

**CITY OF AVENTURA POLICE OFFICERS' RETIREMENT
PLAN
FINANCIAL STATEMENTS
SEPTEMBER 30, 2013, AND 2012**

CITY OF AVENTURA POLICE OFFICERS' RETIREMENT PLAN

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013, AND 2012

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
FINANCIAL STATEMENTS	
• Statements of plan net assets	7
• Statements of changes in plan net assets	8
NOTES TO FINANCIAL STATEMENTS	9-13
SUPPLEMENTAL INFORMATION	
• Schedules of administrative expenses	14
• Schedule of contributions from employer and other contributors	15
• Schedule of funding progress	16
COMPLIANCE REPORT	
• Report of Independent Certified Public Accountant on Internal Control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards	17-18

S I Gordon & Company, PA

Certified Public Accountant

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of Aventura Police Officers' Retirement Plan
Aventura, Florida

We have audited the accompanying statements of plan net assets of **City of Aventura Police Officer's Retirement Plan** ("Plan") as of September 30, 2013 and 2012, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Fund's trustees. Our responsibility is to express an opinion on these financial statements based on our audits.

Management's Responsibility for the Financial Statements

Plan 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 an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the **City of Aventura Police Officer's Retirement Plan** as of September 30, 2013 and the changes in its financial status for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Additionally, supplemental schedules of funding progress and schedule of contributions from the employer and other contributors, which show historical pension information, are presented. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information in management's discussion and analysis or the supplemental schedules, the funding progress or the schedule of contributions from the employer and other contributors because the limited procedures we performed did not provide us with sufficient evidence to express an opinion or provide any assurance on them.



S I Gordon & Company, PA

November 18, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents the Management Discussion and Analysis (MD&A) of the City of Aventura Police Officers' Retirement Plan ("Plan") financial performance. This analysis provides an overview of the financial activities and funding conditions for fiscal years ended September 30, 2013 and 2012. Please read it in conjunction with the Plan financial statements, which follow immediately.

Financial highlights:

The Plan net results from operations for fiscal year 2013 reflected the following financial activities:

- Total plan net assets were \$24,635,276 which was 22% greater than 2012 total plan net assets.
- Total contributions were \$2,488,734 which was 2% greater than the 2012 contributions.
- Total interest and dividend earnings were \$495,354 which was 24% greater than the 2012 earnings.
- Net investment income was \$2,318,769 which was \$353,203 lower than the 2012 income.
- Total pension benefit payments were \$284,567 which was 40% greater than 2012.

Overview of the financial statements

The financial section of this annual report consists of four parts: MD&A, the basic financial statements, notes to the financial statements and other required supplemental information.

The financial statements provide both long-term and short-term information about the Plan's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplemental information that further explains and supports the information in the financial statements.

The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and (depreciation) appreciation of assets is recognized in the Statement of Changes in Plan Net Assets. All assets and liabilities associated with the operation of the Plan are included in the Statement of Net Assets.

The Statement of Plan Net Assets reports net plan assets and how they have changed. A net asset is the difference between the asset and any related liabilities. It is one measurement of the financial health or current position of the Plan.

The Plan was first established October 1, 2003 to provide retirement, disability and death benefits for the police officers of the City, as defined in Article II, Section 36-21 of the City of Aventura code, which is amended from time to time. The City of Aventura is the Plan Sponsor of this system. There is a board of trustees in whom the general administration, management and responsibility for the proper operation of the Plan is vested.

Financial highlights

Employer, employee and state contributions for the year were \$2,488,734 combined, which was 2% greater than the 2012 contributions. For the fiscal year ended September 30, 2013, employer and employee contributions were 21.40% and 6.775% of compensation, respectively.

Statement of Plan Net Assets

The following condensed comparative Statements of Plan Net Assets are a snap shot of account balances at the fiscal year end of the Plan. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net asset value, or assets minus liabilities, represents the value of assets held in trust for pension benefits.

The Plan continues to be actuarially sound as determined by the actuary of the Plan. It is important to remember that retirement system funding is based on a long-term perspective and that temporary ups and downs in the market are to be expected.

- Net Plan Assets at September 30, 2013 were \$24,635,276 , a 22% increase from Net Plan Assets at September 30, 2012.
- Total investments at fair value at September 30, 2013 were \$24,656,280 a 23% increase from the same assets at September 30, 2012.

	2013	2012	% Change
Investments, at fair value	\$24,656,280	\$ 19,994,115	23%
Receivables	118,615	203,935	(42)
Total assets	24,774,895	20,198,050	23
Total liabilities	139,619	1,925	7,153
Plan Net Assets	24,635,276	20,196,125	22

Statement of Changes in Plan Net Assets

The Statement of Changes in Plan Net Assets presents the effect of pension fund transactions that occurred during the fiscal year. On the statement, additions to the plan minus deductions from the plan equal net increase or decrease in Plan Net Assets.

