) Commissioners. The Mayor is the ceremonial leader of the City and is considered to be "part-time." The Mayor is elected at large to a four-year term and may reside in any area of the City. City Commissioners each have the same authority and ability to bring matters to and to discuss and vote on matters before the Commission. A Commissioner is considered to be "part-time" and is elected to serve a four-year term.

For election purposes, the William Lehman Causeway divides the City into two areas. The City Charter requires that two (2) Commissioners reside in the northern area and two (2) Commissioners reside in the southern area and two (2) Commissioners and the Mayor shall be elected without regard to residence in any particular area.

Mission Statement

Our mission is to join with our community to make Aventura a city of the highest quality and a city of excellence. We do this by providing **RESPONSIVE, COST EFFECTIVE AND INNOVATIVE** local government services.

The City employs 164 full-time positions and provides high-quality public services including General Government, Public Safety and Community Services to its residents and business community.

Public Safety

On March 25, 2000, the Aventura Police Department became the youngest agency to ever receive accreditation status through the Commission on Accreditation for Law Enforcement Agencies, Inc. ("CALEA"). The accreditation means the Police Department has been recognized by an independent organization composed of representatives of the International Association of Chiefs of Police, the National Sheriff's Association, the National Organization of Black Law Enforcement Executives and the Police Executive Research Forum and has complied with over 400 standards that have been established as benchmarks of excellence. The Aventura Police Department has met or exceeded international accreditation standards set by CALEA. Accreditation is a coveted award that symbolizes professionalism, excellence and competence.

The accreditation process increases the Department's ability to prevent and control crime through more effective and efficient delivery of law enforcement services to the community. The process enhances community understanding of the Department and its role in the community, its goals and objectives.

A City with a Strong Community

In recent years, the City has adopted several initiatives aimed at reinforcing a strong sense of community. With the building of its first Charter School in 2003, a state-of-the-art Community Recreation Center, Founders Park and Waterways Park Expansion and the Aventura Arts & Cultural Center, the City continues to grow and progress in this effort.

Community Services

The City offers many parks and recreational facilities to its residents including Founders Parks and the Community Recreation Center and provides a wide variety of recreational services and athletic leagues for children and adults including tennis and fitness programs. The City also offers winter, spring and summer camps and teacher planning day programs and City-wide special events (i.e., Founders Day) that foster community spirit and pride. In addition, the City offers senior programs such as trips to local theaters, museums and historical points of interest.

Aventura Express Shuttle Bus

You can explore the City and connect to both Miami-Dade and Broward Transit services by utilizing one (1) of the five (5) convenient Aventura Express shuttle bus service routes. The Aventura Express serves the Aventura community within its boundaries to major points of interest like the Aventura Mall, Aventura Community Recreation Center, the Aventura Arts & Cultural Center and the Northeast Branch of the Miami-Dade Library to name a few.

Aventura City of Excellence School

The City owns and operates the Aventura City of Excellence School (the "School"). The School is a K-8 Municipal Charter School that is part of the City's government and is not a separate legal entity or otherwise organized apart from the City. The School operates under a charter granted by the sponsor – the Miami-Dade County Public School District. The current charter is effective until June 30, 2018 but provides for a renewal of up to 15 years by mutual agreement of both parties.

Since its opening on August 25, 2003, the Aventura Charter Elementary School has achieved several milestones in the City's short history. The School was the first within the City's boundaries and the first municipal sponsored charter school in the County. In 2005, the School amended the charter to include grades six through eight. In 2012, the School amended the charter to increase its capacity from 972 to 1,032 students over the next five (5) years commencing with the 2012/13 school year. The 2013/14 school year represented the 11th year of the School's operations.

The School has been well received and has been at full capacity since its inception and has obtained academic success by receiving an "A" grade from the State of Florida for the past ten (10) years. The School served 996 students and will serve 1,008 students in the 2013/14 and the 2014/15 school years, respectively. In accordance with Chapter 10.850, Rules of the Auditor General of the State of Florida, the School is required to prepare special purpose financial statements. Section 10.855(4) states that the special purpose financial statements should present the charter school's financial position including the charter school's current and capital assets and current and long-term liabilities, and net position; and the changes in financial position.

Aventura Arts & Cultural Center

The Aventura Arts & Cultural Center ("AACC") is a beautiful 14,864 square-foot waterfront performing arts facility situated on the intracoastal whose mission is to enhance the quality of life for Aventura by providing a variety of performing arts and relevant cultural programming for audiences of all ages. The AACC has been managed by the Broward Center for the Performing Arts since its opening in October 2010 and has just completed its fourth season. The AACC has become the cultural heart of the City as thousands have enjoyed a wide range of shows in this beautiful waterfront facility.

Budget Process

The City's fiscal year begins on October 1st and ends on September 30th of each year as mandated by Florida statutes. The City Manager submits to the Commission the Proposed Operating and Capital Budget for the coming year no later than July 10th of each fiscal year. The preliminary millage rate is based on the certified taxable value that is received on July 1st. The appropriations contained in the proposed recommendation shall not exceed the funds derived from taxation and other revenue sources.

The budget is approved via Commission adoption of an Ordinance at two (2) public meetings scheduled for September and becomes effective October 1st. 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. 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.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The City is an affluent suburb in a metropolitan area and serves as a major retail and medical economic driver and attraction for South Florida. It is home to the Aventura Mall which is ranked the #2 Most Visited Shopping Mall in the U.S. by Travel + Leisure, South Florida's largest super regional mall and is ranked one of the top five highest grossing malls in the country in sales per square foot. The Aventura Mall is a 2.7 million square-foot multi-level indoor shopping center. In addition, the City is home to many other beautiful shopping centers, fine dining establishments and the Aventura Hospital and Medical Center.

In September 2014, the Commission adopted the budget for the fiscal year beginning October 1, 2014. The budget adopted the same tax rate as the prior year of 1.726, which is the lowest rate in the County, making it the City's 19th year without a property tax increase. The City's property tax component is only responsible for approximately 10% of the total tax bill, with the largest portions being incurred from the County and School Board. In FY 2014/15, the City will maintain the same service levels and programs that our residents and businesses enjoyed FY 2013/14. More information about the City's economy may be obtained from page 12 of the MD&A.

Major Capital Improvements

One of the City's main priorities is to maintain its infrastructure to a high standard. As a result, the City completed the following major capital improvements during fiscal year 2014:

- ✓ Aventura Park Facilities Improvements
- ✓ Country Club Drive (Southbound) Road Resurfacing
- ✓ Biscayne Boulevard Decorative Street Lighting Improvements Phase III & IV

In addition, the NE 185th Street/Biscayne Median Channelization Modification was in process at the end of fiscal year 2014:

In fiscal year 2015, the City plans on completing the following major capital improvements:

- \$ 1.3 million worth of drainage, street lighting, road resurfacing and safety improvements on NE 29th Place.
- \$ 0.7 million worth of road resurfacing on NE 207th Street and Biscayne Lake Gardens.
- Continue to implement and update technology enhancements that develop our "Electronic Government" to allow the public to interact more easily and conveniently with the City and to automate City operations.
- Update the City's Traffic Video Monitoring System by funding \$ 1.5 million in system upgrades and expansion to the latest state-of-the-art equipment.
- Fund laptop computers and new vehicles for the Police in the amount of approximately \$ 0.8 million.
- Continues to adopt "Go Green" initiatives in order to save energy, conserve precious natural resources and reduce our impact on climate change.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

Maintaining Adequate Fund Balances

The City follows GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. Some of our more significant fund balance classifications include:

Committed: This classification includes amounts that can be used only for the specific purposes as determined by adoption of an ordinance by the Commission. Once adopted, the limitation imposed by the ordinance remains in effect until another ordinance either removes or revises the limitation. Effective September 30, 2014, the Commission provided a Capital Reserve of approximately \$ 16.4 million and continued to maintain a Hurricane/Emergency and Disaster Recovery Reserve in the amount of \$ 5 million.

Unassigned: This classification includes the residual fund balance for the General Fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The City maintains a Fiscal Stability Reserve of 10% of the annual General Fund revenue to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency and unanticipated expenditures and/or revenue shortfalls. 10% of the FY 2014/15 annual General Fund revenue approximates \$ 3.4 million, while at September 30, 2014 Unassigned fund balance approximated \$ 13.6 million.

Pay-As-You-Go Financing

Although the City Charter makes no reference to limitations in establishing debt, the City has limited its borrowing to prudent levels that are able to be satisfied with existing revenue and cash flow projections. In order to minimize our debt issuance (and the related costs) to when it is absolutely necessary, the City has adopted a pay-as-you-go financing policy for CIP projects which include:

- A large number of projects having a relatively small dollar value.
- Projects which can be broken into phases with a portion completed each year without impairing the overall effectiveness of the project.
- Projects which are of a recurring nature.
- Projects where the assets acquired will have relatively short useful lives.

By adhering to this policy, the City has been able to utilize reserves and pay cash instead of issuing debt to fund the Charter School and the Government Center Garage Expansion projects.

Privatization of City Services

The City utilizes a model of privatizing the operations of many service areas to allow for a more cost effective service delivery system as compared to the traditional government structure. By utilizing outside contractors to provide certain functions such as Building Inspection and Engineering Services, the City is able to quickly adjust its cost of providing such services in direct correlation to the demand for the related service.

AWARDS AND ACKNOWLEDGEMENTS

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 comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the eighteenth 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 comprehensive annual financial report. 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.

The City also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2013. To qualify for the Distinguished Budget Presentation Award, the City’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Eric M. Soroka, ICMA-CM
City Manager



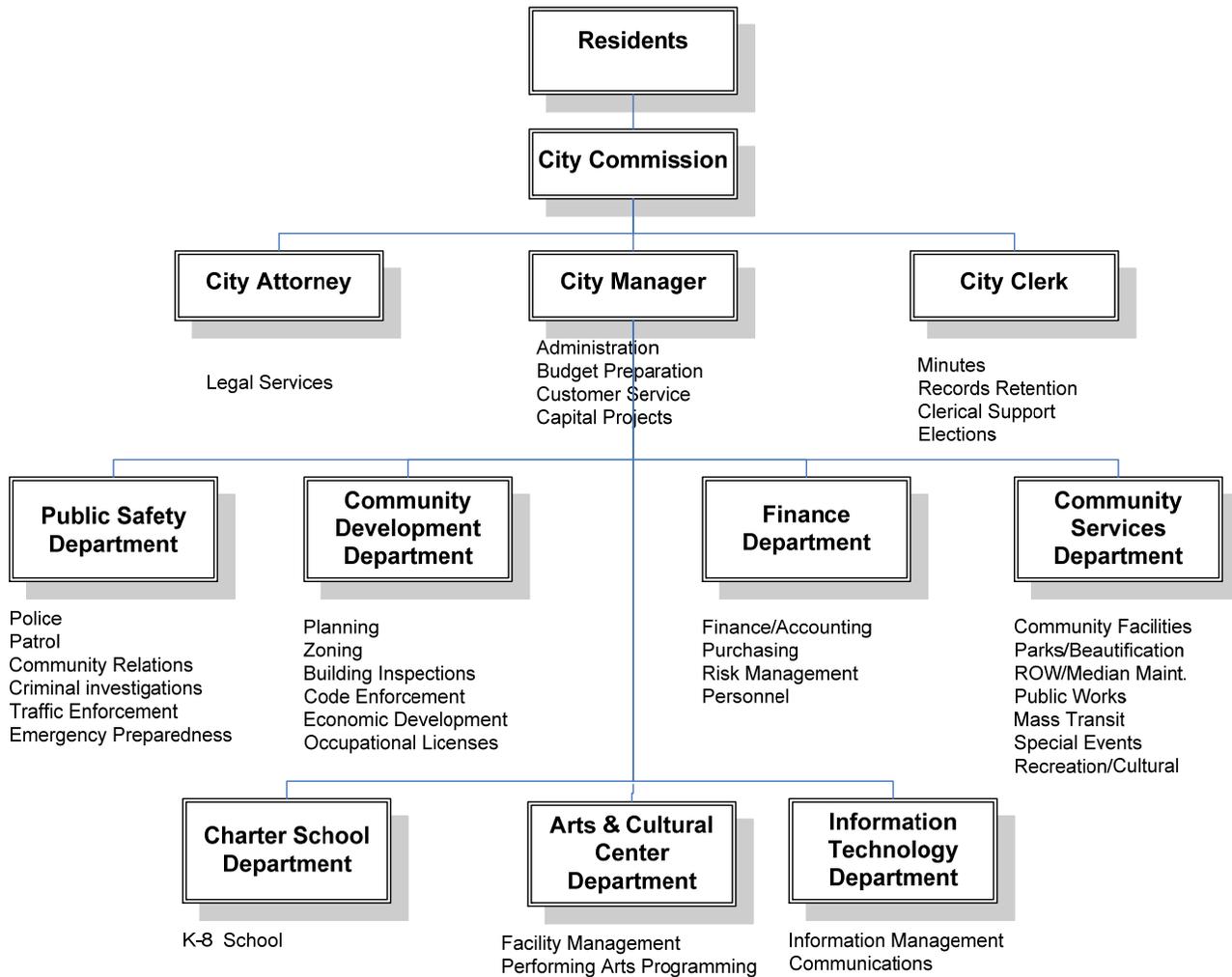
Brian K. Raducci
Finance Director

**CITY OF AVENTURA, FLORIDA
LIST OF PRINCIPAL OFFICIALS**

| <u>Title</u> | <u>Name</u> |
|--|--|
| Mayor | Enid Weisman |
| Commissioner | Enbar Cohen |
| Commissioner | Teri Holzberg |
| Commissioner | Denise Landman |
| Commissioner | Marc Narotsky |
| Commissioner | Robert Shelley |
| Commissioner | Howard Weinberg |
| City Manager | Eric M. Soroka |
| Community Services Director | Robert M. Sherman |
| City Clerk | Ellisa L. Horvath |
| Community Development Director | Joanne Carr |
| Information Technology Director | Karen J. Lanke |
| Police Chief | Steven Steinberg |
| Charter School Principal | Julie Alm |
| Finance Director | Brian K. Raducci |
| Arts & Cultural Center General Manager | Steven D. Clark |
| City Attorney | Weiss Serota Helfman Cole Bierman & Popok, P.L. |
| City Auditor | Keefe McCullough |

CITY OF AVENTURA

Organizational Chart





Government Finance Officers Association

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, 2013

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aventura, Florida (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, which represent 100% of the assets, net position, and revenues of the fiduciary funds. Those statements were audited by other auditor's whose report has 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 solely 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 from material misstatement.

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

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

Opinions

In our opinion, 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress for pension and other post-employment benefits, and contributions from the employer and the State of Florida on pages 4 through 13 and 57 through 58, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

City of Aventura, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 19, 2015

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CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2014

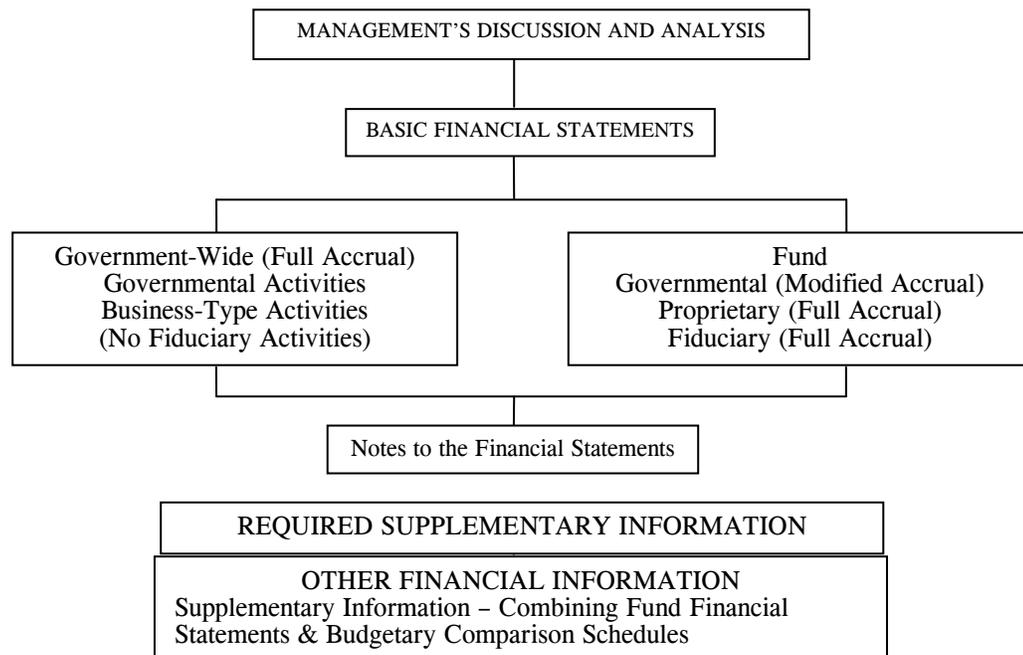
As management of the City of Aventura (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented herein in conjunction with the Letter of Transmittal, which can be found on pages i through vi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$ 118.3 million (net position). Of this amount, \$ 38.8 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$ 6.5 million over the course of this year's operations. Net position of our business-type activities increased by \$ 0.06 million, and the net position of our governmental activities increased by \$ 6.4 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$ 42.9 million, an increase of \$ 1.3 million in comparison with the prior year. Approximately 32% of this amount (\$ 13.6 million) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned and unassigned components of fund balance) for the General Fund was \$ 35.8 million, or approximately 110% 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 other financial information that presents combining and individual fund financial statements and budgetary comparison schedules.



CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Major Features of the Basic Financial Statements

| | Government-Wide Financial Statements | Fund Financial Statements | | |
|---|--|---|--|---|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire City government (except fiduciary activities) | Activities of the City that are not proprietary or fiduciary | Activities of the City that are operated similar to private business | Instances in which the City is the trustee or agent for someone else's resources |
| Required financial statements | * Statement of net position * Statement of activities | * Balance sheet * Statement of revenues, expenditures, and net changes in fund balances | * Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows | * Statement of net position * Statement of changes in net position |
| 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, and deferred outflows/inflows information | All assets and liabilities, both financial and capital, and short-term and long-term. It also includes the consumption and the acquisition of net position that applies to future period(s). | Only assets expected to be used up and liabilities that come due during the year to soon thereafter, no capital assets and long-term liabilities are included. It also includes the consumption and the acquisition of net position that applies to future period(s). | All assets and liabilities, both financial and capital, and short-term and long-term. It also includes the consumption and the acquisition of net position that applies to future period(s). | All assets and liabilities, both short-term and long-term. It also includes the consumption and the acquisition of net position that applies to future period(s). |

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

- The *Statement of Net Position* presents financial information on the assets held and liabilities owed by the City, both long and short-term, as well its deferred outflows/inflows of resources. 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 other post-employment benefits even though these liabilities might not be paid until several years into the future. Deferred outflows/inflows of resources represent the consumption/acquisition, respectively, of net position that applies to a future period(s).

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

The difference between the City's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources is *net position*. Over time, increases or decreases in net position 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 position, in general, as this amount increases it indicates that the City's financial position is improving over time.

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

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety and community services. The City's business-type activities include stormwater utility.

Fund financial statements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three (3) categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes 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 the fund's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources is *fund balance*, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are recorded when incurred.

