

THE CITY OF AVENTURA, FLORIDA



Comprehensive Annual
Financial Report
For The Fiscal Year Ended
September 30, 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF AVENTURA, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015



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 16, 2016

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, 2015. 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 Alborn Caballero & Fierman, LLP has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2015. 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 165 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 six (6) 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 including:

- ✓ Being the first School within the City's boundaries and being 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.
- ✓ Served 1,008 students in the 2014/15 school year (represented the 12th 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 eleven (11) years. The School will serve 1,020 students in the 2015/16 school year. 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 fifth 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. In November 2015, the AACC highlighted Founders Day Weekend (which celebrated the City's 20th Anniversary) with a Broadway Style production of Angel of Music.

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 2015, the Commission adopted the budget for the fiscal year beginning October 1, 2015. 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 20th 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 2015/16, the City will look to maintain the same service levels and programs that our residents and businesses enjoyed in the prior year. More information about the City's economy may be obtained in 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 2015:

- ✓ NE 185th Street/Biscayne Boulevard Median Channelizing Modification
- ✓ Design of NE 188th Street Park
- ✓ NE 30th Avenue Street Lighting Project Design (NE 203rd Street to NE 207th Street)
- ✓ Soffer Exercise Trail Asphalt Restoration
- ✓ NE 29th Avenue (North) Street Improvements

In addition, the following projects were in process at the end of fiscal year 2015:

- ✓ Biscayne Lake Gardens Road Resurfacing
- ✓ NE 207th Street Road Resurfacing
- ✓ Traffic Video Monitoring System
- ✓ ACES School Flashers
- ✓ Country Club Drive Sharrows & Signage Improvements

In fiscal year 2016, the City's budget provides funding for the following major capital outlay expenditures:

- Nearly \$ 1.68 million worth of Park Improvements that consists of developing the 1.5 acre parcel on NE 188th Street into a large oval play area, 2 playground areas and an adult exercise area that will connect to the promenade along the water.
- \$ 1.42 million to upgrade our 10 year old TVMS equipment to state-of-the-art technology and to expand service by adding two cameras in the southern portion of the City. The TVMS program utilizes cameras at key intersections to allow for the Police Department to monitor and respond to traffic conditions.

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:

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

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, 2015, the Commission provided a General Fund 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.

Minimum Level of Unassigned Fund Balance of the General Fund

At the beginning of each fiscal year, the total unassigned fund balance shall not be less than 10% of the annual General Fund revenue. In any fiscal year where the City's unassigned fund balance falls below the required 10% threshold, the City shall not budget any amounts of unassigned fund balance for the purpose of balancing the budget. In addition, the City Manager will make every effort to reestablish the minimum unassigned fund balance in a 24 – 36 month period beginning with the year from which the reserve funds fell below the 10% threshold. 10% of the FY 2015/16 annual General Fund revenue approximates \$ 3.6 million, while at September 30, 2014 unassigned fund balance approximated \$ 16.9 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

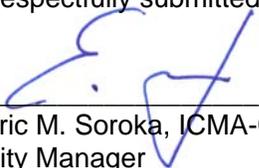
The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Aventura for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the nineteenth consecutive 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.

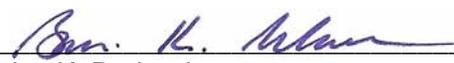
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2014. 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