The funding objective is to meet long-term obligations and fund all pension benefits.

- Revenues (additions to the plan net assets) for the Plan were \$4,807,591 , which was made up of employer, employee, and state contributions of \$2,488,734 plus net investment income of \$2,318,769 plus other income of \$88.
- Expenses (deductions from the plan net assets) increased from \$238,414 during 2012 to \$368,440 in 2013.

	2013	2012	% Change
Total contributions	\$ 2,488,734	\$ 2,443,191	2%
Net investment income	2,318,769	2,671,972	(13)
Other income	88	-	100
Total additions	4,807,591	5,115,163	(6)
Total deductions	368,440	238,414	55
Net increase	4,439,151	4,876,749	(9)
Net assets – beginning	20,196,125	15,319,376	32
Net assets – ending	24,635,276	20,196,125	22

Asset allocation

The table below indicates the Plan investment policy target and actual asset allocations as of September 30, 2013:

Type of Investment	Investment policy	Actual allocation
Fixed income	27.5% to 32.5%	26.77%
Domestic Equities	46.25% to 63.75%	49.50%
Foreign Equities	7.5% to 25%	13.10%
Private Real Estate Fund	0%-10%	4.35%
Cash Equivalents	0% to 100%	6.28%

The investment guidelines provide for the appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control risk of loss resulting from over-concentration of a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

The Board recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing the risk tolerances, the Plan's ability to withstand short and intermediate term variability has been considered. However, the Plan's financial condition enables the Board to adopt a long-term investment perspective.

Investment activities

Investment income is vital to the Plan for current and future financial stability. Therefore, the Trustees have a fiduciary responsibility to act prudently when making plan investment decisions. To assist the Board of Trustees in this area, the Board retains investment managers who supervise and direct the investment of the assets. The Board also retains an investment monitor to evaluate and report on quarterly basis compliance by the investment managers with the investment policy of the Board and investment performance of the Fund. The investment policy statement was last amended on October 31, 2012.

The Board and its investment consultant review portfolio performance in compliance with the investment policy statement quarterly. Performance is evaluated both individually by money manager style and collectively by investment type and for the aggregate portfolio.

Financial analysis summary

The investment activities, for the fiscal year ended September 30, 2013 are a function of the underlying market, money managers' performance and the investment policy's asset allocation model. The Plan has consistently implemented a high quality, conservative approach.

Contacting the Plan's financial management

This financial analysis is designed to provide the Board of Trustees, plan participants and the marketplace credit analysts with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or you need additional financial information, please contact the administrator of the City of Aventura Police Officers' Retirement Plan, Benefits USA, 3810 Inverrary Boulevard, Suite 302, Lauderhill, FL 33319.

CITY OF AVENTURA POLICE OFFICERS' RETIREMENT PLAN
STATEMENTS OF PLAN NET ASSETS
SEPTEMBER 30, 2013 AND 2012

ASSETS

	2013	2012
Investments, at fair value (Notes 2 & 3)	\$ 24,656,280	\$ 19,994,115
Receivables:		
Employer contributions	35,091	106,694
Employees contributions	-	18,906
Other receivables	-	3,864
Due for securities sold	8,315	21,572
Accrued investment income	75,209	52,899
Total receivables	<u>118,615</u>	<u>203,935</u>
Total assets	<u>\$ 24,774,895</u>	<u>\$ 20,198,050</u>

LIABILITIES

Accounts payable	\$ 4,366	\$ 1,925
Due for securities purchased	135,253	-
Total liabilities	<u>\$ 139,619</u>	<u>\$ 1,925</u>

PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

Plan net assets held in trust for pension benefits	\$ 24,635,276	\$ 20,196,125
---	---------------	---------------

READ THE NOTES TO THE FINANCIAL STATEMENTS

CITY OF AVENTURA POLICE OFFICERS' RETIREMENT PLAN
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Additions:		
Contributions -		
Employer	\$ 1,671,831	\$ 1,655,005
Employees	529,177	519,494
Florida Chapter 185 monies	287,726	268,692
Total contributions	<u>2,488,734</u>	<u>2,443,191</u>
Investment income -		
Net appreciation in fair value of investments	2,019,589	2,440,457
Interest and dividend income	495,354	399,374
Total investment income	<u>2,514,943</u>	<u>2,839,831</u>
Less: investment expenses	196,174	167,859
Net investment income	<u>2,318,769</u>	<u>2,671,972</u>
Other income	88	-
Total additions	<u>4,807,591</u>	<u>5,115,163</u>
Deductions:		
Benefits paid	284,567	203,805
Refund of contributions	21,504	-
Administrative expenses <i>(See Schedule)</i>	62,369	34,609
Total deductions	<u>368,440</u>	<u>238,414</u>
Increase in plan net assets	4,439,151	4,876,749
Plan net assets held in trust for pension benefits:		
Beginning of year	20,196,125	15,319,376
End of year	<u>\$ 24,635,276</u>	<u>\$ 20,196,125</u>