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

CITY OF AVENTURA, FLORIDA
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September 30, 2014

Proprietary funds. Financial statements consist of a statement of net position, statement of revenues, expenses, and changes in net position 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 net position and a statement of changes in net position. The City reports one fiduciary fund to account for the Police Officers' Retirement Plan Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

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

Combining and Individual Fund Financial Statements and Budgetary Schedules

Combining statements referred to earlier in connection with nonmajor governmental, internal service and fiduciary funds are presented immediately following the required supplementary information. Additional budgetary schedules are presented in this section including, as applicable, nonmajor special revenue funds, debt services funds, and capital projects funds.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2014 and 2013, derived from the government-wide Statement of Net Position:

| | Net Position (in thousands) | | | | | |
|---|-----------------------------|-------------------|-----------------------------|-----------------|-------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Current and other assets | \$ 47,286 | \$ 46,703 | \$ 2,086 | \$ 1,747 | \$ 49,372 | \$ 48,450 |
| Capital assets | <u>94,769</u> | <u>90,942</u> | <u>6,532</u> | <u>6,829</u> | <u>101,301</u> | <u>97,771</u> |
| Total assets | <u>142,055</u> | <u>137,645</u> | <u>8,618</u> | <u>8,576</u> | <u>150,673</u> | <u>146,221</u> |
| Total deferred outflows of resources | <u>529</u> | <u>568</u> | <u>-</u> | <u>-</u> | <u>529</u> | <u>568</u> |
| Long-term liabilities | 28,859 | 30,036 | - | - | 28,859 | 30,036 |
| Other liabilities | <u>3,991</u> | <u>4,849</u> | <u>29</u> | <u>43</u> | <u>4,020</u> | <u>4,892</u> |
| Total liabilities | <u>32,850</u> | <u>34,885</u> | <u>29</u> | <u>43</u> | <u>32,879</u> | <u>34,928</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 69,229 | 63,727 | 6,532 | 6,829 | 75,761 | 70,556 |
| Restricted | 3,779 | 2,910 | - | - | 3,779 | 2,910 |
| Unrestricted | <u>36,726</u> | <u>36,691</u> | <u>2,057</u> | <u>1,704</u> | <u>38,783</u> | <u>38,395</u> |
| Total net position | <u>\$ 109,734</u> | <u>\$ 103,328</u> | <u>\$ 8,589</u> | <u>\$ 8,533</u> | <u>\$ 118,323</u> | <u>\$ 111,861</u> |

As noted earlier, net position 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 and deferred outflows of resources exceeded its liabilities by approximately \$ 118 million.

The largest component of the City's net position is net investment in capital assets and is 64% of total net position. 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 this component of net position is 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 position is unrestricted and is 33% of total net position. Unrestricted net position represents resources that are available for spending. Restricted net position represents 3% of total net position. Restricted net position represents resources that are subject to external restrictions on how they can be used.

Capital assets and net investment in capital assets increased approximately \$ 3.8 million and \$ 5.5 million, respectively, in the governmental activities primarily due to the net effect of new capital/infrastructure projects, increase in accumulated depreciation, disposal of equipment and decrease in related debt. Current and other assets and unrestricted net position in the governmental activities increased by approximately \$ 0.6 million and \$ 0.04 million, respectively. The increase in capital assets and net investment in capital assets is due to the self-finance acquisition and construction of new capital/infrastructure projects of the City. In addition, the City received a contribution of capital assets – land amounting to approximately \$ 3.9 million. There were no significant changes in business-type activities.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating. In the current fiscal year, property taxes increased by \$ 0.71 million as the assessed value of our taxable property increased modestly over the prior year coupled with no change in our ad valorem millage rate. We also experienced increases in the following revenue categories; utility tax – electric \$ 0.31 million, building permits – \$ 0.65 million, state revenue sharing – \$ 0.07 million and half cent sales tax – \$ 0.2 million as the economy continued to show some signs of recovery. In addition, the City received a contribution of capital assets – land amounting to approximately \$ 3.9 million.

The table below presents a summary of changes in net position for the years ended September 30, 2014 and 2013, as derived from the government-wide Statement of Activities:

| | Changes in Net Position (in thousands) | | | | | |
|------------------------------------|--|-------------------|-----------------------------|-----------------|-------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 8,003 | \$ 6,981 | \$ 858 | \$ 847 | \$ 8,861 | \$ 7,828 |
| Operating grants and contributions | 7,841 | 7,324 | - | - | 7,841 | 7,324 |
| Capital grants and contributions | 4,428 | 724 | - | - | 4,428 | 724 |
| General revenues: | | | | | | |
| Property taxes | 12,791 | 12,080 | - | - | 12,791 | 12,080 |
| Utility service taxes | 7,934 | 7,552 | - | - | 7,934 | 7,552 |
| Franchise fees | 2,290 | 2,824 | - | - | 2,290 | 2,824 |
| Intergovernmental revenues | 5,767 | 5,239 | - | - | 5,767 | 5,239 |
| Other revenues | 1,703 | 1,319 | 4 | 2 | 1,707 | 1,321 |
| Total revenues | <u>50,757</u> | <u>44,043</u> | <u>862</u> | <u>849</u> | <u>51,619</u> | <u>44,892</u> |
| Expenses: | | | | | | |
| General government | 5,341 | 5,117 | - | - | 5,341 | 5,117 |
| Public safety | 21,178 | 19,777 | - | - | 21,178 | 19,777 |
| Community services | 16,927 | 16,006 | - | - | 16,927 | 16,006 |
| Interest and fiscal charges | 905 | 977 | - | - | 905 | 977 |
| Stormwater utility | - | - | 806 | 872 | 806 | 872 |
| Total expenses | <u>44,351</u> | <u>41,877</u> | <u>806</u> | <u>872</u> | <u>45,157</u> | <u>42,749</u> |
| Change in net position | 6,406 | 2,166 | 56 | (23) | 6,462 | 2,143 |
| Net position, beginning of year | <u>103,328</u> | <u>101,162</u> | <u>8,533</u> | <u>8,556</u> | <u>111,861</u> | <u>109,718</u> |
| Net position, end of year | <u>\$ 109,734</u> | <u>\$ 103,328</u> | <u>\$ 8,589</u> | <u>\$ 8,533</u> | <u>\$ 118,323</u> | <u>\$ 111,861</u> |

Financial Analysis of the City of Aventura's Funds

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

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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, unrestricted fund balance (committed, assigned, and unassigned) 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, unrestricted fund balance of the General Fund was \$ 35.8 million while the total fund balance reached \$ 36.1 million. Much of the unrestricted fund balance will be utilized in future years to continue to fund various capital needs and to maintain a hurricane/emergency and disaster recovery reserve. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total general fund expenditures. Unrestricted fund balance and total fund balance represent approximately 110% of total general fund expenditures. Approximately 38% of the General Fund total fund balance - \$ 13.6 million constitutes unassigned fund balance, which is available for spending at the government's discretion.

The fund balance of the City's General Fund decreased by \$ 0.4 million during the current fiscal year. Key factors of this net decrease include the planned use of fund balance to finance the following capital projects:

- Nearly \$ 1 million to complete the upgrade to the Police Department P25 Radio System which had been started in the previous fiscal year.
- Nearly \$ 1.4 million to complete the Phases 3 and 4 of the Biscayne Boulevard Street Light Upgrades.

The Charter School Fund is used to record the operations of the Aventura City of Excellence School. The School's intergovernmental revenues increased by approximately \$ 0.5 million due to the State Legislature increase in funding for education. In addition, the departmentalization of the fourth grade allowed increasing the school's capacity by 12 students (from 984 to 996) in the 2013/14 school year. Additionally, expenditures increased \$ 0.7 million primarily as a result of teachers salary increases based on the revised pay plan and the services award based on years of service. In addition, facility expenditures increased due to the School's initiative to replace computers and servers, upgrade network switches, replace AV equipment and smartboards, and expand the mobile classrooms.

The Street Maintenance Fund is used to record the operations of the street maintenance and construction costs, which are designated by State Statute. 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 approximately a \$ 56,000 increase in net position from the prior year. Total revenues increased by approximately \$ 10,000 and expenses decreased by approximately \$ 66,000; while maintaining the same level of services.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

General Fund Budgetary Highlights

During the year, the original budget was amended and revenues and expenditures were increased by approximately \$ 3.52 million as follows:

- \$ 1.8 million related to the automatic reappropriation of capital-related encumbrances for capital projects that were in process at the end of fiscal year 2013.
- \$ 0.8 million related to the reappropriation of remaining capital-related funds from fiscal year 2013 for various projects which were incomplete or assigned at the end of that fiscal year.
- \$ 0.6 million related to the increase in building permit and planning review activity.
- \$ 0.1 million related to the transfer of funds from the General Fund to the Charter School Fund that resulted from the sale of City land.
- \$ 0.22 million related to operational overages in various departments which were offset by additional revenue.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in the net utilization of fund balance of approximately \$ 0.4 million. As explained earlier, much of the unrestricted fund balance will continue to be utilized in future years to fund various capital needs. Utility service taxes, intergovernmental revenues, licenses and permits, charges for services, and fines and forfeitures revenue exceeded the revised budget by \$ 0.3 million, \$ 0.05 million, \$ 0.3 million, \$ 0.1 million, and \$ 0.3 million, respectively. Non-departmental capital outlay was approximately \$ 14.6 million less than budgeted because the City budgets a reserve for future capital expenditures which accounts for a significant portion of the appropriated beginning fund balance.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2014 and 2013, the City had \$ 101.3 million and \$ 97.7 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

| | Capital assets (in thousands, net of depreciation) | | | | | |
|------------------------------------|--|-----------|-----------------------------|----------|------------|-----------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | \$ 21,023 | \$ 17,102 | \$ - | \$ - | \$ 21,023 | \$ 17,102 |
| Buildings | 36,453 | 32,956 | - | - | 36,453 | 32,956 |
| Improvements other than buildings | 7,774 | 8,152 | - | - | 7,774 | 8,152 |
| Furniture, machinery and equipment | 3,159 | 3,770 | - | - | 3,159 | 3,770 |
| Infrastructure | 22,751 | 22,829 | 6,532 | 6,829 | 29,283 | 29,658 |
| Construction in progress | 3,609 | 6,133 | - | - | 3,609 | 6,133 |
| Total | \$ 94,769 | \$ 90,942 | \$ 6,532 | \$ 6,829 | \$ 101,301 | \$ 97,771 |

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

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Debt Administration

As of year-end, the City had \$ 25.540 million in debt outstanding compared to the \$ 27.215 million last year, a 6.2% decrease. All debt is secured only by a covenant to budget and appropriate.

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

| | Bonded Debt and Notes Payable (in thousands) | | | | | |
|----------------------|--|------------------|-----------------------------|-------------|------------------|------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Non-Ad Valorem bonds | \$ <u>25,540</u> | \$ <u>27,215</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>25,540</u> | \$ <u>27,215</u> |

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.

Our economy continues to show signs of recovery as witnessed by this year's increase in the City's property values. After years of decline due to the economic recession, the City experienced a 7.8% increase in property values over the prior year. This was the third consecutive year that the City experienced an increase in its property values. The new value of \$ 8.394 billion is still down from the pre-recession value of \$ 9.609 billion but continues on an upward track for our community.

Strong fiscal policies and prudent budgeting have enabled the City to maintain the lowest tax rate in the County while providing high-quality services to our residents. The positive economic recovery signs allow the City, for the first time in three (3) years, not to utilize reserve funds to balance the budget and fund nonrecurring capital projects. In addition, we have been able to avoid increasing taxes. The new construction assessed values rose by \$104 million over the prior year. Recent development applications for the Park Square Aventura mixed use project and the expansion of the Aventura Mall will insure that this trend continues in the near future.

Although the local economy has made strides, the City needs to continue to remain prudent in its financial management by utilizing conservative revenue estimates and ensuring that expenditures remain within the projected revenue amounts.

The budget process produced a total budget of \$ 57.7 million or 1.9% more than the previous year while operating costs were limited to a 3.7% increase over the previous year. A major portion of the increase is attributed to an 8% increase or \$ 168,000 in health insurance premiums. The budget maintains our current level for all City services except funding for the following areas:

- Two additional police officers to address service demands.
- An increase in building inspection and review costs to respond to the upswing in building activity.
- An increase in funding for community events such as Movie Night, programming at the Arts & Cultural Center and special programs.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Our mission is to join with our community to make Aventura a city of the highest quality and a city of excellence. We do this by providing responsive, cost effective and innovative local government services.

Requests for Information

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
September 30, 2014

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| ASSETS: | | | |
| Cash, cash equivalents and investments | \$ 44,569,948 | \$ 1,941,507 | \$ 46,511,455 |
| Receivables, net of allowance for uncollectibles | 668,374 | - | 668,374 |
| Due from other governments | 957,976 | 144,541 | 1,102,517 |
| Prepaid expenses | 335,459 | - | 335,459 |
| Inventories | 32,900 | - | 32,900 |
| Net pension asset | 220,059 | - | 220,059 |
| Restricted cash, cash equivalents and investments | 500,656 | - | 500,656 |
| Capital assets: | | | |
| Nondepreciable | 24,631,587 | - | 24,631,587 |
| Depreciable, net of accumulated depreciation | <u>70,137,828</u> | <u>6,532,125</u> | <u>76,669,953</u> |
| Total assets | <u>142,054,787</u> | <u>8,618,173</u> | <u>150,672,960</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Deferred charge on refunding | <u>529,227</u> | <u>-</u> | <u>529,227</u> |
| Total deferred outflows of resources | <u>529,227</u> | <u>-</u> | <u>529,227</u> |
| LIABILITIES: | | | |
| Accounts payable | 1,710,431 | 29,432 | 1,739,863 |
| Accrued liabilities | 1,340,945 | - | 1,340,945 |
| Retainage payable | 180,535 | - | 180,535 |
| Due to other governments | 2,716 | - | 2,716 |
| Unearned revenues | 724,522 | - | 724,522 |
| Accrued interest payable | 31,465 | - | 31,465 |
| Due within one year: | | | |
| Compensated absences payable | 1,048,959 | - | 1,048,959 |
| Bonds payable | 1,735,000 | - | 1,735,000 |
| Due in more than one year: | | | |
| Compensated absences payable | 1,948,065 | - | 1,948,065 |
| Bonds payable | 23,805,000 | - | 23,805,000 |
| OPEB obligation | <u>322,000</u> | <u>-</u> | <u>322,000</u> |
| Total liabilities | <u>32,849,638</u> | <u>29,432</u> | <u>32,879,070</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 69,229,415 | 6,532,125 | 75,761,540 |
| Restricted for: | | | |
| Community services | 2,213,480 | - | 2,213,480 |
| Public safety | 1,227,270 | - | 1,227,270 |
| Debt service | 337,770 | - | 337,770 |
| Unrestricted | <u>36,726,441</u> | <u>2,056,616</u> | <u>38,783,057</u> |
| Total net position | <u>\$ 109,734,376</u> | <u>\$ 8,588,741</u> | <u>\$ 118,323,117</u> |

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

| FUNCTIONS/PROGRAMS: | Program Revenues | | | |
|-------------------------------|-------------------------|--|--|--------------|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | |
| General government | \$ 5,340,426 | \$ - | \$ 12,670 | \$ - |
| Public safety | 21,178,335 | 6,369,993 | 166,025 | - |
| Community services | 16,927,314 | 1,633,233 | 7,662,465 | 4,428,098 |
| Interest and fiscal charges | 904,834 | - | - | - |
| Total governmental activities | 44,350,909 | 8,003,226 | 7,841,160 | 4,428,098 |
| Business-type activities: | | | | |
| Stormwater utility | 805,636 | 857,558 | - | - |
| Total | \$ 45,156,545 | \$ 8,860,784 | \$ 7,841,160 | \$ 4,428,098 |

General revenue:

Taxes:

Ad valorem taxes

Utility service taxes

Franchise fees

Intergovernmental, not restricted for specific purposes

Investment income

Impact fees

Miscellaneous, including sale of general capital assets

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Net Revenue (Expense) and
Change in Net Position

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------|
| \$ (5,327,756) | \$ - | \$ (5,327,756) |
| (14,642,317) | - | (14,642,317) |
| (3,203,518) | - | (3,203,518) |
| (904,834) | - | (904,834) |
| (24,078,425) | - | (24,078,425) |
| - | 51,922 | 51,922 |
| (24,078,425) | 51,922 | (24,026,503) |
| 12,791,444 | - | 12,791,444 |
| 7,933,535 | - | 7,933,535 |
| 2,289,721 | - | 2,289,721 |
| 5,767,456 | - | 5,767,456 |
| 89,941 | 3,657 | 93,598 |
| 77,607 | - | 77,607 |
| 1,534,877 | - | 1,534,877 |
| 30,484,581 | 3,657 | 30,488,238 |
| 6,406,156 | 55,579 | 6,461,735 |
| 103,328,220 | 8,533,162 | 111,861,382 |
| \$ 109,734,376 | \$ 8,588,741 | \$ 118,323,117 |

CITY OF AVENTURA, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

| | General Fund | Charter School Fund | Street Maintenance Fund | Debt Service Fund Series 2000 | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------------|-------------------------------|---|-----------------------------------|--------------------------------|
| ASSETS: | | | | | | |
| Cash and cash equivalents and investments | \$ 37,277,134 | \$ 2,480,060 | \$ 2,063,245 | \$ 116,994 | \$ 2,632,515 | \$ 44,569,948 |
| Restricted cash, cash equivalents and investments | - | - | - | 500,533 | 123 | 500,656 |
| Accounts receivable, net | 611,532 | 3,857 | - | - | 52,985 | 668,374 |
| Due from other governments | 571,871 | 8,870 | 376,678 | - | 557 | 957,976 |
| Inventories | 32,900 | - | - | - | - | 32,900 |
| Prepaid expenditures | <u>325,993</u> | <u>9,466</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>335,459</u> |
| Total assets | <u>\$ 38,819,430</u> | <u>\$ 2,502,253</u> | <u>\$ 2,439,923</u> | <u>\$ 617,527</u> | <u>\$ 2,686,180</u> | <u>\$ 47,065,313</u> |
| LIABILITIES: | | | | | | |
| Accounts payable | \$ 1,270,135 | \$ 338,280 | \$ 95,335 | \$ - | \$ 6,681 | \$ 1,710,431 |
| Accrued liabilities | 482,907 | 186,438 | - | 428,034 | 243,566 | 1,340,945 |
| Retainage payable | 180,535 | - | - | - | - | 180,535 |
| Due to other governments | - | 2,716 | - | - | - | 2,716 |
| Unearned revenues | <u>724,522</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>724,522</u> |
| Total liabilities | <u>2,658,099</u> | <u>527,434</u> | <u>95,335</u> | <u>428,034</u> | <u>250,247</u> | <u>3,959,149</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Unavailable revenue - intergovernmental | 3,168 | - | 131,108 | - | 26,645 | 160,921 |
| Unavailable revenue - utility service taxes | <u>48,706</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>48,706</u> |
| Total deferred inflows of resources | <u>51,874</u> | <u>-</u> | <u>131,108</u> | <u>-</u> | <u>26,645</u> | <u>209,627</u> |
| FUND BALANCES: | | | | | | |
| Nonspendable: | | | | | | |
| Inventories | 32,900 | - | - | - | - | 32,900 |
| Prepaid expenditures | 325,993 | 9,466 | - | - | - | 335,459 |
| Restricted for: | | | | | | |
| Community services | - | - | 2,213,480 | - | - | 2,213,480 |
| Public safety | - | - | - | - | 1,227,270 | 1,227,270 |
| Debt service | - | - | - | 189,493 | 148,277 | 337,770 |
| Committed for: | | | | | | |
| Capital reserves | 16,378,324 | - | - | - | - | 16,378,324 |
| Hurricane/emergency and disaster recovery operating reserves | 5,000,000 | - | - | - | - | 5,000,000 |
| Assigned for: | | | | | | |
| Community services | - | - | - | - | 1,033,741 | 1,033,741 |
| Charter school operations | - | 1,965,353 | - | - | - | 1,965,353 |
| Subsequent year's budget | 789,486 | - | - | - | - | 789,486 |
| Unassigned: | | | | | | |
| General Fund | <u>13,582,754</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,582,754</u> |
| Total fund balances | <u>36,109,457</u> | <u>1,974,819</u> | <u>2,213,480</u> | <u>189,493</u> | <u>2,409,288</u> | <u>42,896,537</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 38,819,430</u> | <u>\$ 2,502,253</u> | <u>\$ 2,439,923</u> | <u>\$ 617,527</u> | <u>\$ 2,686,180</u> | <u>\$ 47,065,313</u> |