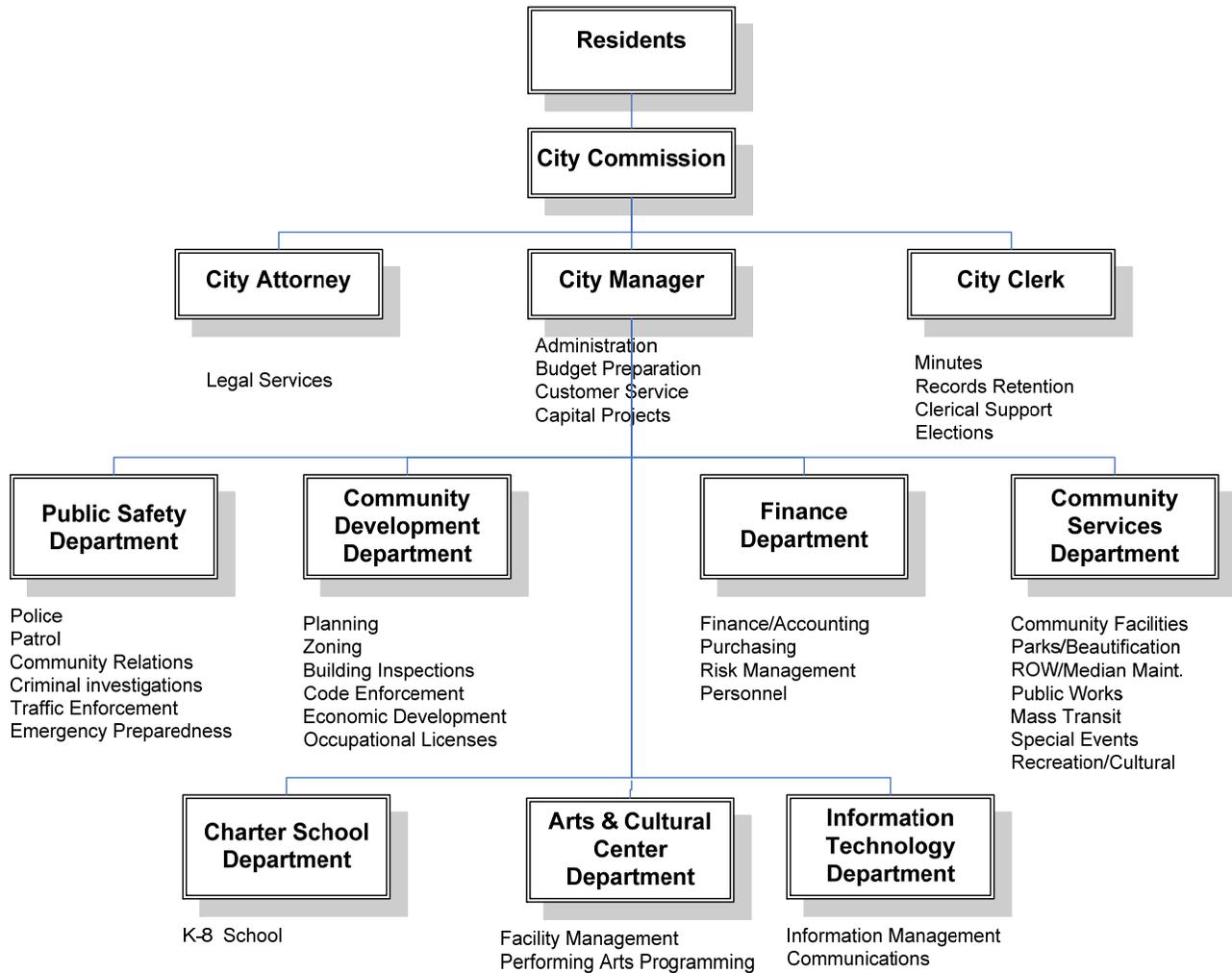

Brian K. Raducci
Finance Director

**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	Alberni Caballero & Fierman, LLP

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, 2014

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



Alberni Caballero & Fierman, LLP
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Suite 404
Coral Gables, Florida 33146
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
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 City of Aventura, Florida (the "City") as of and for the fiscal year ended September 30, 2015, 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.

Auditors' 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 represents 91%, 92% and 56% respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors' 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, 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, 2015, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as of October 1, 2014. As further discussed in Note 1, the opening net position has been restated due to the implementation of this new standard.

Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13 and the budgetary comparison schedules, schedule of changes in net pension liability and related ratios, schedule of contributions and schedule funding progress for other post employment benefits on pages 55 through 63, 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 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, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section and schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2016, 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.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
February 16, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