READ THE NOTES TO THE FINANCIAL STATEMENTS

**CITY OF AVENTURA POLICE OFFICERS’
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
SEPTEMBER 30, 2013 AND 2012**

(1) DESCRIPTION OF THE PLAN:

The following description of the City of Aventura Police Officer’s Retirement Plan (“Plan”) provides only general information. Participants should refer to the City’s ordinance for more complete information.

. General –

The Plan is a single-employer defined benefit retirement plan covering all eligible police officers. The Plan was established by the City in accordance with a City ordinance and state statutes.

. Eligibility -

The Plan is open solely to active police officers of the City of Aventura.

. Benefits –

Normal retirement – A participant is eligible for normal retirement upon the earlier of age 55 with 10 years of credited service or completion of 25 years of credited service, regardless of age. For the first 40 years of service, the monthly benefit received will be 3% of final monthly compensation multiplied by the number of years of service, to a maximum of 80%. Years credited beyond 40 will be taken into account at 2% of final compensation per year.

Early retirement – An early retirement benefit may be received upon 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% per year for each year by which the retirement date precedes the normal retirement date. On a deferred basis, the benefit amount will be the same as the normal retirement benefit except that the final compensation and credited service will be based upon the early retirement date.

Disability retirement – Members who become disabled due to service-incurred injuries, which arise out of performance of service with the City, will receive a monthly benefit amount equal to the member’s accrued benefit but not less than 42% of the member’s final monthly compensation as of the date of disability, offset by any other payments, such as worker’s compensation. Members who become disabled due to non-service-incurred injuries, which do not arise out of performance of service with the City, and who have completed at least ten years of service, will receive a monthly benefit amount equal to 3% of final monthly compensation for each year of credited service, but not less than 30%.

CITY OF AVENTURA POLICE OFFICERS'
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
SEPTEMBER 30, 2013 AND 2012

(1) DESCRIPTION OF THE PLAN (CONTINUED):

. Funding -

Plan members are required to contribute 6.775% of their annual covered salary and the City is required to contribute 20.955% of covered payroll. Consistent with the requirements of Sections 112.66 and 185.07 of the Florida Statutes, the City is required to contribute an amount necessary to maintain the Plan on an actuarially sound basis. Contribution requirements of the Plan members and the City are established and may be changed by an amendment of the City ordinance. The costs of administering the Plan are paid out of contributions to the Plan.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

. Accounting estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

. Investment valuation and income recognition -

Investments are reported at fair value (*see Note 3*). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

. Accounting principles -

The Plan applies all GASB pronouncements as well as FASB pronouncements issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

. Income taxes -

The Plan is exempt from federal income taxes under the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made. The Plan received its most recent tax determination letter ruling on February 7, 2013.

CITY OF AVENTURA POLICE OFFICERS'

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED

SEPTEMBER 30, 2013 AND 2012

(3) INVESTMENTS:

The Plan's investments were being held by First State. Investments at September 30, 2013 and 2012 consisted of the following at fair value as determined by quoted market price:

	<u>2013</u>	<u>2012</u>
Common stocks	\$15,469,632	\$12,656,232
Options and futures	(35,077)	-
Real estate	1,073,317	-
Government securities	3,758,394	3,079,672
Corporate bonds	2,842,839	3,090,033
Cash and cash equivalents	<u>1,547,175</u>	<u>1,168,178</u>
Total	<u>\$24,656,280</u>	<u>\$19,994,115</u>

During the year ended September 30, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$2,019,589 (reported as Net appreciation in fair value of investments in the Statement of Changes in Plan Net Assets) as follows:

Government securities	\$337,752
Options and futures	(17,338)
Corporate bonds	(497,906)
Real estate	40,079
Common stocks	<u>2,157,002</u>
Total	<u>\$ 2,019,589</u>

The term "interest rate risk" refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments, as well as investments in mutual funds, external investment pools and other pooled investments that do not meet the definition of a 2a7-like pool.