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

CITY OF AVENTURA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2014

| | | | |
|--|----|---------------------|-----------------------|
| Total fund balances - governmental funds | | \$ | 42,896,537 |
| <p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:</p> | | | |
| The cost of capital assets is | \$ | 140,129,579 | |
| Accumulated depreciation is | | <u>(45,360,164)</u> | 94,769,415 |
| <p>Certain revenue that is not available to pay for current period expenditures and, therefore, is deferred in the funds.</p> | | | |
| | | | 209,627 |
| <p>Net pension asset resulting from excess contributions to pension plans is not reported in the fund financial statements.</p> | | | |
| | | | 220,059 |
| <p>OPEB obligation resulting from deficiency of contributions to OPEB plans is not reported in the fund financial statements as it is not due and payable in the current period.</p> | | | |
| | | | (322,000) |
| <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p> | | | |
| Deferred charge on refunding | \$ | 529,227 | |
| Compensated absences | | (2,997,024) | |
| Bonds payable | | (25,540,000) | |
| Accrued interest payable | | <u>(31,465)</u> | <u>(28,039,262)</u> |
| Net position of governmental activities | | | \$ <u>109,734,376</u> |

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014

| | General Fund | Charter School Fund | Street Maintenance Fund | Debt Service Fund Series 2000 | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------|-------------------------------|---|-----------------------------------|--------------------------------|
| REVENUES: | | | | | | |
| Ad valorem taxes | \$ 12,791,444 | \$ - | \$ - | \$ - | \$ - | \$ 12,791,444 |
| Utility service taxes | 7,884,829 | - | - | - | - | 7,884,829 |
| Franchise fees | 2,289,721 | - | - | - | - | 2,289,721 |
| Intergovernmental | 3,657,486 | 7,213,171 | 2,130,408 | - | 160,915 | 13,161,980 |
| Licenses and permits | 3,184,386 | - | - | - | - | 3,184,386 |
| Charges for services | 2,505,511 | 570,879 | - | - | - | 3,076,390 |
| Fines and forfeitures | 1,904,789 | - | - | - | 747,826 | 2,652,615 |
| Impact fees | - | - | 71,600 | - | 6,007 | 77,607 |
| Investment income | 52,666 | 5,653 | 3,803 | 25,220 | 2,599 | 89,941 |
| Miscellaneous | 90,217 | 259,013 | - | - | 125,000 | 474,230 |
| Total revenues | 34,361,049 | 8,048,716 | 2,205,811 | 25,220 | 1,042,347 | 45,683,143 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 4,536,983 | - | - | - | - | 4,536,983 |
| Public safety | 19,431,685 | - | - | - | 251,252 | 19,682,937 |
| Community services | 5,085,226 | 7,745,483 | 824,199 | - | - | 13,654,908 |
| Capital outlay | 3,570,283 | 237,715 | 754,749 | - | 512,075 | 5,074,822 |
| Debt service: | | | | | | |
| Principal | - | - | - | 345,000 | 1,330,000 | 1,675,000 |
| Interest | - | - | - | 166,068 | 701,911 | 867,979 |
| Total expenditures | 32,624,177 | 7,983,198 | 1,578,948 | 511,068 | 2,795,238 | 45,492,629 |
| Excess (deficiency) of revenues over expenditures | 1,736,872 | 65,518 | 626,863 | (485,848) | (1,752,891) | 190,514 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Sale of general capital assets | 128,907 | - | - | - | 1,000,000 | 1,128,907 |
| Transfers in | 30,000 | 200,000 | - | 511,398 | 2,032,287 | 2,773,685 |
| Transfers out | (2,299,685) | (444,000) | - | - | (30,000) | (2,773,685) |
| Total other financing sources (uses) | (2,140,778) | (244,000) | - | 511,398 | 3,002,287 | 1,128,907 |
| Net change in fund balances | (403,906) | (178,482) | 626,863 | 25,550 | 1,249,396 | 1,319,421 |
| FUND BALANCES, beginning of year | 36,513,363 | 2,153,301 | 1,586,617 | 163,943 | 1,159,892 | 41,577,116 |
| FUND BALANCES, end of year | \$ 36,109,457 | \$ 1,974,819 | \$ 2,213,480 | \$ 189,493 | \$ 2,409,288 | \$ 42,896,537 |

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

CITY OF AVENTURA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

| | | |
|---|--------------------|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 1,319,421 |
| 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 outlay exceeded depreciation expense and disposals for the current period: | | |
| Expenditures for capital assets | \$ 4,268,987 | |
| Contribution of capital assets | 3,920,520 | |
| Less: net book value of disposed capital assets | (68,260) | |
| Less: current year's depreciation | <u>(4,293,951)</u> | 3,827,296 |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | 1,675,000 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | | |
| Net pension obligation (asset) | \$ 26,729 | |
| OPEB obligation | (59,000) | |
| Interest | 2,307 | |
| Amortization of deferred charge on refunding | (39,162) | |
| Compensated absences | <u>(439,190)</u> | (508,316) |
| Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item. | | <u>92,755</u> |
| Change in net position of governmental activities | \$ | <u><u>6,406,156</u></u> |

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2014

| | <u>Stormwater Utility Fund</u> |
|---|--|
| ASSETS: | |
| Current assets: | |
| Cash, cash equivalents and investments | \$ 1,941,507 |
| Due from other governments | <u>144,541</u> |
| Total current assets | <u>2,086,048</u> |
| Noncurrent assets: | |
| Capital assets, net of accumulated depreciation | <u>6,532,125</u> |
| Total noncurrent assets | <u>6,532,125</u> |
| Total assets | <u>8,618,173</u> |
| LIABILITIES: | |
| Current liabilities: | |
| Accounts payable | <u>29,432</u> |
| Total liabilities | <u>29,432</u> |
| NET POSITION: | |
| Net investment in capital assets | 6,532,125 |
| Unrestricted | <u>2,056,616</u> |
| Total net position | \$ <u><u>8,588,741</u></u> |

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended September 30, 2014

| | <u>Stormwater Utility Fund</u> |
|---------------------------------|--|
| OPERATING REVENUES: | |
| Charges for services | \$ <u>857,558</u> |
| OPERATING EXPENSES: | |
| Cost of sales and services | 508,312 |
| Depreciation expense | <u>297,324</u> |
| Total operating expenses | <u>805,636</u> |
| Operating income | 51,922 |
| NONOPERATING REVENUES: | |
| Investment income | <u>3,657</u> |
| Change in net position | <u>55,579</u> |
| NET POSITION, beginning of year | <u>8,533,162</u> |
| NET POSITION, end of year | \$ <u><u>8,588,741</u></u> |

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended September 30, 2014

| | |
|---|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Cash received from customers, users and others | \$ 849,658 |
| Cash paid to suppliers | <u>(522,347)</u> |
| Net cash provided by operating activities | <u>327,311</u> |
| CASH FLOWS PROVIDED BY INVESTING ACTIVITIES: | |
| Investment income received | <u>3,657</u> |
| Net cash provided by investing activities | <u>3,657</u> |
| Net increase in cash, cash equivalents and investments | 330,968 |
| CASH, CASH EQUIVALENTS AND INVESTMENTS, beginning of year | <u>1,610,539</u> |
| CASH, CASH EQUIVALENTS AND INVESTMENTS, end of year | <u><u>\$ 1,941,507</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET | |
| CASH PROVIDED BY OPERATING ACTIVITIES: | |
| Operating income | \$ <u>51,922</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation expense | 297,324 |
| Changes in assets and liabilities: | |
| Increase in due from other governments | (7,900) |
| Decrease in accounts payable | <u>(14,035)</u> |
| Total adjustments | <u>275,389</u> |
| Net cash provided by operating activities | <u><u>\$ 327,311</u></u> |

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUND - POLICE OFFICERS' RETIREMENT PLAN
September 30, 2014

ASSETS:

Investments, at fair value:

| | |
|---|---------------|
| Common stocks, net of options and futures | \$ 17,851,266 |
| U.S. Government securities | 3,249,772 |
| Hedge funds | 2,688,588 |
| Corporate bonds | 2,021,546 |
| Money market funds | 1,764,752 |
| Real estate | 1,176,022 |
| Receivables: | |
| Other receivables | 2,358 |
| Accrued investment income | 69,394 |

| | |
|--------------|------------|
| Total assets | 28,823,698 |
|--------------|------------|

LIABILITIES:

| | |
|------------------------------|--------|
| Accounts payable | 3,792 |
| Due for securities purchased | 7,165 |
| Unearned revenue | 53,343 |

| | |
|-------------------|--------|
| Total liabilities | 64,300 |
|-------------------|--------|

| | |
|---|---------------|
| Net position held in trust for pension benefits | \$ 28,759,398 |
|---|---------------|

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

CITY OF AVENTURA, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND - POLICE OFFICERS' RETIREMENT PLAN
For the Year Ended September 30, 2014

| | |
|--|----------------------|
| ADDITIONS: | |
| Contributions: | |
| Employer | \$ 1,498,605 |
| Employees | 537,693 |
| State of Florida, premium tax | <u>318,440</u> |
| Total contributions | <u>2,354,738</u> |
| Investment income: | |
| Net appreciation in fair value of investments | 1,977,911 |
| Interest and dividend income | <u>491,731</u> |
| Total investment income | 2,469,642 |
| Less: investment expenses | <u>238,509</u> |
| Net investment income | <u>2,231,133</u> |
| Total additions | <u>4,585,871</u> |
| DEDUCTIONS: | |
| Administrative expenses | 52,664 |
| Benefits paid | 360,589 |
| Refund of contributions | <u>48,496</u> |
| Total deductions | <u>461,749</u> |
| Change in net position | 4,124,122 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS, beginning of year | <u>24,635,276</u> |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS, end of year | <u>\$ 28,759,398</u> |

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Aventura, Florida (the "City") was incorporated on November 7, 1995. 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

The financial statements were prepared in accordance with Government Accounting Standards, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financials statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of Aventura. Based upon the application of these criteria, there were no organizations that met the criteria described above.

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 position and the statement of activities) report information on all activities of the City. As a general rule, 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, other postemployment benefits and claims and judgments, are recorded only when due.

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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 position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 non-operating revenues or expenses.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the government reports the following fiduciary fund type:

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

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.

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

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, cash equivalents and investments represents the amount owned by each City fund. Resources of all funds, with the exception of the pension fund, are also combined into investment pools for the purpose of maximizing investment yields. Earnings on pooled cash and investments are allocated monthly based on balances of the respective funds.

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

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

2. Receivables and payables - Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portions of interfund loans). Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances."
3. Prepaid expenses/expenditures - Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.
4. Inventories - Inventories are valued at the lower of cost (first-in, first-out) or market. These amounts are reported as nonspendable in governmental fund financial statements. Inventory is accounted for using the consumption method whereby inventories are recorded as expenditures when they are used.
5. Capital assets - Capital assets purchased or acquired with an original cost of \$ 5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at estimated 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 |

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenue and utility service taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 0 - 100% based on length of service.

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

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

8. Long-term obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable premiums and discounts, if applicable.

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Net position - Net position in the government-wide and proprietary funds are categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets, is the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

10. Fund balance

The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. In fiscal year 2014, this represents \$ 368,359.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. In fiscal year 2014, this represents \$ 3,778,520.

Committed: This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision making. The City Commission is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Resources accumulated pursuant to stabilization arrangements are reported in this category. In fiscal year 2014, this represents \$ 21,378,324.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Commission has by resolution authorized the City Manager to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally can only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed previously, an additional action is essential to either remove or revise a commitment. In fiscal year 2014, this represents \$ 3,788,580. In the general fund, \$ 789,486 represents the amount of encumbrances expected to be honored in the next year.

Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. In fiscal year 2014, this represents \$ 13,582,754.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

11. Minimum Fund Balance Policy and Hurricane/Emergency and Disaster Recovery Reserve - The City's policy is to maintain an adequate General Fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency and unanticipated expenditures and/or revenue shortfalls. The City's Commission has adopted a financial standard to maintain a Hurricane/Emergency and Disaster Recovery's Operating Reserve at a minimum level of \$ 5,000,000 and a Fiscal Stability Reserve of 10% of the annual General Fund revenue.
12. 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 as an extension of formal budgetary integration.

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. Encumbrances 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 re-appropriated in the next fiscal year and are therefore presented as committed or assigned fund balance for the subsequent year.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. 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.
14. Date of management review – Subsequent events were evaluated by management through February 19, 2015, which is the date the financial statements were available to be issued.

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, 2014 was 1.7261 mills.

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

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

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, 2014.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits:

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

The Florida SBA Pool, hereinafter referred to as "Florida PRIME", 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. For the Florida PRIME, a 2a7-like pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2014, the City's investment in the Florida PRIME was that of \$ 17,384,401. In accordance with these requirements, the method used to determine the participants' shares sold and redeemed is the amortized cost method. 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:

On July 8, 2014, the City re-adopted Chapter 6.6 of the Administrative Policy and Directives and Procedures Manual, entitled "Investments Objective and Parameters," as the City's Investment Policy for the management of Public Funds ("the policy"). The policy was created in accordance with Section 218.415, Florida Statutes. The policy applies to all investments held and controlled by the City, with the exception of the Police Officers' Pension Plan and its debt issuance where there are other existing policies or indentures in effect for the investment of related funds.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

The City's policy for investments other than pension plan and debt issuance is summarized herein. The Finance Director has responsibility for the type of investments the City makes. The investment policy establishes permitted investments, asset allocation, issuer limits, credit rating requirements and maturity limits to protect the City's assets. All investment securities are held by a Trust custodian, and are managed by financial advisors. In general, the City's policy allows to invest, in the following: (1) securities and obligations of the United States and its agencies; (2) nonnegotiable interest bearing time deposits or savings accounts provided that such deposits are secured by collateral as prescribed by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes; (3) repurchase agreements collateralized by full or general faith and credit obligations of the U. S. Government or Agency securities; (4) the Florida Local Government Surplus Funds Trust Fund "SBA"; (5) intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act, provided by Section 163.01, Florida Statutes, and provided that such funds contain no derivatives; (6) money market mutual funds - registered investment companies with the highest credit quality rating; (7) commercial paper of any U.S. company; (8) corporate notes; (9) asset backed securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States; and (10) taxable/tax-exempt municipal bonds.

The City policy for pension investments is under the oversight of the Plan's Board of Trustees (the "Board"). The Board contracts with investment advisory firms and approves any new investment vehicles presented by the consultants. The Board follows all applicable state statutes.

The City has a Guaranteed Investment Contract ("GIC") that is not subject to interest rate risk classification because it is a direct contractual investment and is not a security. The GIC also is not rated for credit risk classification purposes. The GIC provides for a guaranteed return on investments over a specific period of time at a rate of 5.04% per annum. The collateral value of the GIC as of September 30, 2014 is \$ 521,371 and is expected to continue to be sufficient to meet the reserve fund requirement for the Series 2000 Revenue Bond of a minimum of \$ 500,000. The GIC is recorded at the contract amount which is \$ 500,656.

As of September 30, 2014, the City's cash, cash equivalents and investments consisted of the following:

| | |
|--|---------------|
| Cash and cash equivalents and investments: | |
| State Board of Administration - | |
| SBA, Florida PRIME | \$ 17,384,401 |
| Deposits with financial institutions | 13,377,750 |
| U.S. Treasury bills | 5,875,117 |
| U.S. Government obligations | 4,898,136 |
| Corporate bonds | 1,901,775 |
| Asset backed securities | 1,132,337 |
| Collateralized mortgage obligations | 830,619 |
| Guaranteed investment contract | 500,657 |
| Commercial paper | 499,937 |
| Municipal obligations | 416,486 |
| Money market funds | 145,606 |
| Mortgage-backed securities | 46,635 |
| Petty cash | 2,655 |
| | <hr/> |
| | 47,012,111 |

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

| | |
|---|----------------------|
| Fiduciary fund investments: | |
| Common stocks, net of options and futures | 17,851,266 |
| U.S. Government securities | 3,249,772 |
| Hedge funds | 2,688,588 |
| Corporate bonds | 2,021,546 |
| Money market funds | 1,764,752 |
| Real estate | <u>1,176,022</u> |
| | <u>28,751,946</u> |
| | <u>\$ 75,764,057</u> |

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

| | |
|---|----------------------|
| Statement of Net Position: | |
| Cash, cash equivalents and investments | \$ 46,511,455 |
| Restricted cash, cash equivalents and investments | <u>500,656</u> |
| | <u>47,012,111</u> |
| Statement of Net Position - Fiduciary Fund: | |
| Common stocks, net of options and futures | 17,851,266 |
| U.S. Government securities | 3,249,772 |
| Hedge funds | 2,688,588 |
| Corporate bonds | 2,021,546 |
| Money market funds | 1,764,752 |
| Real estate | <u>1,176,022</u> |
| | <u>28,751,946</u> |
| | <u>\$ 75,764,057</u> |

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

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

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Information about the exposure of the City's debt-type investments to this risk using the segmented time distribution model is as follows:

| Summary of Investments and Interest Rate Risk | Fair Value | Time to Maturity (in Years) | | | |
|---|----------------------|-----------------------------|----------------------|---------------------|-----------------------------|
| | | Less Than 1 Year | 1-5 Years | 6-10 Years | Greater Than 10 Years |
| City Investments: | | | | | |
| State Board of Administration - SBA, Florida PRIME | \$ 17,384,401 | \$ 17,384,401 | \$ - | \$ - | \$ - |
| U.S. Treasury bills | 5,875,117 | 727,375 | 5,147,742 | - | - |
| U.S. Government obligations | 4,898,136 | 1,807,738 | 3,090,398 | - | - |
| Corporate bonds | 1,901,775 | 305,442 | 1,596,333 | - | - |
| Asset backed securities | 1,132,337 | 17,835 | 1,114,502 | - | - |
| Collateralized mortgage obligations | 830,619 | 117,865 | 631,299 | 81,455 | - |
| Commercial paper | 499,937 | 499,937 | - | - | - |
| Municipal obligations | 416,486 | 60,208 | 356,278 | - | - |
| Money market funds | 145,606 | 145,606 | - | - | - |
| Mortgage-backed securities | 46,635 | - | 46,635 | - | - |
| Subtotal - City Investments | <u>33,131,049</u> | <u>21,066,407</u> | <u>11,983,187</u> | <u>81,455</u> | <u>-</u> |
| Fiduciary Fund: | | | | | |
| U.S. Government securities | 3,249,772 | 1,064,283 | 1,589,829 | 595,660 | - |
| Corporate bonds | <u>2,021,546</u> | <u>545,450</u> | <u>1,096,139</u> | <u>379,957</u> | <u>-</u> |
| Subtotal - Fiduciary Fund | <u>5,271,318</u> | <u>1,609,733</u> | <u>2,685,968</u> | <u>975,617</u> | <u>-</u> |
| Total investments | <u>\$ 38,402,367</u> | <u>\$ 22,676,140</u> | <u>\$ 14,669,155</u> | <u>\$ 1,057,072</u> | <u>\$ -</u> |

Credit Risk - Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally-recognized rating organization. The City's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of A (long term securities), A-1/P-1 (short term securities), and AAAM (money market mutual funds). The Finance Director shall determine the appropriate action for any investment held that is downgraded below the minimum rating by one or more rating agencies. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

The pension fund limits its credit risk by limiting its fixed income investments to securities with the top (4) ratings issued by nationally recognized statistical rating organizations.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

The City's and fiduciary fund's portfolio is rated by Standard & Poor's and Moody's Investor Services, respectively, as follows:

| Rating | Fair Value |
|-------------------|---------------|
| City Investments: | |
| AAA | \$ 1,848,389 |
| AAAm | 17,530,007 |
| AA+ | 11,716,350 |
| AA | 248,525 |
| AA- | 548,273 |
| A+ | 258,899 |
| A | 175,813 |
| A-1+ | 404,837 |
| A-1 | 399,956 |
| | 33,131,049 |
| Fiduciary Fund: | |
| A1 | 609,843 |
| A2 | 801,530 |
| A3 | 302,721 |
| Aa3 | 307,452 |
| AAA | 3,249,772 |
| | 5,271,318 |
| | \$ 38,402,367 |

Concentration - The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds external investments pools, or other pooled investments are excluded from this requirement. At September 30, 2014, the City had investments in the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Banks (FHLB) amounting to 5.86% and 5.00%, respectively, of the total investments held by the City.