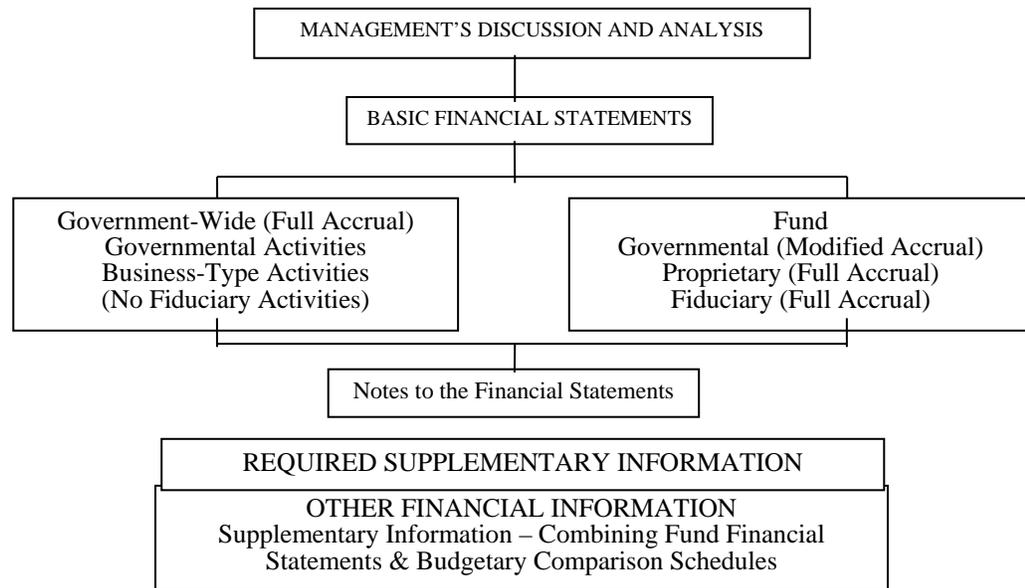
As management of the City of Aventura (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented herein in conjunction 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 and deferred inflows of resources at the close of the most recent fiscal year by \$ 120.2 million (net position). Of this amount, \$ 41.4 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 \$ 3.9 million over the course of this year's operations. Net position of our business-type activities increased by \$ 0.7 million and the net position of our governmental activities increased by \$ 3.2 million.
- At the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$ 46.7 million, an increase of \$ 3.8 million in comparison with the prior year. Approximately 36% of this amount (\$16.9 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 \$ 38.6 million, or approximately 123% 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, 2015

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, 2015

Basic Financial Statements (Continued)

Government-wide financial statements (Continued)

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
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Basic Financial Statements (Continued)

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, 2015

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2015 and 2014, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 50,955	\$ 47,286	\$ 2,656	\$ 2,086	\$ 53,611	\$ 49,372
Capital assets	92,524	94,769	6,775	6,532	99,299	101,301
Total assets	<u>143,479</u>	<u>142,055</u>	<u>9,431</u>	<u>8,618</u>	<u>152,910</u>	<u>150,673</u>
 Total deferred outflows of resources	 <u>2,263</u>	 <u>529</u>	 <u>-</u>	 <u>-</u>	 <u>2,263</u>	 <u>529</u>
Long-term liabilities	30,416	28,859	-	-	30,416	28,859
Other liabilities	4,077	3,991	107	29	4,184	4,020
Total liabilities	<u>34,493</u>	<u>32,850</u>	<u>107</u>	<u>29</u>	<u>34,600</u>	<u>32,879</u>
 Total deferred inflows of resources	 <u>361</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>361</u>	 <u>-</u>
 Net position:						
Net investment in capital assets	68,719	69,229	6,775	6,532	75,494	75,761
Restricted	3,272	3,779	-	-	3,272	3,779
Unrestricted	<u>38,897</u>	<u>36,726</u>	<u>2,549</u>	<u>2,057</u>	<u>41,446</u>	<u>38,783</u>
 Total net position	 <u>\$ 110,888</u>	 <u>\$ 109,734</u>	 <u>\$ 9,324</u>	 <u>\$ 8,589</u>	 <u>\$ 120,212</u>	 <u>\$ 118,323</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 \$ 120.2 million.

The largest component of the City's net position is net investment in capital assets and is 63% 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 34% 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 decreased approximately \$ 2.2 million and \$ 0.5 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 \$ 3.7 million and \$ 2.1 million, respectively. The increase in capital assets and net investment in capital assets is due to the City's ability to self-finance current year capital/infrastructure projects.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Government-Wide Financial Analysis (Continued)

Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating. In the current fiscal year, ad valorem taxes increased by approximately \$ 1.2 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. In addition, the City also received developer contributions in the amount of \$ 0.8 million and experienced a \$ 0.4 million increase in police service revenue as the demand for this service increased. Generally speaking, most other revenues and expenditures remained fairly consistent with the prior year.