The Plan's investment policy does not currently set a parameter on the duration of its fixed income securities. However, the information as to the weighted average maturity of its fixed income portfolio is as follows:

CITY OF AVENTURA POLICE OFFICERS'

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED

SEPTEMBER 30, 2013 AND 2012

(3) INVESTMENTS (CONTINUED):

<u>Investment type</u>	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>More than 10 years</u>
Corporate bonds	\$2,842,839	\$ 395,505	\$1,761,129	\$ 686,205	\$ -
US treasuries	2,904,123	676,550	1,105,303	1,122,270	-
US agencies	<u>854,271</u>	<u>-</u>	<u>854,271</u>	<u>-</u>	<u>-</u>
Totals	<u>\$6,601,233</u>	<u>\$1,072,055</u>	<u>\$3,720,703</u>	<u>\$1,808,475</u>	<u>\$ -</u>

The term "credit risk" is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Pursuant to City Ordinance 36-25(c)(4), the 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. The Fund's corporate bonds and commercial paper were rated by Moody's Investors Services as follows:

<u>Rating</u>	<u>Fair Value</u>
A1	\$ 824,245
A2	1,250,645
A3	355,864
Aa3	412,085
Unrated government securities	<u>3,758,394</u>
Total	<u>\$6,601,233</u>

The Fund limits investments with any one issuer to no more than 5% of Plan Net Assets, other than those issued by the US Government or its Agencies. More than 5% of the Fund's plan net assets are invested in debt securities issued by the United States Treasury. The United States Treasury investments represented 11.79% of Plan Net Assets.

"Foreign currency risk" is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. American Depository Receipts (ADRs) are non-U.S. equity that are issued in U.S. dollars and have no foreign currency risk, and therefore are not included. The total of the investments in foreign securities, all of which are ADR's, is \$3,229,985. The investment policy limits the foreign investments to no more than 25% of the Fund's investment balance. As of year-end, the foreign investments were 13.10% of total investments.

CITY OF AVENTURA POLICE OFFICERS'
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
SEPTEMBER 30, 2013 AND 2012

(4) ACTUARIAL VALUATION:

The most recent actuarial valuation was done as of October 1, 2012. At that date, the actuaries determined that the accrued actuarial liability for benefits was \$25,129,927, while the actuarial value of the assets available to pay benefits was \$19,610,921. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Additional information regarding major assumptions used by the actuaries and funding progress is included in the attached supplemental information.

(5) SUBSEQUENT EVENTS

Financial Accounting Standard Board (FASB) issued FASB ASC 855-10-50-1 which establishes general accounting standards and disclosure for subsequent events. In accordance with this standard we evaluated subsequent events through November 18, 2013, the date the financial statements were available to be issued

CITY OF AVENTURA POLICE OFFICERS' RETIREMENT PLAN
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Accounting	\$ 8,700	\$ 5,400
Actuarial fees	13,144	400
Administrative fees	14,400	14,400
Insurance	5,011	4,733
Legal fees	7,230	9,076
Miscellaneous	13,884	600
Total expenses	\$ 62,369	\$ 34,609

READ THE NOTES TO THE FINANCIAL STATEMENTS

CITY OF AVENTURA POLICE OFFICERS' RETIREMENT PLAN

SCHEDULE OF CONTRIBUTIONS

FROM EMPLOYER AND OTHER CONTRIBUTORS

AS OF OCTOBER 1, 2012

(UNAUDITED)

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$1,923,697	\$1,923,697	100.00%
2011	1,895,968	1,895,968	100.00
2010	1,530,134	1,605,048	104.90
2009	1,151,438	1,414,470	122.84
2008	1,169,142	1,187,996	101.61
2007	1,154,250	1,160,865	100.57
2006	1,126,269	1,126,269	100.00

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	October 1, 2012
Actuarial cost method – Funding	Entry age normal cost
Amortization method	Level dollar
Remaining amortization period	24 years
Asset valuation method	5 Year Smooth
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5%
Inflation rate	3%

CITY OF AVENTURA
POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS
AS OF OCTOBER 1, 2012
(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/01/12	\$19,610,921	\$25,129,927	\$5,519,006	78.0%	\$7,663,687	72.0%
10/01/09	10,375,587	16,273,418	5,897,831	63.8	6,418,797	91.9
10/01/07	6,935,097	10,825,108	3,890,011	64.1	5,576,592	69.8
10/01/04	2,393,593	5,118,997	2,725,404	46.8	4,085,348	66.7
10/01/03	1,389,389	4,080,982	2,691,593	34.1	4,050,591	66.4

S I Gordon & Company, PA

Certified Public Accountant

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
City of Aventura
Police Officers' Retirement Plan
Aventura, Florida

We have audited the financial statements of **City of Aventura Police Officers' Retirement Plan**, as of and for the year ended September 30, 2013, and have issued our report thereon dated November 18, 2013. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **City of Aventura Police Officers' Retirement Plan** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **City of Aventura Police Officers' Retirement Plan** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matter involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



S I Gordon & Company, PA
November 18, 2013