The pension fund limits investments that may be invested in any one issuer to no more than 5% of plan's net position, other than those issued by the U.S. Government or its Agencies. More than 5% of the plan's net position is invested in debt securities issued by the United States Treasury. The United States Treasury investments represented 9.14% of Plan's Net Position. Given the restriction to the highest rating, this concentration is not viewed to be an additional risk to the City.

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Foreign credit risk - For an investment, foreign credit risk is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than U.S. dollars and the carrying value of foreign investments. The City is not exposed to foreign credit risk. The pension fund's investments include American Depository Receipts ("ADRs"), which are non-U.S. equity issued in U.S. dollars and have no foreign credit risk. The total of the investments in foreign securities, all of which are ADR's, is \$ 3,738,468. The investment policy limits the foreign investments to no more than 15% of the plan's investments balance. At September 30, 2014, these foreign investments were 13% of the total investments.

NOTE 4 – RECEIVABLES

Receivables as of September 30, 2014 consist of the following:

| | <u>General Fund</u> | <u>Charter School Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---------------------------------|-------------------------|------------------------------------|--|-----------------------|
| Governmental funds: | | | | |
| Utility service taxes | \$ 434,684 | \$ - | \$ - | \$ 434,684 |
| Police services | 69,012 | - | 52,985 | 121,997 |
| Vendors and miscellaneous | 61,041 | 3,857 | - | 64,898 |
| Franchise fees | <u>46,795</u> | <u>-</u> | <u>-</u> | <u>46,795</u> |
| Total governmental funds | \$ <u>611,532</u> | \$ <u>3,857</u> | \$ <u>52,985</u> | \$ <u>668,374</u> |

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2014 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------------------|-------------------------|--------------------------|
| General Fund | \$ 30,000 | \$ 2,299,685 |
| Charter School Fund | 200,000 | 444,000 |
| Debt Service Fund Series 2000 | 511,398 | - |
| Nonmajor governmental funds | <u>2,032,287</u> | <u>30,000</u> |
| | \$ <u>2,773,685</u> | \$ <u>2,773,685</u> |

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them from or (2) use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers to the General Fund represent reimbursement of costs from the 911 Fund of \$ 30,000. The transfer to the Charter School Fund consists of \$ 200,000 from the General Fund which is being used to support future capital projects occurring in the Charter School Special Revenue Fund. The remaining transfers represent transfers to meet debt service requirements in the Debt Service Funds.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2014 was as follows:

| | <u>Balance October 1, 2013</u> | <u>Additions</u> | <u>Retirements and Transfers</u> | <u>Balance September 30, 2014</u> |
|---|--|----------------------|--|---|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 17,102,344 | \$ 3,920,520 | \$ - | \$ 21,022,864 |
| Construction in progress | <u>6,132,653</u> | <u>3,608,723</u> | <u>(6,132,653)</u> | <u>3,608,723</u> |
| Total capital assets, not being depreciated | <u>23,234,997</u> | <u>7,529,243</u> | <u>(6,132,653)</u> | <u>24,631,587</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 44,296,799 | 4,797,474 | - | 49,094,273 |
| Improvements other than buildings | 11,783,350 | 68,788 | - | 11,852,138 |
| Infrastructure | 38,354,510 | 1,351,600 | - | 39,706,110 |
| Furniture, machinery and equipment | <u>14,895,631</u> | <u>575,055</u> | <u>(625,215)</u> | <u>14,845,471</u> |
| Total capital assets, being depreciated | <u>109,330,290</u> | <u>6,792,917</u> | <u>(625,215)</u> | <u>115,497,992</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 11,341,009 | 1,299,999 | - | 12,641,008 |
| Improvements other than buildings | 3,631,265 | 446,776 | - | 4,078,041 |
| Infrastructure | 15,525,429 | 1,429,192 | - | 16,954,621 |
| Furniture, machinery and equipment | <u>11,125,465</u> | <u>1,117,984</u> | <u>(556,955)</u> | <u>11,686,494</u> |
| Total accumulated depreciation | <u>41,623,168</u> | <u>4,293,951</u> | <u>(556,955)</u> | <u>45,360,164</u> |
| Total capital assets, being depreciated, net | <u>67,707,122</u> | <u>2,498,966</u> | <u>(68,260)</u> | <u>70,137,828</u> |
| Governmental activities capital assets, net | <u>\$ 90,942,119</u> | <u>\$ 10,028,209</u> | <u>\$ (6,200,913)</u> | <u>\$ 94,769,415</u> |
| Business-type activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Infrastructure | \$ 9,658,576 | \$ - | \$ - | \$ 9,658,576 |
| Less accumulated depreciation | <u>2,829,127</u> | <u>297,324</u> | <u>-</u> | <u>3,126,451</u> |
| Total capital assets, being depreciated, net | <u>6,829,449</u> | <u>(297,324)</u> | <u>-</u> | <u>6,532,125</u> |
| Business-type activities capital assets, net | <u>\$ 6,829,449</u> | <u>\$ (297,324)</u> | <u>\$ -</u> | <u>\$ 6,532,125</u> |

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 6 - CAPITAL ASSETS (continued)

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

| | |
|---------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 543,992 |
| Public safety | 706,728 |
| Community services | <u>3,043,231</u> |
| | <u>\$ 4,293,951</u> |
| Business-type activities: | |
| Stormwater utility | <u>\$ 297,324</u> |

NOTE 7 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2014 were as follows:

| | Balance October 1, 2013 | Additions | Reductions | Balance September 30, 2014 | Due Within One Year |
|---|-------------------------------|---------------------|-----------------------|----------------------------------|------------------------|
| Series 2000 Revenue Bonds payable | \$ 3,295,000 | \$ - | \$ (345,000) | \$ 2,950,000 | \$ 360,000 |
| Series 2010 Refunding Revenue Bonds payable | 9,510,000 | - | (455,000) | 9,055,000 | 470,000 |
| Series 2011 Refunding Revenue Bonds payable | 5,115,000 | - | (240,000) | 4,875,000 | 255,000 |
| Series 2012 Refunding Revenue Bonds payable | 9,295,000 | - | (635,000) | 8,660,000 | 650,000 |
| Compensated absences payable | 2,557,834 | 1,561,963 | (1,122,773) | 2,997,024 | 1,048,959 |
| Other post-employment benefits | 263,000 | 59,000 | - | 322,000 | - |
| | <u>\$ 30,035,834</u> | <u>\$ 1,620,963</u> | <u>\$ (2,797,773)</u> | <u>\$ 28,859,024</u> | <u>\$ 2,783,959</u> |

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

Revenue bonds as of September 30, 2014 were comprised of the following:

Series 2000 Revenue Bonds, principal is due annually over 20 years in various amounts through October 2020. The bonds bear interest at 5.04% and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. \$ 2,950,000

Series 2010 Refunding Revenue Bonds, principal is due annually over 18 years in various amounts through April 2029. The bonds bear interest at 3.42% and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. 9,055,000

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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

Series 2011 Refunding Revenue Bonds, principal is due annually over 18 years in various amounts through April 2029. The bonds bear interest at 3.64% and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. 4,875,000

Series 2012 Refunding Revenue Bonds, principal is due annually over 15 years in various amounts through August 2027. The bonds bear interest at 2.18% and are payable semi-annually on February 1 and August 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. 8,660,000

\$ 25,540,000

Series 2000 Revenue Bonds

The City previously issued \$ 6,555,000 in Series 2000 Revenue Bonds to finance the acquisition of land for parks and recreational purposes and for the construction of a community recreation center. The bond indenture relating to this issue requires that a reserve fund of \$ 500,000 be established, the balance of which as of September 30, 2014 was sufficient to meet this requirement. The indenture also requires the maintenance of a minimum debt service coverage ratio of 2.50:1.00.

Series 2010 and 2011 Refunding Revenue Bonds

The City previously issued \$ 21,000,000 in Series 1999 Revenue Bonds to finance the acquisition of land, buildings and other improvements related to municipal parks and the City's administrative complex and police station. At September 30, 2014, this bond series was fully defeased.

In fiscal year 2010, the City issued Series 2010 Refunding Revenue Bonds to partially advance refund \$ 10,580,000 of the then outstanding Series 1999 Revenue Bonds. In fiscal year 2011, the City issued Series 2011 Refunding Revenue Bonds to advance refund the remaining \$ 5,700,000 of the then outstanding Series 1999 Revenue Bonds. The City refunded the Series 1999 Revenue Bonds to reduce its aggregate debt service payments by approximately \$ 3,166,000.

Series 2012 Refunding Revenue Bonds

The City previously entered into a bond indenture agreement with the Florida Intergovernmental Finance Commission through an interlocal governmental agreement. As a result, the City issued \$ 12,610,000 in Series 2002 Revenue Bonds to finance the acquisition of land and construction of a charter school as well as the construction of the community recreation center. At September 30, 2014, this bond series was fully defeased.

In fiscal year 2012, the City issued \$ 9,885,000 in Series 2012 Refunding Revenue Bonds to advance refund \$ 10,165,000 (including a City contribution of approximately \$ 598,000) of the then outstanding Series 2002 Revenue Bonds. The City advance refunded the Series 2002 Revenue Bonds to reduce its total debt service payments by approximately \$ 3,810,000.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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

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

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|----------------------|---------------------|----------------------|
| 2015 | \$ 1,735,000 | \$ 811,900 | \$ 2,546,900 |
| 2016 | 1,790,000 | 753,900 | 2,543,900 |
| 2017 | 1,850,000 | 693,700 | 2,543,700 |
| 2018 | 1,820,000 | 631,300 | 2,451,300 |
| 2019 | 1,880,000 | 568,800 | 2,448,800 |
| 2020-2024 | 8,850,000 | 1,869,100 | 10,719,100 |
| 2025-2029 | 7,615,000 | 585,100 | 8,200,100 |
| | <u>\$ 25,540,000</u> | <u>\$ 5,913,800</u> | <u>\$ 31,453,800</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 any possible adverse effect on litigation against the City will be covered by insurance.

Government grants:

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

Employment agreement:

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

Charter school agreements:

The City has a contract with the School Board of Miami-Dade County, Florida, that allows for Aventura City of Excellence School to provide the residents of the City of Aventura an elementary and middle school education choice. In 2012, the City Commission acting in their capacity as the School's Governing Board, signed their third contract amendment with the County to increase the School's capacity from 972 to 1032 students over five years, commencing with the school year 2012/2013. The contract ends on June 30, 2018 but provides for a renewal of up to 15 years by mutual agreement of both parties.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

The City previously entered into an agreement with Charter School USA, Inc. ("CSUSA") to provide administrative and educational services for the City's charter school. The agreement expired on June 30, 2013 and both parties agreed to a five-year renewal term through June 30, 2018. The renewed agreement provides for an additional renewal term of up to five years upon agreement of both parties and provided the Miami-Dade County School Board extends the charter granted to the City.

Other agreements:

The City has a three-year nonexclusive agreement with an engineering consulting firm (the "Consultant") to provide building inspections and plan review services. Pursuant to the agreement, the Consultant receives 70% of the gross building permit fee revenues for the first \$ 50,000 in fees in a month and 65% of the amount in excess of \$ 50,000 per month. However, the Consultant receives 35% of the permit fee for all projects owned, paid for and to be operated by the City. The agreement may be renewed for one additional three-year term.

Pension funding:

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

Construction agreements:

The City has entered into various agreements in reference to the construction and maintenance of the City streets and other infrastructure projects. At year-end, outstanding construction commitments amounted to approximately \$ 92,000.

Encumbrances:

As discussed in Note 1(12.) Summary of Significant Accounting Policies, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|-------------------------|---------------------|
| General Fund | \$ 789,486 |
| Charter School Fund | 243,711 |
| Street Maintenance Fund | <u>42,125</u> |
| | <u>\$ 1,075,322</u> |

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

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

As of October 1, 2013, the latest actuarial valuation, health care and dental plan participants consisted of:

| | |
|---------------------------|-------------------|
| Active Plan participants | 165 |
| Retiree Plan participants | <u>2</u> |
| | <u><u>167</u></u> |

Plan Description:

Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Other than certain department directors, retirees must pay a monthly premium as determined by the insurance carrier. Retirees pay 100% of the blended equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Pursuant to Resolution 2006-64; department directors who retire at age 55 or later with at least 10 years of service are not required to pay a premium for medical or dental coverage for themselves prior to age 65. For these individuals, there is an explicit subsidy where the City provides for the retiree's coverage.

The plan described above is currently offered by the City under a "single employer plan" structure. The City provides all financial information and required disclosures of its other post-employment benefit plan in this document; therefore, a separate audited post-employment benefits plan report is not available.

Funding Policy:

The City is funding the post-employment benefits on a pay-as-you-go basis. For the fiscal year ended September 30, 2014, the annual required contribution was \$ 119,000. The City made estimated explicit and implicit contributions of \$ 43,000 towards this amount. Retirees contributed approximately \$ 49,000 towards the cost of these benefits, for the fiscal year ended September 30, 2014. At September 30, 2014 the City recorded a net OPEB obligation of \$ 322,000 for governmental activities, in its government-wide statement of net position.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation:

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

| | | |
|--|----|----------|
| Annual Required Contribution (ARC) | \$ | 119,000 |
| Interest on net pension obligation | | 11,000 |
| Adjustment to annual required contribution | | (27,000) |
| Total annual OPEB cost | | 103,000 |
| Employer contributions made | * | (43,000) |
| Interest on employer contributions | | (1,000) |
| Increase in net OPEB obligation | | 59,000 |
| Net OPEB obligation, beginning of year | | 263,000 |
| Net OPEB obligation, end of year | \$ | 322,000 |

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

The City's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation for 2014 and two preceding years were as follows:

| <u>Year Ending September 30,</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------------------------|---------------------------------|---|--------------------------------|
| 2014 | \$ 103,000 | 43.00% | \$ 322,000 |
| 2013 | \$ 103,000 | 43.00% | \$ 263,000 |
| 2012 | \$ 111,000 | 87.00% | \$ 204,000 |

Funded Status and Funding Progress:

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

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability at Entry Age (AAL)</u> | <u>Unfunded Actuarial Accrued Liability (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as % of Covered Payroll</u> |
|---|--|---|--|-------------------------|----------------------------|---|
| 10/01/13 | \$ - | \$ 679,000 | \$ 679,000 | 0.0% | \$ 11,640,000 | 5.8% |

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Methods and Assumptions:

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

In the October 1, 2013 actuarial valuation, the projected unit credit cost method was used. The annual required contribution (ARC) reflects a 12-year open period, level dollar payment amortization of the unfunded actuarial accrued liability (UAAL). The actuarial assumptions included a 4.0% investment rate of return.

The following assumptions were made:

Eligibility:

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

Mortality:

Sex-distinct mortality rates set forth in the RP-2000 mortality table for annuitants and non-annuitants, projected to 2013 by Scale AA, as published by the IRS for purposes of IRC section 430.

Disability:

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

Permanent Withdrawal from Active Status:

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

Investment Rate of Return:

A discount rate of 4.00% per annum.

General Inflation Rate:

A general inflation rate of 2.50% per annum.

Healthcare Cost Trend Rate:

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

| | |
|---------------------|-------|
| 2013/2014 | 7.00% |
| 2014/2015 | 6.50% |
| 2015/2016 | 6.00% |
| 2016/2017 | 5.50% |
| 2017/2018 and later | 5.00% |

With respect to the fully subsidized dental insurance, the assumed dental costs increase at the rate of 3.00% per year.

Implied Subsidy (Medical Insurance):

The implied subsidy for a 62-year old retiree is assumed to be \$ 6,300 per year for each the retiree and the retiree's spouse.

Implied Subsidy (Dental Insurance):

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

Age-Related Morbidity:

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

Retiree Contributions:

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

Cost-of-Living Increase:

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

Future Participation Rates:

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

Marriage and Dependent Assumption:

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

COBRA Assumption:

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

NOTE 11 - DEFINED CONTRIBUTION PENSION PLANS

The City is a single-employer that contributes to four (4) defined contribution pension plans based on employee classification created in accordance with *Internal Revenue Code Section 401(a)*. The plans currently cover all full-time employees of the City. Under these plans, the City contributes between 7% and an amount equal to the annual IRS maximum depending on employee classifications. City contributions for the City Manager, department directors and assistant department directors vest in the year they are contributed. City contributions to general employees vest beginning after one year of service through year five in 20% increments. Participants are not permitted to make contributions during the year. The City made plan contributions of approximately \$ 734,000 during the year. Plan provisions and contribution requirements may be amended by the City Commission. In addition, the City provides to all full-time employees a deferred compensation plan under *Section 457 of the Internal Revenue Code*. Under this program, employees may voluntarily elect to defer a portion of their salary to future years; with no required contributions from the City. Both programs are administered by ICMA Retirement Corp. The City does not exercise any control or fiduciary responsibility over the Plans' assets. Therefore, the assets, liabilities and transactions are not included in the City's financial statements.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

The City agreed to provide a defined benefit retirement plan effective October 1, 2003 through a collective bargaining contract between the City and the Miami-Dade County Police Benevolent Association City of Aventura Police Officers' Retirement Plan (the "Plan"). The Plan is a single-employer defined benefit retirement plan. The Plan was established by the City in accordance with a City ordinance and state statutes. The Plan covers, only sworn police officers and is funded by a combination of City contributions, employee contributions, rollover of 401(a) plan assets for certain employees and the proceeds of the state insurance premium tax on casualty insurance policies. The current funding levels of covered payroll are 19.39% for the City's contribution and 6.775% for the employee's contribution. 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 \$ 318,440 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 5 year smooth.

Information as of the latest actuarial valuation, dated October 1, 2012, included no cost of living adjustments and a 3.00% annual inflation rate; an annual investment rate of return of 7.50%; projected annual salary increases of 5.00%; the amortization method is level dollar, closed; and a remaining amortization period of 21 years. There have been no significant plan changes, changes to assumptions or methods since the prior valuation report.

CITY OF AVENTURA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

On October 1, 2012, (the most recent actuarial valuation date), Plan membership consisted of:

| | | |
|---|----|----|
| Retirees and beneficiaries receiving benefits | 13 | |
| Active Plan members | 82 | |
| | | 95 |

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

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

The City has issued audited stand-alone financial statements for the Plan, which may be obtained from the City's Finance Department. The provisions of GASB Statement No.67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No.25* have been implemented by the Plan in its fiscal year ended September 30, 2014 stand-alone report.