The table below presents a summary of changes in net position for the years ended September 30, 2015 and 2014, as derived from the government-wide Statement of Activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 8,667	\$ 8,003	\$ 926	\$ 858	\$ 9,593	\$ 8,861
Operating grants and contributions	8,261	7,841	-	-	8,261	7,841
Capital grants and contributions	1,253	4,428	-	-	1,253	4,428
General revenues:						
Property taxes	13,978	12,791	-	-	13,978	12,791
Utility service taxes	7,872	7,934	-	-	7,872	7,934
Franchise fees	2,295	2,290	-	-	2,295	2,290
Intergovernmental revenues	5,968	5,767	496	-	6,464	5,767
Other revenues	560	1,703	7	4	567	1,707
Total revenues	<u>48,854</u>	<u>50,757</u>	<u>1,429</u>	<u>862</u>	<u>50,283</u>	<u>51,619</u>
Expenses:						
General government	5,472	5,341	-	-	5,472	5,341
Public safety	21,261	21,178	-	-	21,261	21,178
Community services	18,108	16,927	-	-	18,108	16,927
Interest and fiscal charges	812	905	-	-	812	905
Stormwater utility	-	-	694	806	694	806
Total expenses	<u>45,653</u>	<u>44,351</u>	<u>694</u>	<u>806</u>	<u>46,347</u>	<u>45,157</u>
Change in net position	3,201	6,406	735	56	3,936	6,462
Net position, beginning of year (as restated)	<u>107,687</u>	<u>103,328</u>	<u>8,589</u>	<u>8,533</u>	<u>116,276</u>	<u>111,861</u>
Net position, end of year	<u>\$ 110,888</u>	<u>\$ 109,734</u>	<u>\$ 9,324</u>	<u>\$ 8,589</u>	<u>\$ 120,212</u>	<u>\$ 118,323</u>

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Financial Analysis of the City of Aventura's Funds

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

Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 \$ 38.6 million while the total fund balance reached \$ 39.1 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 123% of total general fund expenditures. Approximately 43% of the General Fund total fund balance – \$ 16.9 million constitutes unassigned fund balance, which is available for spending at the government's discretion.

The fund balance of the City's General Fund increased by \$ 2.9 million during the current fiscal year as the overall revenues increased by \$ 2.1 million while the overall expenditures decreased by only \$ 1.2 million. In the current fiscal year, ad valorem taxes increased by approximately \$ 1.2 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. In addition, the City experienced a \$ 0.4 million increase in police service revenue as the demand for this service increased.

The Charter School Fund is used to record the operations of the Aventura City of Excellence School. The School's fund balance increased by nearly \$ 0.3 million as the School's enrollment increased by 12 students (from 996 to 1,008) in the 2014/15 school year. As a result, the School's intergovernmental revenues increased by approximately \$ 0.5 million along with an increase in funding from the State for education. During the 2014/15 school year, the aggregate of operating and capital expenditures remained relatively constant in comparison to the prior year.

The Street Maintenance Fund is used to record the operations of the street maintenance and construction costs, which are designated by State Statute. The activities in this fund vary from year to year based on the projects planned. The Debt Service Fund Series 2000 is used to record the principal retirements and related interest payments and did not have any significant changes from the prior year.

Proprietary Fund

The proprietary fund is used to record the operations of the stormwater-related activities and experienced a \$ 0.74 million increase in net position over the prior year. This was due in large part to a grant of nearly a \$ 0.5 million that the City received to fund a street drainage improvement project. In the current year operating revenues increased by approximately \$ 0.07 million while operating expenses decreased by \$ 0.1 million all while maintaining the same service level.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

General Fund Budgetary Highlights

During the year, the original budget was amended and revenues and expenditures were increased by approximately \$ 2.3 million primarily due to the following:

- \$ 0.79 million related to the automatic appropriation of capital-related encumbrances for projects that were in process at the end of fiscal year 2014.
- \$ 0.6 million related to appropriation of remaining capital-related funds from fiscal year 2014 for various projects which were incomplete or assigned at the end of that fiscal year.
- \$ 0.3 million related to the increase in building permit and planning review activity.
- \$ 0.3 million related to an increase in services provided by the police for off-duty services at private entities.
- \$ 0.3 million related to operational overages in various departments which were offset by additional revenues.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in a net increase to fund balance of nearly \$ 2.9 million. The positive variance in revenues primarily resulted from the City receiving higher utility taxes and building permit revenue as several hundred new residential units were added during the current fiscal year. The positive expenditure variance primarily related to capital outlay expenditures that were still in the planning phase at the end of the fiscal year. These projects need to be reappropriated into the current year.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2015 and 2014, the City had \$ 99.3 million and \$ 101.3 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 21,023	\$ 21,023	\$ -	\$ -	\$ 21,023	\$ 21,023
Buildings	34,962	36,453	-	-	34,962	36,453
Improvements other than buildings	8,839	7,774	-	-	8,839	7,774
Furniture, machinery and equipment	5,175	3,159	-	-	5,175	3,159
Infrastructure	21,313	22,751	6,348	6,532	27,661	29,283
Construction in progress	1,212	3,609	427	-	1,639	3,609
Total	\$ 92,524	\$ 94,769	\$ 6,775	\$ 6,532	\$ 99,299	\$ 101,301

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

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Debt Administration

As of year-end, the City had \$ 23.805 million in debt outstanding compared to the \$ 25.540 million last year, a 6.8% 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	
	2015	2014	2015	2014	2015	2014
	Non-Ad Valorem bonds	\$ 23,805	\$ 25,540	\$ -	\$ -	\$ 23,805

Economic Factors and Next Year's Budgets and Rates

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

The City experienced an 8.4% increase in property values over the prior year. The new value of \$ 9.095 Billion is still down from the pre-recession value of \$ 9.609 Billion, but continues to trend upward for our community. For the 20th year in the row the budget does not include a tax rate increase. In addition, General Fund reserve funds were not utilized to balance the budget and no additional debt was proposed.

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 new construction assessed values rose by \$ 10 million over the prior year. Recent development approvals 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 \$ 60.6 million or 1.9% more than the previous year. Capital Outlay expenditures are budgeted at \$ 7.5 million and increased by \$1.3 million or 20% compared to the prior year. Projects included range from drainage improvements to road resurfacing and the commitment to invest in state-of-the-art technology to serve and protect our residents. Maintaining our infrastructure from government buildings to our park facilities continues to be a major funding priority to protect these assets.

Operating costs increased by \$ 1.7 million as compared to the previous year. The budget maintains our current level for all City services except funding for the following areas:

- A part-time Park Attendant position was reclassified to full-time to meet the increased service needs of our parks and the new park on NE 188th Street.
- Building Inspection and Review costs were increased by \$ 0.27 million to response to the upswing in building activity.
- Funding has been provided to support the planned events for celebrating the 20th anniversary of the incorporation of the City.
- Shuttle bus costs increased by \$ 0.15 million to address possible route improvements during peak times.
- Off-duty police costs went up by \$ 0.25 million based on increased use of this service by Aventura Hospital and Medical Center and is offset by fees paid by the Hospital.
- Added a Public Records Specialist position to respond to the increased demand for public records attributed to 911 tapes and the expanded use of the in-car video system.

CITY OF AVENTURA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Economic Factors and Next Year's Budgets and Rates (Continued)

The model of privatizing many service areas of the City's operations over the years has served the City well and has allowed for a more cost effective service delivery system as compared to the traditional government structure. The total number of full-time employees contained in the proposed budget increased by 2 compared to the prior year for a total of 176.

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.