Benefits:

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

Disability retirement:

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Trend information:

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the year ended September 30, 2014 is as follows:

| <u>Year Ending September 30,</u> | <u>Annual Pension Cost</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation/ (Asset)</u> |
|--------------------------------------|------------------------------------|--|--|
| 2014 | \$ 1,840,254 | 101% | \$ (220,059) |
| 2013 | \$ 1,972,010 | 99% | \$ (193,330) |
| 2012 | \$ 1,936,952 | 99% | \$ (205,783) |

Funded status and funding progress:

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of funding progress as of October 1, 2012, (the most recent actuarial valuation date), is as follows:

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability at Entry Age (AAL)</u> | <u>Unfunded Actuarial Accrued Liability (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as % of Covered Payroll</u> |
|---|--|---|--|-------------------------|----------------------------|---|
| 10/01/12 | \$ 19,610,921 | \$ 25,129,927 | \$ 5,519,006 | 78.04% | \$ 7,663,687 | 72.02% |

The annual pension cost and net pension obligation (asset) for the Plan for year ended September 30, 2014 is as follows:

| | |
|---|----------------------------|
| Annual Required Contribution (ARC) | \$ 1,828,554 |
| Interest on net pension obligation | (14,500) |
| Adjustment to annual required contribution | <u>26,200</u> |
| Annual Pension Cost | 1,840,254 |
| Contributions made | <u>1,866,983</u> |
| Increase in net pension (asset) obligation | (26,729) |
| Net pension (asset) obligation, beginning of year | <u>(193,330)</u> |
| Net pension (asset) obligation, end of year | <u><u>\$ (220,059)</u></u> |

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 13 - PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was issued January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

GASB Statement No. 71, *Accounting and Financial Reporting for Non-Exchange Financial Transactions*, was issued November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

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

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CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Ad valorem taxes: | | | | |
| Current | \$ 12,768,153 | \$ 12,768,153 | \$ 12,669,112 | \$ (99,041) |
| Delinquent | 44,372 | 44,372 | 122,332 | 77,960 |
| Utility service taxes: | | | | |
| Electric | 4,100,000 | 4,100,000 | 4,572,988 | 472,988 |
| Telecommunication | 2,600,000 | 2,600,000 | 2,359,286 | (240,714) |
| Water | 900,000 | 900,000 | 926,142 | 26,142 |
| Gas | 30,000 | 30,000 | 26,413 | (3,587) |
| Franchise fees: | | | | |
| Electric | 2,600,000 | 2,600,000 | 1,730,392 | (869,608) |
| Gas | 30,000 | 30,000 | 19,822 | (10,178) |
| Sanitation | 440,000 | 440,000 | 469,662 | 29,662 |
| Towing | 30,000 | 30,000 | 69,845 | 39,845 |
| Total taxes | <u>23,542,525</u> | <u>23,542,525</u> | <u>22,965,994</u> | <u>(576,531)</u> |
| Intergovernmental revenues: | | | | |
| Federal grants | 8,000 | 8,000 | 8,800 | 800 |
| State and local grants | 9,679 | 9,679 | 19,502 | 9,823 |
| State pension contribution | 268,000 | 268,000 | 318,440 | 50,440 |
| Alcoholic beverage licenses | 20,000 | 20,000 | 18,919 | (1,081) |
| State revenue sharing | 435,000 | 435,000 | 587,364 | 152,364 |
| Half cent sales tax | 2,300,000 | 2,390,000 | 2,657,754 | 267,754 |
| County occupational licenses | 45,000 | 45,000 | 46,707 | 1,707 |
| Total intergovernmental revenues | <u>3,085,679</u> | <u>3,175,679</u> | <u>3,657,486</u> | <u>481,807</u> |
| Licenses and permits: | | | | |
| City business tax receipts | 840,000 | 840,000 | 915,238 | 75,238 |
| Building permits | 1,451,500 | 1,987,500 | 2,195,465 | 207,965 |
| Certificates of occupancy | 35,000 | 35,000 | 57,768 | 22,768 |
| Engineering | 15,000 | 15,000 | 15,915 | 915 |
| Total licenses and permits | <u>2,341,500</u> | <u>2,877,500</u> | <u>3,184,386</u> | <u>306,886</u> |
| Charges for services: | | | | |
| Certificate of use fees | 5,200 | 5,200 | 4,165 | (1,035) |
| Lien search fees | 90,000 | 90,000 | 108,906 | 18,906 |
| Development review fees | 90,000 | 154,000 | 180,720 | 26,720 |
| Recreation/cultural events | 985,000 | 1,057,000 | 1,062,354 | 5,354 |
| Police services | 1,025,000 | 1,075,000 | 1,149,366 | 74,366 |
| Total charges for services | <u>2,195,200</u> | <u>2,381,200</u> | <u>2,505,511</u> | <u>124,311</u> |

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(continued)
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| Fines and forfeitures: | | | | |
| County court fees | 425,000 | 425,000 | 324,275 | (100,725) |
| Code violation fines | 1,207,000 | 1,207,000 | 1,580,514 | 373,514 |
| Total fines and forfeitures | <u>1,632,000</u> | <u>1,632,000</u> | <u>1,904,789</u> | <u>272,789</u> |
| Other: | | | | |
| Investment income | 125,000 | 125,000 | 52,666 | (72,334) |
| Miscellaneous | 46,000 | 46,000 | 90,217 | 44,217 |
| Total other | <u>171,000</u> | <u>171,000</u> | <u>142,883</u> | <u>(28,117)</u> |
| Total revenues | <u>32,967,904</u> | <u>33,779,904</u> | <u>34,361,049</u> | <u>581,145</u> |
| EXPENDITURES: | | | | |
| Current | | | | |
| General government: | | | | |
| City Commission: | | | | |
| Personnel services | 62,063 | 62,063 | 62,869 | (806) |
| Operating | 62,077 | 62,077 | 54,550 | 7,527 |
| City Manager: | | | | |
| Personnel services | 645,604 | 645,604 | 661,774 | (16,170) |
| Operating | 141,500 | 141,500 | 109,278 | 32,222 |
| Capital outlay | 4,000 | 4,000 | 1,768 | 2,232 |
| Finance: | | | | |
| Personnel services | 832,712 | 832,712 | 837,136 | (4,424) |
| Operating | 124,965 | 124,965 | 94,427 | 30,538 |
| Capital outlay | 2,000 | 2,000 | 1,929 | 71 |
| Information technology: | | | | |
| Personnel services | 683,734 | 683,734 | 601,271 | 82,463 |
| Operating | 249,100 | 249,100 | 193,693 | 55,407 |
| Capital outlay | 221,000 | 450,900 | 66,999 | 383,901 |
| Legal: | | | | |
| Operating | 270,000 | 295,000 | 293,094 | 1,906 |
| City Clerk: | | | | |
| Personnel services | 231,031 | 239,031 | 251,286 | (12,255) |
| Operating | 50,700 | 54,700 | 41,429 | 13,271 |
| Total general government- departmental | <u>3,580,486</u> | <u>3,847,386</u> | <u>3,271,503</u> | <u>575,883</u> |

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(continued)
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Nondepartmental: | | | | |
| Personnel services | 10,000 | 10,000 | 966 | 9,034 |
| Operating | 1,490,200 | 1,490,200 | 1,335,210 | 154,990 |
| Capital outlay | 14,773,487 | 14,773,487 | 203,686 | 14,569,801 |
| Total general government- nondepartmental | <u>16,273,687</u> | <u>16,273,687</u> | <u>1,539,862</u> | <u>14,733,825</u> |
| Total general government | <u>19,854,173</u> | <u>20,121,073</u> | <u>4,811,365</u> | <u>15,309,708</u> |
| Public safety: | | | | |
| Police: | | | | |
| Personnel services | 15,185,378 | 15,235,378 | 15,035,476 | 199,902 |
| Operating | 1,859,500 | 1,859,500 | 1,934,150 | (74,650) |
| Capital outlay | 727,600 | 2,504,044 | 1,503,458 | 1,000,586 |
| Community development: | | | | |
| Personnel services | 767,255 | 767,255 | 761,434 | 5,821 |
| Operating | 1,121,850 | 1,721,850 | 1,700,625 | 21,225 |
| Capital outlay | 4,000 | 94,000 | 3,855 | 90,145 |
| Total public safety | <u>19,665,583</u> | <u>22,182,027</u> | <u>20,938,998</u> | <u>1,243,029</u> |
| Community services: | | | | |
| Personnel services | 1,388,298 | 1,388,298 | 1,395,326 | (7,028) |
| Operating | 2,907,500 | 3,032,500 | 2,999,783 | 32,717 |
| Capital outlay | 1,277,600 | 1,764,364 | 1,763,712 | 652 |
| Arts and cultural center: | | | | |
| Operating | 693,793 | 723,793 | 690,117 | 33,676 |
| Capital outlay | 19,200 | 34,058 | 24,876 | 9,182 |
| Total community services | <u>6,286,391</u> | <u>6,943,013</u> | <u>6,873,814</u> | <u>69,199</u> |
| Total expenditures | <u>45,806,147</u> | <u>49,246,113</u> | <u>32,624,177</u> | <u>16,621,936</u> |
| Excess (deficiency) of revenues over expenditures | <u>(12,838,243)</u> | <u>(15,466,209)</u> | <u>1,736,872</u> | <u>17,203,081</u> |
| Other financing sources (uses): | | | | |
| Sale of general capital assets | 10,000 | 110,000 | 128,907 | 18,907 |
| Transfers in | 30,000 | 30,000 | 30,000 | - |
| Transfers out | (2,221,190) | (2,299,685) | (2,299,685) | - |
| Appropriated fund balance | 15,019,433 | 17,625,894 | - | (17,625,894) |
| Total other financing sources (uses) | <u>12,838,243</u> | <u>15,466,209</u> | <u>(2,140,778)</u> | <u>(17,606,987)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (403,906)</u> | <u>\$ (403,906)</u> |

See Notes to Required Supplementary Information.

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
STREET MAINTENANCE FUND
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------------|-------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 1,725,000 | \$ 1,725,000 | \$ 2,130,408 | \$ 405,408 |
| Impact fees | - | - | 71,600 | 71,600 |
| Investment income | 500 | 500 | 3,803 | 3,303 |
| | <u>1,725,500</u> | <u>1,725,500</u> | <u>2,205,811</u> | <u>480,311</u> |
| EXPENDITURES: | | | | |
| Operating | 825,000 | 825,000 | 824,199 | 801 |
| Capital outlay | 1,100,500 | 2,487,117 | 754,749 | 1,732,368 |
| | <u>1,925,500</u> | <u>3,312,117</u> | <u>1,578,948</u> | <u>1,733,169</u> |
| Excess (deficiency) of revenues over expenditures | <u>(200,000)</u> | <u>(1,586,617)</u> | <u>626,863</u> | <u>2,213,480</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Appropriated fund balance | <u>200,000</u> | <u>1,586,617</u> | <u>-</u> | <u>(1,586,617)</u> |
| Total other financing sources (uses) | <u>200,000</u> | <u>1,586,617</u> | <u>-</u> | <u>(1,586,617)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 626,863</u> | <u>\$ 626,863</u> |

See Notes to Required Supplementary Information.

CITY OF AVENTURA, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 POLICE OFFICERS' RETIREMENT PLAN FUND
 AND OTHER POST-EMPLOYMENT BENEFITS (UNAUDITED)

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL)- Frozen Initial Liability | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a)/(b) | (c) Covered Payroll | UAAL as a Percentage of Covered Payroll (b-a)/(c) |
|---|--|--|--------------------------------------|----------------------------|---------------------------|--|
| POLICE OFFICERS' RETIREMENT PLAN FUND (UNAUDITED) | | | | | | |
| 10/01/12 | \$ 19,610,921 | \$ 25,129,927 | \$ 5,519,006 | 78.04% | \$ 7,663,687 | 72.02% |
| 10/01/09 | \$ 10,375,587 | \$ 16,273,418 | \$ 5,897,831 | 63.76% | \$ 6,418,797 | 91.88% |
| 10/01/07 | \$ 6,935,097 | \$ 10,825,108 | \$ 3,890,011 | 64.06% | \$ 5,576,592 | 69.76% |
| OTHER POST-EMPLOYMENT BENEFITS (UNAUDITED) | | | | | | |
| 10/01/13 | \$ - | \$ 679,000 | \$ 679,000 | 0.0% | \$ 11,640,000 | 5.83% |
| 10/01/11 | \$ - | \$ 710,000 | \$ 710,000 | 0.0% | \$ 12,781,000 | 5.56% |
| 10/01/08 | \$ - | \$ 735,000 | \$ 735,000 | 0.0% | \$ 9,175,000 | 8.01% |

See Notes to Required Supplementary Information.

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

| | CITY | | | STATE OF FLORIDA | |
|------|------------------------------------|----------------------|---------------------------|------------------------|---------------------------|
| | Annual Required Contribution | City Contribution | Percentage Contributed | Annual Contribution | Percentage Contributed |
| 2014 | \$ 1,510,114 | \$ 1,548,543 | 102.54% | \$ 318,440 | 100.00% |
| 2013 | \$ 1,671,831 | \$ 1,671,831 | 100.00% | \$ 287,726 | 100.00% |
| 2012 | \$ 1,655,005 | \$ 1,655,005 | 100.00% | \$ 268,692 | 100.00% |
| 2011 | \$ 1,645,843 | \$ 1,645,843 | 100.00% | \$ 250,125 | 100.00% |
| 2010 | \$ 1,245,754 | \$ 1,320,667 | 106.01% | \$ 284,381 | 100.00% |
| 2009 | \$ 886,124 | \$ 1,149,156 | 129.68% | \$ 265,314 | 100.00% |

See Notes to Required Supplementary Information.

CITY OF AVENTURA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2014

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. All of the funds mentioned in this paragraph are Special Revenue Funds.

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

- a. The City Manager submits to the City Commission a proposed operating and capital budget for the ensuing fiscal year. The budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for the governmental funds described above.
- e. The City Commission, by ordinance, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. The City Commission made several supplementary budgetary appropriations throughout the year including approximately \$ 3,518,500 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. Encumbrances lapse at fiscal year-end. Encumbrances are reappropriated in the following year's budget.
- i. Expenditures did not exceed appropriations in any of the governmental funds.

NOTE 2 - ACTUARIAL ASSUMPTIONS

Police Officers' Retirement Plan Fund - Information as of the latest actuarial valuation date of October 1, 2012 included no cost of living adjustments and a 3.00% annual inflation rate; an annual investment rate of return of 7.50%; projected annual salary increases of 5.00%; the amortization method is level dollar, closed; and a remaining amortization period of 24 years.

Other Post-Employment Benefits - Information as of the latest actuarial valuation date of October 1, 2013 included an annual investment rate of return of 4.0%; the amortization method is level dollar; an amortization period of 12 year-open and an actuarial cost method of projected unit credit.

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report specific revenues that are restricted or committed to expenditure for particular purposes other than debt service or capital projects.

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.

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

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

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

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects - This fund is used to account for impact fees and other revenue sources specifically earmarked for capital projects.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of principal and interest on all general long-term debt.

Debt Service Fund Series 2010 & 2011 - This fund is used to accumulate monies for the payment of the 2010 and 2011 Refunding Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

Debt Service Fund Series 2012 - Charter School Land Acquisition - This fund is used to accumulate monies for the payment of the 2012 Refunding Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

Debt Service Fund Series 2012 - Charter School Building Construction - This fund is used to accumulate monies for the payment of the 2012 Refunding Revenue Bonds. Non-ad valorem tax revenues in the governmental funds are pledged for the payment of principal and interest.

CITY OF AVENTURA, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2014

| | Special Revenue Funds | | | | Capital Projects Fund |
|---|-----------------------------|-------------|-------------------------------|-------------------------------------|--------------------------|
| | Police Education Fund | 911 Fund | Federal Forfeiture Fund | Law Enforcement Trust Fund | Capital Projects |
| ASSETS: | | | | | |
| Cash, cash equivalents and investments | \$ 563 | \$ 19,125 | \$ 1,058,239 | \$ 103,229 | \$ 1,059,639 |
| Restricted cash, cash equivalents and investments | - | - | - | - | - |
| Accounts receivable, net | - | 52,985 | - | - | - |
| Due from other governments | 557 | - | - | - | - |
| Total assets | \$ 1,120 | \$ 72,110 | \$ 1,058,239 | \$ 103,229 | \$ 1,059,639 |
| LIABILITIES: | | | | | |
| Accounts payable | \$ - | \$ 185 | \$ 6,301 | \$ 195 | \$ - |
| Accrued liabilities | - | - | - | - | - |
| Total liabilities | - | 185 | 6,301 | 195 | - |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Unavailable revenue - intergovernmental | - | 26,645 | - | - | - |
| FUND BALANCES: | | | | | |
| Assigned for: | | | | | |
| Community services | - | - | - | - | 1,033,741 |
| Restricted for: | | | | | |
| Public safety | 1,120 | 45,280 | 1,051,938 | 103,034 | 25,898 |
| Debt service | - | - | - | - | - |
| Total fund balances | 1,120 | 45,280 | 1,051,938 | 103,034 | 1,059,639 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,120 | \$ 72,110 | \$ 1,058,239 | \$ 103,229 | \$ 1,059,639 |

Debt Service Funds

| Debt Service Fund Series 2010 & 2011 | Debt Service Fund Series 2012 Charter School Land Acquisition | Debt Service Fund Series 2012 Charter School Building Construction | Total Nonmajor Governmental Funds |
|--|---|--|--|
| \$ 255,771 | \$ 7,443 | \$ 128,506 | \$ 2,632,515 |
| - | 63 | 60 | 123 |
| - | - | - | 52,985 |
| - | - | - | 557 |
| <u>\$ 255,771</u> | <u>\$ 7,506</u> | <u>\$ 128,566</u> | <u>\$ 2,686,180</u> |
| \$ - | \$ - | \$ - | \$ 6,681 |
| <u>243,566</u> | <u>-</u> | <u>-</u> | <u>243,566</u> |
| <u>243,566</u> | <u>-</u> | <u>-</u> | <u>250,247</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>26,645</u> |
| - | - | - | 1,033,741 |
| - | - | - | 1,227,270 |
| <u>12,205</u> | <u>7,506</u> | <u>128,566</u> | <u>148,277</u> |
| <u>12,205</u> | <u>7,506</u> | <u>128,566</u> | <u>2,409,288</u> |
| <u>\$ 255,771</u> | <u>\$ 7,506</u> | <u>\$ 128,566</u> | <u>\$ 2,686,180</u> |

CITY OF AVENTURA, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2014

| | Special Revenue Funds | | | | Capital Projects Fund |
|---|-----------------------------|------------------|-------------------------------|-------------------------------------|--------------------------|
| | Police Education Fund | 911 Fund | Federal Forfeiture Fund | Law Enforcement Trust Fund | Capital Projects |
| REVENUES: | | | | | |
| Intergovernmental revenues | \$ - | \$ 160,915 | \$ - | \$ - | \$ - |
| Fines and forfeitures | 7,820 | - | 696,924 | 43,082 | - |
| Impact fees | - | - | - | - | 6,007 |
| Investment income | 5 | 256 | 1,672 | 203 | 3 |
| Miscellaneous income | - | - | - | - | 125,000 |
| | <u>7,825</u> | <u>161,171</u> | <u>698,596</u> | <u>43,285</u> | <u>131,010</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Public safety | 16,189 | 189,939 | - | 45,124 | - |
| Capital outlay | - | - | 264,065 | 15,815 | 232,195 |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| | <u>16,189</u> | <u>189,939</u> | <u>264,065</u> | <u>60,939</u> | <u>232,195</u> |
| Excess (deficiency) of revenues over expenditures | <u>(8,364)</u> | <u>(28,768)</u> | <u>434,531</u> | <u>(17,654)</u> | <u>(101,185)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Sale of general capital assets | - | - | - | - | 1,000,000 |
| Transfers in | - | - | - | - | - |
| Transfers out | - | (30,000) | - | - | - |
| | <u>-</u> | <u>(30,000)</u> | <u>-</u> | <u>-</u> | <u>1,000,000</u> |
| Net change in fund balances | <u>(8,364)</u> | <u>(58,768)</u> | <u>434,531</u> | <u>(17,654)</u> | <u>898,815</u> |
| FUND BALANCES, beginning | <u>9,484</u> | <u>104,048</u> | <u>617,407</u> | <u>120,688</u> | <u>160,824</u> |
| FUND BALANCES, ending | <u>\$ 1,120</u> | <u>\$ 45,280</u> | <u>\$ 1,051,938</u> | <u>\$ 103,034</u> | <u>\$ 1,059,639</u> |

Debt Service Funds

| Debt Service Fund Series 2010 & 2011 | Debt Service Fund Series 2012 Charter School Land Acquisition | Debt Service Fund Series 2012 Charter School Building Construction | Total Nonmajor Governmental Funds |
|---|---|--|--|
| \$ - | \$ - | \$ - | \$ 160,915 |
| - | - | - | 747,826 |
| - | - | - | 6,007 |
| 57 | 6 | 397 | 2,599 |
| - | - | - | 125,000 |
| <u>57</u> | <u>6</u> | <u>397</u> | <u>1,042,347</u> |
| - | - | - | 251,252 |
| - | - | - | 512,075 |
| 695,000 | 300,101 | 334,899 | 1,330,000 |
| 499,280 | 95,763 | 106,868 | 701,911 |
| <u>1,194,280</u> | <u>395,864</u> | <u>441,767</u> | <u>2,795,238</u> |
| <u>(1,194,223)</u> | <u>(395,858)</u> | <u>(441,370)</u> | <u>(1,752,891)</u> |
| - | - | - | 1,000,000 |
| 1,194,379 | 393,908 | 444,000 | 2,032,287 |
| - | - | - | (30,000) |
| <u>1,194,379</u> | <u>393,908</u> | <u>444,000</u> | <u>3,002,287</u> |
| 156 | (1,950) | 2,630 | 1,249,396 |
| <u>12,049</u> | <u>9,456</u> | <u>125,936</u> | <u>1,159,892</u> |
| <u>\$ 12,205</u> | <u>\$ 7,506</u> | <u>\$ 128,566</u> | <u>\$ 2,409,288</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
POLICE EDUCATION FUND
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|-------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Fines and forfeitures | \$ 7,000 | \$ 7,000 | \$ 7,820 | \$ 820 |
| Investment income | - | - | 5 | 5 |
| | <u>7,000</u> | <u>7,000</u> | <u>7,825</u> | <u>825</u> |
| Total revenues | | | | |
| EXPENDITURES: | | | | |
| Operating | <u>11,000</u> | <u>16,484</u> | <u>16,189</u> | <u>295</u> |
| Total expenditures | <u>11,000</u> | <u>16,484</u> | <u>16,189</u> | <u>295</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,000)</u> | <u>(9,484)</u> | <u>(8,364)</u> | <u>1,120</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Appropriated fund balance | <u>4,000</u> | <u>9,484</u> | <u>-</u> | <u>(9,484)</u> |
| Total other financing sources (uses) | <u>4,000</u> | <u>9,484</u> | <u>-</u> | <u>(9,484)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (8,364)</u> | <u>\$ (8,364)</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
911 FUND
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|--------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 171,500 | \$ 171,500 | \$ 160,915 | \$ (10,585) |
| Investment income | - | - | 256 | 256 |
| Total revenues | <u>171,500</u> | <u>171,500</u> | <u>161,171</u> | <u>(10,329)</u> |
| EXPENDITURES: | | | | |
| Operating | 182,400 | 182,400 | 189,939 | (7,539) |
| Capital outlay | - | 63,148 | - | 63,148 |
| Total expenditures | <u>182,400</u> | <u>245,548</u> | <u>189,939</u> | <u>55,609</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10,900)</u> | <u>(74,048)</u> | <u>(28,768)</u> | <u>45,280</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (30,000) | (30,000) | (30,000) | - |
| Appropriated fund balance | 40,900 | 104,048 | - | (104,048) |
| Total other financing sources (uses) | <u>10,900</u> | <u>74,048</u> | <u>(30,000)</u> | <u>(104,048)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (58,768)</u> | <u>\$ (58,768)</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|-------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Impact fees | \$ 15,000 | \$ 15,000 | \$ 6,007 | \$ (8,993) |
| Investment income | - | - | 3 | 3 |
| Miscellaneous income | - | - | 125,000 | 125,000 |
| Total revenues | <u>15,000</u> | <u>15,000</u> | <u>131,010</u> | <u>116,010</u> |
| EXPENDITURES: | | | | |
| Capital outlay | <u>1,015,000</u> | <u>1,175,824</u> | <u>232,195</u> | <u>943,629</u> |
| Total expenditures | <u>1,015,000</u> | <u>1,175,824</u> | <u>232,195</u> | <u>943,629</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,000,000)</u> | <u>(1,160,824)</u> | <u>(101,185)</u> | <u>1,059,639</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Appropriated fund balance | 1,000,000 | 160,824 | - | (160,824) |
| Sale of general capital assets | <u>-</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>-</u> |
| Total other financing sources (uses) | <u>1,000,000</u> | <u>1,160,824</u> | <u>1,000,000</u> | <u>(160,824)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 898,815</u> | <u>\$ 898,815</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2010 & 2011
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ 57 | \$ 57 |
| Total revenues | <u>-</u> | <u>-</u> | <u>57</u> | <u>57</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 695,000 | 695,000 | 695,000 | - |
| Interest | <u>511,428</u> | <u>511,428</u> | <u>499,280</u> | <u>12,148</u> |
| Total expenditures | <u>1,206,428</u> | <u>1,206,428</u> | <u>1,194,280</u> | <u>12,148</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,206,428)</u> | <u>(1,206,428)</u> | <u>(1,194,223)</u> | <u>12,205</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,206,428 | 1,194,379 | 1,194,379 | - |
| Appropriated fund balance | <u>-</u> | <u>12,049</u> | <u>-</u> | <u>(12,049)</u> |
| Total other financing sources (uses) | <u>1,206,428</u> | <u>1,206,428</u> | <u>1,194,379</u> | <u>(12,049)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 156</u> | <u>\$ 156</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2000
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ 25,220 | \$ 25,220 |
| Total revenues | <u>-</u> | <u>-</u> | <u>25,220</u> | <u>25,220</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 345,000 | 345,000 | 345,000 | - |
| Interest | <u>166,398</u> | <u>166,398</u> | <u>166,068</u> | <u>330</u> |
| Total expenditures | <u>511,398</u> | <u>511,398</u> | <u>511,068</u> | <u>330</u> |
| Excess (deficiency) of revenues over expenditures | <u>(511,398)</u> | <u>(511,398)</u> | <u>(485,848)</u> | <u>25,550</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | <u>511,398</u> | <u>511,398</u> | <u>511,398</u> | <u>-</u> |
| Total other financing sources (uses) | <u>511,398</u> | <u>511,398</u> | <u>511,398</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 25,550</u> | <u>\$ 25,550</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2012-
CHARTER SCHOOL LAND ACQUISITION
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ 6 | \$ 6 |
| Total revenues | <u>-</u> | <u>-</u> | <u>6</u> | <u>6</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 300,101 | 300,101 | 300,101 | - |
| Interest | 95,763 | 95,763 | 95,763 | - |
| Trustee fees and other | <u>7,500</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> |
| Total expenditures | <u>403,364</u> | <u>403,364</u> | <u>395,864</u> | <u>7,500</u> |
| Excess (deficiency) of revenues over expenditures | <u>(403,364)</u> | <u>(403,364)</u> | <u>(395,858)</u> | <u>7,506</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 403,364 | 393,908 | 393,908 | - |
| Appropriated fund balance | <u>-</u> | <u>9,456</u> | <u>-</u> | <u>(9,456)</u> |
| Total other financing sources (uses) | <u>403,364</u> | <u>403,364</u> | <u>393,908</u> | <u>(9,456)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,950)</u> | <u>\$ (1,950)</u> |

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2012 -
CHARTER SCHOOL BUILDING CONSTRUCTION
For the Year Ended September 30, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Investment income | \$ - | \$ - | \$ 397 | \$ 397 |
| Total revenues | - | - | 397 | 397 |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 334,899 | 334,899 | 334,899 | - |
| Interest | 106,868 | 106,868 | 106,868 | - |
| Trustee fees and other | 3,500 | 3,500 | - | 3,500 |
| Total expenditures | 445,267 | 445,267 | 441,767 | 3,500 |
| Excess (deficiency) of revenues over expenditures | (445,267) | (445,267) | (441,370) | 3,897 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 445,267 | 445,267 | 444,000 | (1,267) |
| Total other financing sources (uses) | 445,267 | 445,267 | 444,000 | (1,267) |
| Net change in fund balance | \$ - | \$ - | \$ 2,630 | \$ 2,630 |

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 position by component | 71 |
| Changes in net position | 72-73 |
| Governmental activities tax revenues by source | 74 |
| Fund balances of governmental funds | 75 |
| Changes in fund balances of governmental funds | 76-77 |
| General governmental tax revenues by source | 78 |

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 | 79 |
| Property tax rates - direct and overlapping governments | 80-81 |
| Principal property taxpayers | 82 |
| Property tax levies and collections | 83 |

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 | 84 |
| Ratios of general bonded debt outstanding | 85 |
| Direct and overlapping governmental activity debt | 86 |
| Legal debt margin information | 87 |

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 | 88 |
| Occupational employment by group - Miami-Dade County, Florida | 89 |

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 city government employees by function | 90 |
| Operating indicators by function | 91 |
| Capital asset statistics by function | 92 |

Sources: Unless otherwise indicated, information in these schedules is derived from the comprehensive annual financial reports for the respective years.

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

Table 1

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| GOVERNMENTAL ACTIVITIES: | | | | | | | | | | |
| Net investment in capital assets | \$ 23,896,000 | \$ 26,151,708 | \$ 45,438,705 | \$ 50,968,930 | \$ 54,916,084 | \$ 60,320,654 | \$ 59,215,769 | \$ 59,176,872 | \$ 63,727,119 | \$ 69,229,415 |
| Restricted | 2,944,000 | 3,047,457 | 2,942,261 | 1,226,693 | 1,592,461 | 895,481 | 1,694,288 | 2,240,013 | 2,910,452 | 3,778,520 |
| Unrestricted | <u>15,844,000</u> | <u>20,119,775</u> | <u>25,046,530</u> | <u>31,110,719</u> | <u>35,762,870</u> | <u>37,169,427</u> | <u>38,621,886</u> | <u>39,900,020</u> | <u>36,690,649</u> | <u>36,726,441</u> |
| Total governmental activities, net position | <u>\$ 42,684,000</u> | <u>\$ 49,318,940</u> | <u>\$ 73,427,496</u> | <u>\$ 83,306,342</u> | <u>\$ 92,271,415</u> | <u>\$ 98,385,562</u> | <u>\$ 99,531,943</u> | <u>\$ 101,316,905</u> | <u>\$ 103,328,220</u> | <u>\$ 109,734,376</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | | | |
| Net investment in capital assets | \$ 6,161,008 | \$ 6,417,218 | \$ 7,502,883 | \$ 7,431,770 | \$ 7,580,426 | \$ 7,616,360 | \$ 7,424,095 | \$ 7,126,772 | \$ 6,829,449 | \$ 6,532,125 |
| Unrestricted | <u>(278,512)</u> | <u>287,480</u> | <u>117,452</u> | <u>417,920</u> | <u>529,552</u> | <u>671,857</u> | <u>993,386</u> | <u>1,429,043</u> | <u>1,703,713</u> | <u>2,056,616</u> |
| Total business-type activities, net position | <u>\$ 5,882,496</u> | <u>\$ 6,704,698</u> | <u>\$ 7,620,335</u> | <u>\$ 7,849,690</u> | <u>\$ 8,109,978</u> | <u>\$ 8,288,217</u> | <u>\$ 8,417,481</u> | <u>\$ 8,555,815</u> | <u>\$ 8,533,162</u> | <u>\$ 8,588,741</u> |
| PRIMARY GOVERNMENT: | | | | | | | | | | |
| Net investment in capital assets | \$ 30,057,008 | \$ 32,568,926 | \$ 52,941,588 | \$ 58,400,700 | \$ 62,496,510 | \$ 67,937,014 | \$ 66,639,864 | \$ 66,303,644 | \$ 70,556,568 | \$ 75,761,540 |
| Restricted | 2,944,000 | 3,047,457 | 2,942,261 | 1,226,693 | 1,592,461 | 895,481 | 1,694,288 | 2,240,013 | 2,910,452 | 3,778,520 |
| Unrestricted | <u>15,565,488</u> | <u>20,407,255</u> | <u>25,163,982</u> | <u>31,528,639</u> | <u>36,292,422</u> | <u>37,841,284</u> | <u>39,615,272</u> | <u>41,329,063</u> | <u>38,394,362</u> | <u>38,783,057</u> |
| Total primary government, net position | <u>\$ 48,566,496</u> | <u>\$ 56,023,638</u> | <u>\$ 81,047,831</u> | <u>\$ 91,156,032</u> | <u>\$ 100,381,393</u> | <u>\$ 106,673,779</u> | <u>\$ 107,949,424</u> | <u>\$ 109,872,720</u> | <u>\$ 111,861,382</u> | <u>\$ 118,323,117</u> |

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

Table 2

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| EXPENSES: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 5,234,533 | \$ 8,614,169 | \$ 6,221,118 | \$ 6,776,605 | \$ 6,792,783 | \$ 4,574,365 | \$ 4,917,160 | \$ 4,977,304 | \$ 5,116,689 | \$ 5,340,426 |
| Public safety | 13,042,732 | 14,480,174 | 15,364,893 | 15,517,221 | 16,107,437 | 18,460,900 | 18,928,521 | 19,571,423 | 19,776,833 | 21,178,335 |
| Community services | 8,958,704 | 10,057,441 | 13,061,771 | 13,030,566 | 12,666,857 | 15,059,743 | 14,947,707 | 15,187,991 | 16,006,410 | 16,927,314 |
| Interest and fiscal charges | 1,777,122 | 1,804,438 | 1,720,827 | 1,674,297 | 1,641,919 | 1,574,525 | 1,396,059 | 1,187,024 | 976,609 | 904,834 |
| Total governmental activities | 29,013,091 | 34,956,222 | 36,368,609 | 36,998,689 | 37,208,996 | 39,669,533 | 40,189,447 | 40,923,742 | 41,876,541 | 44,350,909 |
| Business-type activities: | | | | | | | | | | |
| Stormwater utility | 249,947 | 360,712 | 557,635 | 670,602 | 651,175 | 843,251 | 827,090 | 758,185 | 872,010 | 805,636 |
| Total business-type activities | 249,947 | 360,712 | 557,635 | 670,602 | 651,175 | 843,251 | 827,090 | 758,185 | 872,010 | 805,636 |
| Total primary government expenses | \$ 29,263,038 | \$ 35,316,934 | \$ 36,926,244 | \$ 37,669,291 | \$ 37,860,171 | \$ 40,512,784 | \$ 41,016,537 | \$ 41,681,927 | \$ 42,748,551 | \$ 45,156,545 |
| PROGRAM REVENUES: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 539,332 | \$ 91,522 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Public safety | 3,585,061 | 4,788,890 | 3,489,180 | 2,965,541 | 1,973,570 | 5,505,242 | 4,917,288 | 5,413,866 | 5,276,699 | 6,369,993 |
| Community services | 671,809 | 944,724 | 1,805,425 | 1,993,719 | 3,505,392 | 1,275,753 | 1,596,122 | 1,621,334 | 1,704,529 | 1,633,233 |
| Operating grants and contributions | 5,212,020 | 7,302,460 | 8,298,050 | 8,379,687 | 7,726,423 | 7,663,169 | 7,559,658 | 7,032,045 | 7,323,841 | 7,841,160 |
| Capital grants and contributions | 8,987 | 420,493 | 40,340 | - | 2,359,690 | 2,465,574 | 500,068 | 676,604 | 723,997 | 4,428,098 |
| Total governmental activities program revenues | 10,017,209 | 13,548,089 | 13,632,995 | 13,338,947 | 15,565,075 | 16,909,738 | 14,573,136 | 14,743,849 | 15,029,066 | 20,272,484 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Stormwater utility | 820,554 | 815,454 | 889,178 | 882,429 | 801,532 | 842,867 | 843,930 | 892,395 | 846,921 | 857,558 |
| Operating grants and contributions | - | 415,000 | 580,759 | - | - | - | - | - | - | - |
| Capital grants and contributions | - | - | - | - | 107,364 | 175,303 | 108,862 | - | - | - |
| Total business-type activities program revenues | 820,554 | 1,230,454 | 1,469,937 | 882,429 | 908,896 | 1,018,170 | 952,792 | 892,395 | 846,921 | 857,558 |
| Total primary government program revenues | \$ 10,837,763 | \$ 14,778,543 | \$ 15,102,932 | \$ 14,221,376 | \$ 16,473,971 | \$ 17,927,908 | \$ 15,525,928 | \$ 15,636,244 | \$ 15,875,987 | \$ 21,130,042 |

CITY OF AVENTURA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(continued)

| | Fiscal Year | | | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| NET EXPENSE/REVENUE: | | | | | | | | | | |
| Governmental activities | \$ (18,995,882) | \$ (21,408,133) | \$ (22,735,614) | \$ (23,659,742) | \$ (21,643,921) | \$ (22,759,795) | \$ (25,616,311) | \$ (26,179,893) | \$ (26,847,475) | \$ (24,078,425) |
| Business-type activities | 570,607 | 869,742 | 912,302 | 211,827 | 257,721 | 174,919 | 125,702 | 134,210 | (25,089) | 51,922 |
| Total primary government, net expense | <u>\$ (18,425,275)</u> | <u>\$ (20,538,391)</u> | <u>\$ (21,823,312)</u> | <u>\$ (23,447,915)</u> | <u>\$ (21,386,200)</u> | <u>\$ (22,584,876)</u> | <u>\$ (25,490,609)</u> | <u>\$ (26,045,683)</u> | <u>\$ (26,872,564)</u> | <u>\$ (24,026,503)</u> |
| GENERAL REVENUES AND OTHER: | | | | | | | | | | |
| Changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Ad valorem taxes | \$ 11,842,689 | \$ 14,089,388 | \$ 17,127,913 | \$ 15,942,020 | \$ 15,189,005 | \$ 13,253,848 | \$ 11,734,232 | \$ 11,724,189 | \$ 12,080,224 | \$ 12,791,444 |
| Utility service taxes | 5,719,554 | 6,015,016 | 6,269,809 | 6,741,903 | 7,451,872 | 7,362,899 | 7,379,830 | 7,772,000 | 7,551,899 | 7,933,535 |
| Franchise fees | 2,330,809 | 3,359,261 | 4,234,574 | 4,270,671 | 3,644,177 | 3,686,885 | 2,684,216 | 3,070,065 | 2,823,490 | 2,289,721 |
| Intergovernmental revenue - unrestricted | 3,427,647 | 3,003,546 | 4,041,947 | 4,799,706 | 3,577,758 | 3,838,972 | 4,182,305 | 4,917,107 | 5,238,710 | 5,767,456 |
| Impact fees | 959,264 | - | - | - | 15,581 | 101 | 189,440 | 22,426 | 655,743 | 77,607 |
| Investment income | 553,135 | 1,159,778 | 1,580,978 | 1,035,457 | 292,180 | 310,885 | 195,382 | 174,152 | 65,726 | 89,941 |
| Miscellaneous revenues | 298,875 | 365,705 | 92,987 | 748,831 | 438,421 | 420,352 | 397,287 | 284,916 | 597,916 | 1,534,877 |
| Transfers | 103,210 | 50,742 | - | - | - | - | - | - | - | - |
| Total governmental activities | <u>25,235,183</u> | <u>28,043,436</u> | <u>33,348,208</u> | <u>33,538,588</u> | <u>30,608,994</u> | <u>28,873,942</u> | <u>26,762,692</u> | <u>27,964,855</u> | <u>29,013,708</u> | <u>30,484,581</u> |
| Business-type activities: | | | | | | | | | | |
| Interest income | 2,258 | 3,202 | 3,335 | 17,528 | 2,567 | 3,320 | 3,562 | 4,124 | 2,436 | 3,657 |
| Transfers | (103,210) | (50,742) | - | - | - | - | - | - | - | - |
| Total business-type activities | <u>(100,952)</u> | <u>(47,540)</u> | <u>3,335</u> | <u>17,528</u> | <u>2,567</u> | <u>3,320</u> | <u>3,562</u> | <u>4,124</u> | <u>2,436</u> | <u>3,657</u> |
| Total primary government | <u>\$ 25,134,231</u> | <u>\$ 27,995,896</u> | <u>\$ 33,351,543</u> | <u>\$ 33,556,116</u> | <u>\$ 30,611,561</u> | <u>\$ 28,877,262</u> | <u>\$ 26,766,254</u> | <u>\$ 27,968,979</u> | <u>\$ 29,016,144</u> | <u>\$ 30,488,238</u> |
| CHANGE IN NET POSITION: | | | | | | | | | | |
| Governmental activities | \$ 6,239,301 | \$ 6,635,303 | \$ 10,612,594 | \$ 9,878,846 | \$ 8,965,073 | \$ 6,114,147 | \$ 1,146,381 | \$ 1,784,962 | \$ 2,166,233 | \$ 6,406,156 |
| Business-type activities | 469,655 | 822,202 | 915,637 | 229,355 | 260,288 | 178,239 | 129,264 | 138,334 | (22,653) | 55,579 |
| Total primary government | <u>\$ 6,708,956</u> | <u>\$ 7,457,505</u> | <u>\$ 11,528,231</u> | <u>\$ 10,108,201</u> | <u>\$ 9,225,361</u> | <u>\$ 6,292,386</u> | <u>\$ 1,275,645</u> | <u>\$ 1,923,296</u> | <u>\$ 2,143,580</u> | <u>\$ 6,461,735</u> |