BASIC FINANCIAL STATEMENTS

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash, cash equivalents and investments	\$ 48,156,181	\$ 2,013,889	\$ 50,170,070
Receivables, net of allowance for uncollectibles	928,448	-	928,448
Due from other governments	911,861	642,685	1,554,546
Prepaid expenses	431,964	-	431,964
Inventories	26,267	-	26,267
Restricted cash, cash equivalents and investments	500,594	-	500,594
Capital assets:			
Nondepreciable	22,235,850	427,437	22,663,287
Depreciable, net of accumulated depreciation	70,288,265	6,347,928	76,636,193
Total assets	<u>143,479,430</u>	<u>9,431,939</u>	<u>152,911,369</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension contributions	1,773,092	-	1,773,092
Deferred charge on refunding	490,066	-	490,066
Total deferred outflows of resources	<u>2,263,158</u>	<u>-</u>	<u>2,263,158</u>
<u>LIABILITIES</u>			
Accounts payable	1,870,479	107,156	1,977,635
Accrued liabilities	1,437,152	-	1,437,152
Due to other governments	3,025	-	3,025
Unearned revenues	766,994	-	766,994
Due within one year:			
Compensated absences payable	1,109,853	-	1,109,853
Bonds payable	1,790,000	-	1,790,000
Due in more than one year:			
Compensated absences payable	2,061,155	-	2,061,155
Bonds payable	22,015,000	-	22,015,000
Net pension liability	3,063,824	-	3,063,824
OPEB obligation	376,000	-	376,000
Total liabilities	<u>34,493,482</u>	<u>107,156</u>	<u>34,600,638</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - intergovernmental	140,376	-	140,376
Pension expenses	220,857	-	220,857
Total deferred inflows of resources	<u>361,233</u>	<u>-</u>	<u>361,233</u>
<u>NET POSITION</u>			
Net investment in capital assets	68,719,115	6,775,365	75,494,480
Restricted for:			
Community services	1,770,123	-	1,770,123
Public safety	1,147,971	-	1,147,971
Debt service	353,377	-	353,377
Unrestricted	38,897,287	2,549,418	41,446,705
Total net position	<u>\$ 110,887,873</u>	<u>\$ 9,324,783</u>	<u>\$ 120,212,656</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Change in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental activities:							
General government	\$ 5,472,458	\$ -	\$ 12,671	\$ -	\$ (5,459,787)	\$ -	\$ (5,459,787)
Public safety	21,260,568	6,839,027	131,448	-	(14,290,093)	-	(14,290,093)
Community services	18,108,075	1,828,016	8,117,098	1,253,396	(6,909,565)	-	(6,909,565)
Interest and fiscal charges	811,973	-	-	-	(811,973)	-	(811,973)
Total governmental activities	45,653,074	8,667,043	8,261,217	1,253,396	(27,471,418)	-	(27,471,418)
Business-type activities:							
Stormwater utility	693,864	926,278	-	-	-	232,414	232,414
Total	\$ 46,346,938	\$ 9,593,321	\$ 8,261,217	\$ 1,253,396	\$ (27,471,418)	\$ 232,414	\$ (27,239,004)
General revenue:							
Ad valorem taxes					13,977,630	-	13,977,630
Utility service taxes					7,872,484	-	7,872,484
Franchise fees					2,294,667	-	2,294,667
Intergovernmental (unrestricted)					5,967,534	496,293	6,463,827
Investment income					182,464	7,335	189,799
Miscellaneous, including sale of general capital assets					377,908	-	377,908
Total general revenues					30,672,687	503,628	31,176,315
Change in net position					3,201,269	736,042	3,937,311
Net position, beginning (as restated, see Note 1)					107,686,604	8,588,741	116,275,345
Net position, ending					\$ 110,887,873	\$ 9,324,783	\$ 120,212,656

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Major Funds					Total Governmental Funds
	General Fund	Charter School Fund	Street Maintenance Fund	Debt Service Fund Series 2000	Nonmajor Governmental Funds	
ASSETS						
Cash and cash equivalents and investments	\$ 39,458,852	\$ 2,806,757	\$ 2,717,519	\$ 148,636	\$ 3,024,417	\$ 48,156,181
Restricted cash, cash equivalents and investments	-	-	-	500,533	61	500,594
Accounts receivable, net	874,189	3,471	-	-	50,788	928,448
Due from other governments	538,438	11,152	361,806	-	465	911,861
Inventories	26,267	-	-	-	-	26,267
Prepaid expenditures	422,498	9,466	-	-	-	431,964
Total assets	\$ 41,320,244	\$ 2,830,846	\$ 3,079,325	\$ 649,169	\$ 3,075,731	\$ 50,955,315
LIABILITIES						
Accounts payable	\$ 891,586	\$ 383,154	\$ 558,065	\$ -	\$ 37,674	\$ 1,870,479
Accrued liabilities	581,741	190,183	-	434,340	230,888	1,437,152
Due to other governments	-	3,025	-	-	-	3,025
Unearned revenues	766,994	-	-	-	-	766,994
Total liabilities	2,240,321	576,362	558,065	434,340	268,562	4,077,650
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental	-	-	100,000	-	40,376	140,376
Total deferred inflows of resources	-	-	100,000	-	40,376	140,376
FUND BALANCES						
Nonspendable:						
Inventories	26,267	-	-	-	-	26,267
Prepaid expenditures	422,498	9,466	-	-	-	431,964
Restricted for:						
Community services	-	-	1,770,123	-	-	1,770,123
Public safety	-	-	-	-	1,147,971	1,147,971
Debt service	-	-	-	214,829	138,548	353,377
Committed for:						
Capital reserves	16,405,561	-	-	-	-	16,405,561
Hurricane/emergency and disaster recovery operating reserves	5,000,000	-	-	-	-	5,000,000
Assigned for:						
Charter school operations	-	2,245,018	-	-	-	2,245,018
Community services	-	-	-	-	1,472,182	1,472,182
Subsequent year's budget	313,426	-	651,137	-	8,092	972,655
Unassigned:						
General Fund	16,912,171	-	-	-	-	16,912,171
Total fund balances	39,079,923	2,254,484	2,421,260	214,829	2,766,793	46,737,289
Total liabilities, deferred inflows of resources and fund balances	\$ 41,320,244	\$ 2,830,846	\$ 3,079,325	\$ 649,169	\$ 3,075,731	\$ 50,955,315