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

Table 3

| Fiscal Year | Tax Roll Year | Ad Valorem Taxes | Utility Service Taxes | Franchise Fees | Total |
|----------------|---------------------|---------------------|-----------------------------|-------------------|---------------|
| 2005 | 2004 | \$ 11,842,689 | \$ 5,719,554 | \$ 2,330,809 | \$ 19,893,052 |
| 2006 | 2005 | 14,089,388 | 6,015,016 | 3,359,261 | 23,463,665 |
| 2007 | 2006 | 17,127,913 | 6,269,809 | 4,234,574 | 27,632,296 |
| 2008 | 2007 | 15,942,020 | 6,741,903 | 4,270,671 | 26,954,594 |
| 2009 | 2008 | 15,189,005 | 7,451,872 | 3,644,177 | 26,285,054 |
| 2010 | 2009 | 13,253,848 | 7,362,899 | 3,686,885 | 24,303,632 |
| 2011 | 2010 | 11,734,232 | 7,379,830 | 2,684,216 | 21,798,278 |
| 2012 | 2011 | 11,724,189 | 7,772,000 | 3,070,065 | 22,566,254 |
| 2013 | 2012 | 12,080,224 | 7,551,899 | 2,823,490 | 22,455,613 |
| 2014 | 2013 | 12,791,444 | 7,933,535 | 2,289,721 | 23,014,700 |

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

Table 4

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Fund: | | | | | | | | | | |
| Reserved | \$ 1,358,556 | \$ 3,799,001 | \$ 1,523,001 | \$ 439,385 | \$ 215,174 | \$ 139,823 | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 9,975,843 | 12,635,078 | 21,765,557 | 29,087,603 | 34,184,317 | 36,344,556 | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | 37,204 | 33,045 | 285,056 | 358,893 |
| Committed | - | - | - | - | - | - | 20,193,488 | 19,773,488 | 19,773,488 | 21,378,324 |
| Assigned | - | - | - | - | - | - | 2,119,548 | 5,747,436 | 1,995,152 | 789,486 |
| Unassigned | - | - | - | - | - | - | 15,868,958 | 14,084,222 | 14,459,667 | 13,582,754 |
| Total General Fund | \$ 11,334,399 | \$ 16,434,079 | \$ 23,288,558 | \$ 29,526,988 | \$ 34,399,491 | \$ 36,484,379 | \$ 38,219,198 | \$ 39,638,191 | \$ 36,513,363 | \$ 36,109,457 |
| All other governmental funds: | | | | | | | | | | |
| Reserved | \$ 44,124 | \$ 1,206,173 | \$ 186,560 | \$ 170,219 | \$ 1,067,451 | \$ 253,040 | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | 3,245,826 | 2,746,804 | 3,950,116 | 3,676,879 | 2,439,375 | 2,308,838 | - | - | - | - |
| Debt Service Funds | (3,441) | (4,525) | 133,053 | 136,790 | 137,175 | 280,321 | - | - | - | - |
| Capital Projects Funds | 4,310,386 | 3,963,362 | 1,823,597 | 99,664 | 811,979 | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | 30,575 | 30,759 | - | 9,466 |
| Restricted | - | - | - | - | - | - | 1,694,288 | 2,240,013 | 2,910,452 | 3,778,520 |
| Assigned | - | - | - | - | - | - | 2,352,114 | 2,196,478 | 2,153,301 | 2,999,094 |
| Total all other governmental funds | \$ 7,596,895 | \$ 7,911,814 | \$ 6,093,326 | \$ 4,083,552 | \$ 4,455,980 | \$ 2,842,199 | \$ 4,076,977 | \$ 4,467,250 | \$ 5,063,753 | \$ 6,787,080 |

Note: Information for fiscal years 2005 to 2010 has not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

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

| | Fiscal Year | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| REVENUES: | | | | |
| Ad valorem taxes | \$ 11,842,689 | \$ 14,089,388 | \$ 17,127,913 | \$ 15,942,020 |
| Utility service taxes | 5,719,554 | 6,015,016 | 6,269,809 | 6,741,903 |
| Franchise fees | 2,330,809 | 3,359,261 | 4,234,574 | 4,270,671 |
| Intergovernmental | 7,263,468 | 10,905,885 | 11,586,872 | 11,762,763 |
| Licenses and permits | 3,335,034 | 3,277,960 | 3,229,778 | 2,808,112 |
| Charges for services | 1,598,230 | 1,904,741 | 2,194,596 | 2,313,107 |
| Fines and forfeitures | 472,465 | 601,339 | 577,148 | 652,747 |
| Impact fees | 959,264 | 398,436 | 40,340 | - |
| Investment income | 553,135 | 1,159,778 | 1,580,978 | 1,035,457 |
| Developer contributions | - | - | - | - |
| Miscellaneous | 298,875 | 610,584 | 234,544 | 748,831 |
| Total revenues | <u>34,373,523</u> | <u>42,322,388</u> | <u>47,076,552</u> | <u>46,275,611</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 2,580,989 | 2,668,284 | 4,884,708 | 4,561,020 |
| Public safety | 12,256,346 | 13,781,535 | 14,360,873 | 14,727,849 |
| Community services | 7,997,769 | 9,019,229 | 10,817,310 | 10,798,272 |
| Nondepartmental | 1,623,794 | 2,978,900 | - | - |
| Capital outlay | 7,416,346 | 5,800,374 | 9,265,681 | 9,256,902 |
| Debt service: | | | | |
| Principal | 930,000 | 965,000 | 1,005,000 | 1,035,000 |
| Advance refunding escrow | - | - | - | - |
| Interest | 1,753,446 | 1,719,392 | 1,682,298 | 1,642,606 |
| Trustee fees and other | 28,363 | 25,817 | 24,691 | 25,306 |
| Total expenditures | <u>34,587,053</u> | <u>36,958,531</u> | <u>42,040,561</u> | <u>42,046,955</u> |
| Excess (deficiency of revenues over expenditures) | <u>(213,530)</u> | <u>5,363,857</u> | <u>5,035,991</u> | <u>4,228,656</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Issuance of debt | - | - | - | - |
| Sale of general capital assets | - | - | - | - |
| Transfers in | 2,821,795 | 2,740,850 | 2,898,498 | 2,907,111 |
| Transfers out | (2,718,585) | (2,690,108) | (2,898,498) | (2,907,111) |
| Payment to refunded bond escrow agent | - | - | - | - |
| Total other financing sources (uses) | <u>103,210</u> | <u>50,742</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (110,320)</u> | <u>\$ 5,414,599</u> | <u>\$ 5,035,991</u> | <u>\$ 4,228,656</u> |
| Debt service as a percentage of noncapital expenditures | 9.88% | 8.62% | 8.20% | 8.17% |

Table 5

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|----|-------------------------|-----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| \$ | 15,189,005 | \$ 13,253,848 | \$ 11,734,232 | \$ 11,724,189 | \$ 12,080,224 | \$ 12,791,444 |
| | 7,451,872 | 7,448,097 | 7,465,029 | 7,486,791 | 7,856,769 | 7,884,829 |
| | 3,644,177 | 3,686,885 | 2,684,216 | 3,070,065 | 2,823,490 | 2,289,721 |
| | 13,273,593 | 12,970,784 | 11,764,642 | 11,738,610 | 12,432,705 | 13,161,980 |
| | 1,892,862 | 2,025,310 | 2,374,902 | 2,522,665 | 2,489,707 | 3,184,386 |
| | 2,078,224 | 2,322,794 | 2,814,652 | 2,891,647 | 2,997,916 | 3,076,390 |
| | 2,275,882 | 3,107,179 | 2,096,677 | 2,459,276 | 2,371,544 | 2,652,615 |
| | 15,581 | 101 | 189,440 | 22,426 | 655,743 | 77,607 |
| | 292,180 | 310,885 | 195,382 | 174,152 | 65,726 | 89,941 |
| | - | - | - | - | - | - |
| | <u>438,421</u> | <u>428,907</u> | <u>414,678</u> | <u>303,795</u> | <u>380,446</u> | <u>474,230</u> |
| | <u>46,551,797</u> | <u>45,554,790</u> | <u>41,733,850</u> | <u>42,393,616</u> | <u>44,154,270</u> | <u>45,683,143</u> |
| | 4,639,737 | 4,360,999 | 4,274,015 | 4,266,981 | 4,437,525 | 4,536,983 |
| | 15,625,029 | 16,965,808 | 17,636,378 | 18,413,325 | 18,820,627 | 19,682,937 |
| | 11,057,179 | 11,950,071 | 12,083,949 | 12,305,720 | 12,727,047 | 13,654,908 |
| | - | - | - | - | - | - |
| | 7,278,743 | 8,576,499 | 2,596,599 | 3,050,256 | 8,158,627 | 5,074,822 |
| | 1,080,000 | 1,130,000 | 635,000 | 960,000 | 1,590,000 | 1,675,000 |
| | - | 520,000 | 336,928 | 597,856 | - | - |
| | 1,607,984 | 1,553,980 | 1,212,882 | 987,303 | 948,769 | 867,979 |
| | 18,194 | 89,766 | 49,496 | 77,909 | - | - |
| | <u>41,306,866</u> | <u>45,147,123</u> | <u>38,825,247</u> | <u>40,659,350</u> | <u>46,682,595</u> | <u>45,492,629</u> |
| | <u>5,244,931</u> | <u>407,667</u> | <u>2,908,603</u> | <u>1,734,266</u> | <u>(2,528,325)</u> | <u>190,514</u> |
| | - | 10,385,000 | 5,565,000 | 9,885,000 | - | - |
| | - | - | - | - | - | 1,128,907 |
| | 5,254,251 | 4,526,447 | 2,316,510 | 2,747,803 | 2,657,882 | 2,773,685 |
| | (5,254,251) | (4,526,447) | (2,316,510) | (2,747,803) | (2,657,882) | (2,773,685) |
| | <u>-</u> | <u>(10,321,560)</u> | <u>(5,504,006)</u> | <u>(9,810,000)</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>63,440</u> | <u>60,994</u> | <u>75,000</u> | <u>-</u> | <u>1,128,907</u> |
| \$ | <u><u>5,244,931</u></u> | <u><u>471,107</u></u> | <u><u>2,969,597</u></u> | <u><u>1,809,266</u></u> | <u><u>(2,528,325)</u></u> | <u><u>1,319,421</u></u> |
| | 7.90% | 7.15% | 5.07% | 5.11% | 6.54% | 6.17% |

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

Table 6

| <u>Fiscal Year</u> | <u>Taxes</u> | <u>Inter-Governmental</u> | <u>Licenses and Permits</u> | <u>Charges for Services</u> | <u>Fines and Forfeitures</u> | <u>Investment Income</u> | <u>Other</u> | <u>Total</u> |
|--------------------|---------------|---------------------------|-----------------------------|-----------------------------|------------------------------|--------------------------|--------------|---------------|
| 2005 | \$ 19,893,052 | \$ 7,263,468 | \$ 3,335,034 | \$ 1,598,230 | \$ 472,465 | \$ 553,135 | \$ 1,258,139 | \$ 34,373,523 |
| 2006 | 23,463,665 | 10,905,885 | 3,277,960 | 1,904,741 | 601,339 | 1,159,778 | 1,009,020 | 42,322,388 |
| 2007 | 27,632,296 | 11,586,872 | 3,229,778 | 2,194,596 | 577,148 | 1,580,978 | 274,884 | 47,076,552 |
| 2008 | 26,954,594 | 11,762,763 | 2,808,112 | 2,313,107 | 652,747 | 1,035,457 | 748,831 | 46,275,611 |
| 2009 | 26,285,054 | 13,273,593 | 1,892,862 | 2,078,224 | 2,275,882 | 292,180 | 454,002 | 46,551,797 |
| 2010 | 24,388,830 | 12,970,784 | 2,025,310 | 2,322,794 | 3,107,179 | 310,885 | 429,008 | 45,554,790 |
| 2011 | 21,883,477 | 11,764,642 | 2,374,902 | 2,814,652 | 2,096,677 | 195,382 | 604,118 | 41,733,850 |
| 2012 | 22,281,045 | 11,738,610 | 2,522,665 | 2,891,647 | 2,459,276 | 174,152 | 326,221 | 42,393,616 |
| 2013 | 22,760,483 | 12,432,705 | 2,489,707 | 2,997,916 | 2,371,544 | 65,726 | 1,036,189 | 44,154,270 |
| 2014 | 22,965,994 | 13,161,980 | 3,184,386 | 3,076,390 | 2,652,615 | 89,941 | 551,837 | 45,683,143 |

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

Table 7

| <u>Fiscal Year</u> | <u>Tax Roll Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Less: Tax Exempt Real Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Taxable Value (1)</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|--------------------|----------------------|----------------------|--------------------------|---------------------------------------|-------------------------------------|------------------------------|---|---|
| 2005 | 2004 | \$ 5,378,718,735 | \$ 178,342,801 | \$ N/A | \$ 5,557,061,536 | 2.2270 | \$ N/A | \$ N/A |
| 2006 | 2005 | 6,780,880,599 | 187,347,215 | (351,806,315) | 6,616,421,499 | 2.2270 | 7,576,931,843 | 87.323% |
| 2007 | 2006 | 8,331,742,670 | 201,721,611 | (372,540,477) | 8,160,923,804 | 2.2270 | 9,597,268,019 | 85.034% |
| 2008 | 2007 | 9,774,193,983 | 227,245,274 | (391,557,538) | 9,609,881,719 | 1.7261 | 11,419,378,837 | 84.154% |
| 2009 | 2008 | 9,860,466,135 | 209,118,365 | (629,776,968) | 9,439,807,532 | 1.7261 | 10,972,855,584 | 86.029% |
| 2010 | 2009 | 8,433,846,719 | 221,526,640 | (591,538,406) | 8,063,834,953 | 1.7261 | 9,042,917,094 | 89.173% |
| 2011 | 2010 | 7,607,087,842 | 216,861,227 | (579,342,462) | 7,244,606,607 | 1.7261 | 8,039,916,683 | 90.108% |
| 2012 | 2011 | 7,599,224,177 | 212,774,157 | (521,364,015) | 7,290,634,319 | 1.7261 | 8,158,847,193 | 89.359% |
| 2013 | 2012 | 7,832,825,557 | 216,503,467 | (548,090,007) | 7,501,239,017 | 1.7261 | 8,489,607,871 | 88.358% |
| 2014 | 2013 | 8,109,509,199 | 211,480,897 | (534,557,698) | 7,786,432,398 | 1.7261 | 9,019,164,457 | 86.332% |

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 | Tax Roll Year | City of Aventura | | | School District | | | Overlapping Rates | | | |
|-------------|---------------|-------------------|----------------------|--------------------|-------------------|----------------------|----------------------|--------------------|---|--------------------------------------|---------------------|
| | | Operating Millage | Debt Service Millage | Total City Millage | Operating Millage | Debt Service Millage | Total School Millage | Everglades Project | South Florida Water Management District | Florida Inland Navigational District | Total State Millage |
| 2005 | 2004 | 2.2270 | - | 2.2270 | 8.0900 | 0.5970 | 8.6870 | 0.1000 | 0.5970 | 0.0385 | 0.7355 |
| 2006 | 2005 | 2.2270 | - | 2.2270 | 7.9470 | 0.4910 | 8.4380 | 0.1000 | 0.5970 | 0.0385 | 0.7355 |
| 2007 | 2006 | 2.2270 | - | 2.2270 | 7.6910 | 0.4140 | 8.1050 | 0.1000 | 0.5970 | 0.0385 | 0.7355 |
| 2008 | 2007 | 1.7261 | - | 1.7261 | 7.5700 | 0.3780 | 7.9480 | 0.0894 | 0.5346 | 0.0345 | 0.6585 |
| 2009 | 2008 | 1.7261 | - | 1.7261 | 7.5330 | 0.2640 | 7.7970 | 0.0894 | 0.5346 | 0.0345 | 0.6585 |
| 2010 | 2009 | 1.7261 | - | 1.7261 | 7.6980 | 0.2970 | 7.9950 | 0.0894 | 0.5346 | 0.0345 | 0.6585 |
| 2011 | 2010 | 1.7261 | - | 1.7261 | 7.8640 | 0.3850 | 8.2490 | 0.0894 | 0.5346 | 0.0345 | 0.6585 |
| 2012 | 2011 | 1.7261 | - | 1.7261 | 7.7650 | 0.2400 | 8.0050 | 0.0624 | 0.3739 | 0.0345 | 0.4708 |
| 2013 | 2012 | 1.7261 | - | 1.7261 | 7.7650 | 0.2330 | 7.9980 | 0.0613 | 0.3676 | 0.0345 | 0.4634 |
| 2014 | 2013 | 1.7261 | - | 1.7261 | 7.6440 | 0.3330 | 7.9770 | 0.0587 | 0.3523 | 0.0345 | 0.4455 |

Source: Miami-Dade County Appraiser's Office.

Table 8

| Overlapping Rates | | | | | | | | |
|-------------------|----------------------|----------------------|-------------------|-----------------|-----------|---------|------------------------------------|---------|
| Miami-Dade County | | | Special Districts | | | | Total Direct and Overlapping Rates | |
| Operating Millage | Debt Service Millage | Total County Millage | Children's Trust | Fire and Rescue | Fire Debt | Library | Total District's Millage | |
| 5.9350 | 0.2850 | 6.2200 | 0.4442 | 2.5920 | 0.0690 | 0.4860 | 3.5912 | 21.4607 |
| 5.8350 | 0.2850 | 6.1200 | 0.4288 | 2.6090 | 0.0520 | 0.4860 | 3.5758 | 21.0963 |
| 5.6150 | 0.2850 | 5.9000 | 0.4223 | 2.6090 | 0.0420 | 0.4860 | 3.5593 | 20.5268 |
| 4.5796 | 0.2850 | 4.8646 | 0.4223 | 2.2067 | 0.0420 | 0.3842 | 3.0552 | 18.2524 |
| 4.8379 | 0.2850 | 5.1229 | 0.4212 | 2.1851 | 0.0420 | 0.3822 | 3.0305 | 18.3350 |
| 4.8379 | 0.2850 | 5.1229 | 0.5000 | 2.1851 | 0.0420 | 0.3822 | 3.1093 | 18.6118 |
| 5.4275 | 0.4450 | 5.8725 | 0.5000 | 2.5753 | 0.0200 | 0.2840 | 3.3793 | 19.8854 |
| 4.8050 | 0.2850 | 5.0900 | 0.5000 | 2.4496 | 0.0131 | 0.1795 | 3.1422 | 18.4341 |
| 4.7035 | 0.2850 | 4.9885 | 0.5000 | 2.4496 | 0.0131 | 0.1725 | 3.1352 | 18.3112 |
| 4.7035 | 0.4220 | 5.1255 | 0.5000 | 2.4496 | 0.0127 | 0.1725 | 3.1348 | 18.4089 |

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

Table 9

| Taxpayer | Type of Use | Fiscal Year | | | | | |
|--|--------------------------------------|------------------------|------|---|------------------------|------|---|
| | | 2014 | | | 2005 | | |
| | | Taxable Assessed Value | Rank | Percentage Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage Total Taxable Assessed Value |
| Aventura Mall Ventures | Shopping Center | \$ 443,421,372 | 1 | 5.69% | \$ 294,300,000 | 1 | 5.30% |
| Miami Beach Health Care Group, LTD | Hospital & Health Care Facility | 141,888,772 | 2 | 1.82% | - | - | - |
| CC-Aventura, Inc. | Independent/Assisted Living Facility | 73,350,000 | 3 | 0.94% | - | - | - |
| Turnberry Isle Resort, LP | Golf Course, Hotel & Marina | 71,632,473 | 4 | 0.92% | 73,432,000 | 3 | 1.32% |
| Summit Properties Partnership, LP | Rental Apartment Complex | 48,500,000 | 5 | 0.62% | 49,032,000 | 4 | 0.88% |
| Florida Power & Light Co. | Electrical Utility Company | 47,927,516 | 6 | 0.62% | - | - | - |
| NNN Aventura Harbour Centre, LLC | Mixed Use Zones & Offices | 39,600,000 | 7 | 0.51% | - | - | - |
| Bruce Strohm and D. Neithercut TRS | Rental Apartment Complex | 38,950,000 | 8 | 0.50% | 31,000,000 | 7 | 0.56% |
| OTP Capital LLC | Office Building | 36,740,000 | 9 | 0.47% | - | - | - |
| Promventure Limited Partnership | Shopping Center | 36,274,978 | 10 | 0.47% | - | - | - |
| The Bay Club of Aventura | Rental Apartment Complex | - | - | - | 73,815,000 | 2 | 1.33% |
| Miami Beach Healthcare Group, Ltd. | Hospital/Medical Center | - | - | - | 46,479,000 | 5 | 0.84% |
| D. Soffer and B. Redich TRS | Commercial Developer | - | - | - | 37,676,000 | 6 | 0.68% |
| Champion Retail, LTD. & D. Soffer & B. Redich Trust | Developer | - | - | - | 29,997,000 | 8 | 0.54% |
| Aventi # Aventura, LLC | Condo Developer | - | - | - | 25,848,000 | 9 | 0.47% |
| Admiral's Port Assoc. | Rental Apartment Complex | - | - | - | 25,000,000 | 10 | 0.45% |
| Totals | | \$ 978,285,111 | | 12.56% | \$ 686,579,000 | | 12.37% |

Source: Miami-Dade County - Office of the Property Appraiser.

CITY OF AVENTURA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(\$ in 000'S)

Table 10

| <u>Fiscal Year</u> | <u>Tax Roll Year</u> | <u>Property Tax Levy</u> | <u>(1) Property Tax Discount</u> | <u>Net Tax Levy</u> | <u>Current Tax Collection</u> | <u>Percentage of Current Tax Collections to Net Tax Levy</u> | <u>(2) Delinquent Tax Collection</u> | <u>Total Tax Collection</u> | <u>Percentage of Total Tax Collection to Property Tax Levy</u> |
|--------------------|----------------------|--------------------------|--------------------------------------|---------------------|-------------------------------|--|--|-----------------------------|--|
| 2005 | 2004 | \$ 12,375,576 | \$ 495,023 | \$ 11,880,553 | \$ 11,804,181 | 99.36% | \$ 38,508 | \$ 11,842,689 | 95.69% |
| 2006 | 2005 | 14,734,771 | 589,391 | 14,145,380 | 14,023,963 | 99.14% | 65,425 | 14,089,388 | 95.62% |
| 2007 | 2006 | 18,174,377 | 726,975 | 17,447,402 | 16,997,222 | 97.42% | 130,691 | 17,127,913 | 94.24% |
| 2008 | 2007 | 16,587,617 | 663,505 | 15,924,112 | 15,719,769 | 98.72% | 222,251 | 15,942,020 | 96.11% |
| 2009 | 2008 | 16,294,052 | 651,762 | 15,642,290 | 15,062,722 | 96.29% | 126,283 | 15,189,005 | 93.22% |
| 2010 | 2009 | 13,918,986 | 556,759 | 13,362,227 | 12,585,864 | 94.19% | 667,984 | 13,253,848 | 95.22% |
| 2011 | 2010 | 12,504,915 | 500,197 | 12,004,718 | 11,460,434 | 95.47% | 273,798 | 11,734,232 | 93.84% |
| 2012 | 2011 | 12,584,364 | 503,375 | 12,080,989 | 11,612,015 | 96.12% | 112,174 | 11,724,189 | 93.16% |
| 2013 | 2012 | 12,947,889 | 517,916 | 12,429,973 | 11,857,991 | 95.40% | 222,233 | 12,080,224 | 93.30% |
| 2014 | 2013 | 13,440,161 | 537,606 | 12,902,555 | 12,669,112 | 98.19% | 122,332 | 12,791,444 | 95.17% |

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

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

(2) Includes corrections and penalties.

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

Table 11

| Fiscal Year | 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 | | | | |
| 2005 | \$ - | \$ 36,225,000 | \$ - | \$ - | \$ 36,225,000 | 3.85% | \$ 1,271.05 | |
| 2006 | - | 35,260,000 | - | - | 35,260,000 | 3.33% | 1,197.24 | |
| 2007 | - | 34,255,000 | - | - | 34,255,000 | 3.07% | 1,127.44 | |
| 2008 | - | 33,220,000 | - | - | 33,220,000 | 2.88% | 1,070.09 | |
| 2009 | - | 32,140,000 | - | - | 32,140,000 | 2.90% | 1,032.58 | |
| 2010 | - | 30,815,000 | - | - | 30,815,000 | 2.70% | 988.26 | |
| 2011 | - | 30,045,000 | - | - | 30,045,000 | 2.21% | 841.05 | |
| 2012 | - | 28,805,000 | - | - | 28,805,000 | 1.99% | 773.52 | |
| 2013 | - | 27,215,000 | - | - | 27,215,000 | * | 721.40 | |
| 2014 | - | 25,540,000 | - | - | 25,540,000 | * | 685.42 | |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

* Information not available.

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

Table 12

| Fiscal Year | 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) |
|----------------|-------------------------|--|-----------------------|---|---|---|
| 2005 | \$ 36,225,000 | \$ 42,000 | \$ 36,183,000 | \$ 5,557,061,536 | 0.65% | \$ 1,269.58 |
| 2006 | 35,260,000 | 24,278 | 35,235,722 | 6,616,421,499 | 0.53% | 1,196.42 |
| 2007 | 34,255,000 | 133,053 | 34,121,947 | 8,160,923,804 | 0.42% | 1,123.06 |
| 2008 | 33,220,000 | 136,790 | 33,083,210 | 9,609,881,719 | 0.34% | 1,065.69 |
| 2009 | 32,140,000 | 137,175 | 32,002,825 | 9,439,807,532 | 0.34% | 1,028.17 |
| 2010 | 30,815,000 | 280,321 | 30,534,679 | 8,063,834,953 | 0.38% | 979.27 |
| 2011 | 30,045,000 | 231,562 | 29,813,438 | 7,244,606,607 | 0.41% | 834.57 |
| 2012 | 28,805,000 | 274,594 | 28,530,406 | 7,290,634,319 | 0.39% | 766.14 |
| 2013 | 27,215,000 | 311,384 | 26,903,616 | 7,501,239,017 | 0.36% | 713.15 |
| 2014 | 25,540,000 | 337,770 | 25,202,230 | 7,786,432,398 | 0.32% | 676.35 |

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

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

CITY OF AVENTURA, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
 September 30, 2014

Table 13

| Jurisdiction | Debt Outstanding | Estimated Percentage Applicable to City of Aventura (1) | Estimated Share of Overlapping Debt |
|--|-------------------------|--|--|
| Overlapping debt: | | | |
| Miami-Dade Board of County Commissioners (2) | \$ 3,887,694,000 | 3.967% | \$ 154,224,821 |
| Miami-Dade County School Board (2) | <u>3,320,711,000</u> | 3.967% | <u>131,732,605</u> |
| Subtotal overlapping debt | <u>7,208,405,000</u> | | <u>285,957,426</u> |
| Direct debt: | | | |
| City of Aventura | <u>25,540,000</u> | 100.000% | <u>25,540,000</u> |
| Subtotal direct debt | <u>25,540,000</u> | | <u>25,540,000</u> |
| Total direct and overlapping debt | <u>\$ 7,233,945,000</u> | | <u>\$ 311,497,426</u> |

Notes: (1) The percentage of the overlap is calculated as follows:

$$\frac{\text{Overlapping portion of the government's revenue base (City of Aventura)}}{\text{Total revenue base of the overlapping government (Miami-Dade County)}}$$

Assessed value of taxable property is the base used in the above calculation.

(2) Source: Miami-Dade County & Miami-Dade County Public Schools, Finance Department.

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

Table 14

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Debt limit | \$ 555,706,154 | \$ 661,642,150 | \$ 816,092,380 | \$ 960,988,172 | \$ 943,980,753 | \$ 806,383,495 | \$ 724,460,661 | \$ 729,063,432 | \$ 750,123,902 | \$ 778,643,240 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 555,706,154</u> | <u>\$ 661,642,150</u> | <u>\$ 816,092,380</u> | <u>\$ 960,988,172</u> | <u>\$ 943,980,753</u> | <u>\$ 806,383,495</u> | <u>\$ 724,460,661</u> | <u>\$ 729,063,432</u> | <u>\$ 750,123,902</u> | <u>\$ 778,643,240</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Legal Debt Margin Calculation for Fiscal Year 2014

| | |
|--|-----------------------|
| Assessed valuation of taxable real and personal property | \$ 7,786,432,398 |
| Bonded debt limit - 10% above (1) | \$ 778,643,240 |
| Amount of debt applicable to debt limit: | |
| Total bonded debt | \$ 25,540,000 |
| Less: debt to be repaid from specified revenue sources: | |
| Covenant to budget and appropriate | <u>(25,540,000)</u> |
| Total net debt applicable to limit | <u>-</u> |
| Legal Debt Margin (1) | <u>\$ 778,643,240</u> |

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

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

Table 15

| Fiscal Year | Population (1) | Personal Income (Amounts Expressed in Thousands) | Per Capita Personal Income (2) | Unemployment Rate (3) |
|----------------|-------------------|--|---|-----------------------------|
| 2005 | 28,500 | \$ 940,700 | \$ 33,007 | 3.7% |
| 2006 | 29,451 | 1,057,379 | 35,903 | 3.4% |
| 2007 | 30,383 | 1,115,481 | 36,714 | 3.5% |
| 2008 | 31,044 | 1,151,484 | 37,092 | 4.3% |
| 2009 | 31,126 | 1,107,556 | 35,583 | 8.5% |
| 2010 | 31,181 | 1,142,908 | 36,654 | 9.3% |
| 2011 | 35,723 | 1,362,047 | 38,128 | 8.8% |
| 2012 | 37,239 | 1,447,108 | 38,860 | 6.9% |
| 2013 | 37,725 | * | * | 6.3% |
| 2014 | 37,262 | * | * | 5.0% |

Data sources:

- (1) Years are as of April 1 of each year per the University of Florida Bureau of Economics & Business Research.
 - (2) Represents income per capita for Miami-Dade County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
 - (3) Florida Department of Labor, Bureau of Labor Market Information.
- * Information not available.

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

Table 16

| Occupational Groups | Fiscal Year | | | | | |
|---|------------------|------|--------------------------------|------------|------|--------------------------------|
| | 2014 | | | 2005 | | |
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Office and administrative support | 202,270 | 1 | 19.75% | N/A | N/A | N/A |
| Sales and related | 142,730 | 2 | 13.95% | N/A | N/A | N/A |
| Food preparation and serving related | 98,620 | 3 | 9.64% | N/A | N/A | N/A |
| Transportation and material moving | 72,510 | 4 | 7.09% | N/A | N/A | N/A |
| Healthcare practitioners and technical | 63,810 | 5 | 6.24% | N/A | N/A | N/A |
| Business and financial operations | 56,090 | 6 | 5.48% | N/A | N/A | N/A |
| Education, training and library | 50,480 | 7 | 4.93% | N/A | N/A | N/A |
| Protective service | 41,500 | 8 | 4.06% | N/A | N/A | N/A |
| Production | 37,420 | 9 | 3.66% | N/A | N/A | N/A |
| Installation, maintenance and repair | 37,250 | 10 | 3.64% | N/A | N/A | N/A |
| Building and grounds cleaning and maintenance | 35,070 | 11 | 3.43% | N/A | N/A | N/A |
| Management | 34,320 | 12 | 3.35% | N/A | N/A | N/A |
| Personal care and service | 30,190 | 13 | 2.95% | N/A | N/A | N/A |
| Healthcare support | 25,620 | 14 | 2.50% | N/A | N/A | N/A |
| Construction and extraction | 22,510 | 15 | 2.20% | N/A | N/A | N/A |
| Computer and mathematical | 16,600 | 16 | 1.62% | N/A | N/A | N/A |
| Legal | 14,640 | 17 | 1.43% | N/A | N/A | N/A |
| Arts, design, entertainment, sports and media | 13,750 | 18 | 1.34% | N/A | N/A | N/A |
| Community and social service | 11,660 | 19 | 1.14% | N/A | N/A | N/A |
| Architecture and engineering | 9,810 | 20 | 0.96% | N/A | N/A | N/A |
| Life, physical and social science | 3,950 | 21 | 0.39% | N/A | N/A | N/A |
| Farming, fishing and forestry | 2,560 | 22 | 0.25% | N/A | N/A | N/A |
| Total | 1,023,360 | | 100.00% | N/A | | N/A |

Source: Represents Metropolitan and Nonmetropolitan Area Occupational Employment for the entire Miami-Miami Beach-Kendall, Florida Metropolitan Division as provided by the U.S. Department of Labor, Bureau of Labor Statistics as of May 2013. Estimates do not include self-employed workers.

N/A: Information not available.

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

Table 17

| | Fiscal Year | | | | | | | | | |
|-----------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| FUNCTION: | | | | | | | | | | |
| General government | 25 | 26 | 23 | 23 | 19 | 20 | 19 | 19 | 18 | 22 |
| Public safety: | | | | | | | | | | |
| Sworn | 77 | 74 | 80 | 80 | 80 | 83 | 83 | 83 | 83 | 83 |
| Civilians | 33 | 37 | 34 | 35 | 37 | 37 | 37 | 38 | 38 | 37 |
| Community services | 16 | 17 | 15 | 16 | 16 | 16 | 15 | 14 | 14 | 14 |
| Community development | 11 | 10 | 10 | 9 | 9 | 8 | 8 | 8 | 8 | 8 |
| Total | 162 | 164 | 162 | 163 | 161 | 164 | 162 | 162 | 161 | 164 |

Source: Various City departments.

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

Table 18

| | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| FUNCTION: | | | | | | | | | | |
| Public safety: | | | | | | | | | | |
| Part 1 Crimes reported* | 1,646 | 1,797 | 2,045 | 2,363 | 2,302 | 2,193 | 2,400 | 2,298 | 2,353 | 2,210 |
| Arrests | 2,090 | 1,733 | 1,966 | 2,215 | 2,387 | 2,203 | 2,137 | 2,258 | 2,015 | 1,937 |
| Traffic citations and warnings | 13,942 | 14,431 | 16,848 | 16,987 | 20,026 | 20,814 | 19,114 | 18,707 | 16,940 | 18,690 |
| Parking citations issued | 2,328 | 4,816 | 4,750 | 4,049 | 3,639 | 3,375 | 2,886 | 2,120 | 1,847 | 1,498 |
| Calls for service | 26,891 | 33,905 | 34,987 | 33,281 | 32,616 | 31,169 | 30,470 | 29,276 | 29,123 | 28,682 |
| Accidents | 1,939 | 1,816 | 2,222 | 2,087 | 1,961 | 1,878 | 1,437 | 1,102 | 2,046 | 2,134 |
| Community development: | | | | | | | | | | |
| Building permits issued | 3,528 | 5,242 | 6,161 | 4,112 | 3,377 | 4,130 | 4,465 | 4,615 | 5,141 | 5,244 |
| Building inspections conducted | 9,112 | 10,292 | 13,891 | 9,365 | 6,015 | 6,963 | 7,903 | 7,963 | 8,954 | 10,438 |
| Code notice of violations issued | 152 | 170 | 199 | 118 | 122 | 134 | 153 | 135 | 187 | 139 |
| City business tax receipts issued | 3,035 | 2,966 | 2,978 | 2,875 | 2,817 | 2,884 | 2,776 | 2,580 | 2,712 | 2,383 |
| Community services: | | | | | | | | | | |
| Recreation center memberships | N/A | N/A | N/A | 1,149 | 1,112 | 1,238 | 1,242 | 1,101 | 1,088 | 1,125 |
| Special event attendance | 34,728 | 36,365 | 38,714 | 22,242 | 23,068 | 24,017 | 24,849 | 24,957 | 27,188 | 31,715 |
| Shuttle bus ridership | 118,629 | 146,506 | 166,255 | 189,996 | 209,257 | 241,273 | 260,325 | 271,645 | 284,876 | 279,943 |
| Charter school enrollment | 700 | 800 | 800 | 900 | 900 | 932 | 972 | 984 | 996 | 1,008 |

Source: Various City departments.

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

N/A: Information not available.

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

Table 19

| | Fiscal Year | | | | | | | | | |
|------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| FUNCTION: | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire stations (1) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parks and recreation: | | | | | | | | | | |
| Parks | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Park acreage | 23.50 | 23.50 | 30.50 | 30.50 | 30.50 | 30.50 | 30.50 | 30.50 | 30.50 | 30.50 |
| Baseball/softball diamonds | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Soccer/football fields | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Tennis courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Community recreation centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Libraries (1) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works: | | | | | | | | | | |
| Street lights | N/A | 639 | 654 | 712 | 712 | 712 | 712 | 712 | 742 | 800 |
| Miles of roads | 13.00 | 13.00 | 13.25 | 13.80 | 13.80 | 13.80 | 13.80 | 13.80 | 13.80 | 13.80 |
| Charter schools (K-8) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transit routes/minibuses (2) | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

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

N/A: Information not available.

COMPLIANCE SECTION

INDEPENDENT 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
Members of the City Commission and City Manager
City of Aventura, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Aventura, Florida (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 19, 2015. Our report includes a reference to other auditors who audited the financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 19, 2015

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the financial statements of the City of Aventura, Florida (the "City"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated February 19, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 19, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the City’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City, for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

KEEFE MCCULLOUGH

Ft. Lauderdale, Florida
February 19, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES

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

We have examined the City of Aventura, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 19, 2015



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