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of net position are different as a result of:

Total fund balances - governmental funds (Page 16)		\$ 46,737,289
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	141,995,949	
Less accumulated depreciation	<u>(49,471,834)</u>	92,524,115
Pension contributions		1,773,092
Deferred charge on refunding		490,066
Pension expenses		(220,857)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Notes payable	(23,805,000)	
OPEB liability	(376,000)	
Net pension liability	(3,063,824)	
Compensated absences	<u>(3,171,008)</u>	<u>(30,415,832)</u>
Net position of governmental activities (Page 15)		<u>\$ 110,887,873</u>

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Charter School Fund	Street Maintenance Fund	Debt Service Fund Series 2000	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Ad valorem taxes	\$ 13,977,630	\$ -	\$ -	\$ -	\$ -	\$ 13,977,630
Utility service taxes	7,872,484	-	-	-	-	7,872,484
Franchise fees	2,294,667	-	-	-	-	2,294,667
Intergovernmental	3,802,562	7,595,633	2,233,061	-	123,937	13,755,193
Licenses and permits	3,097,167	-	-	-	-	3,097,167
Charges for services	2,977,872	662,035	81,455	-	792,775	4,514,137
Fines and forfeitures	2,274,477	-	-	-	508,745	2,783,222
Investment income	130,838	10,833	9,589	25,336	5,868	182,464
Miscellaneous	132,937	203,592	-	-	-	336,529
Total revenues	<u>36,560,634</u>	<u>8,472,093</u>	<u>2,324,105</u>	<u>25,336</u>	<u>1,431,325</u>	<u>48,813,493</u>
EXPENDITURES:						
Current:						
General government	4,631,847	-	-	-	-	4,631,847
Public safety	20,030,756	-	-	-	120,550	20,151,306
Community services	5,276,579	7,704,288	897,996	-	-	13,878,863
Capital outlay	1,529,502	144,140	1,218,329	-	912,631	3,804,602
Debt service:						
Principal	-	-	-	360,000	1,375,000	1,735,000
Interest	-	-	-	148,680	663,293	811,973
Total expenditures	<u>31,468,684</u>	<u>7,848,428</u>	<u>2,116,325</u>	<u>508,680</u>	<u>3,071,474</u>	<u>45,013,591</u>
Excess (deficiency) of revenues over expenditures	<u>5,091,950</u>	<u>623,665</u>	<u>207,780</u>	<u>(483,344)</u>	<u>(1,640,149)</u>	<u>3,799,902</u>
OTHER FINANCING SOURCES (USES):						
Sale of general capital assets	40,850	-	-	-	-	40,850
Transfers in	30,000	100,000	-	508,680	2,027,654	2,666,334
Transfers out	<u>(2,192,334)</u>	<u>(444,000)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(2,666,334)</u>
Total other financing sources (uses)	<u>(2,121,484)</u>	<u>(344,000)</u>	<u>-</u>	<u>508,680</u>	<u>1,997,654</u>	<u>40,850</u>
Net change in fund balances	2,970,466	279,665	207,780	25,336	357,505	3,840,752
FUND BALANCES, beginning of year	<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>
FUND BALANCES, end of year	<u>\$ 39,079,923</u>	<u>\$ 2,254,484</u>	<u>\$ 2,421,260</u>	<u>\$ 214,829</u>	<u>\$ 2,766,793</u>	<u>\$ 46,737,289</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (Page 15) are different because:

Net change in fund balances - total governmental funds (Page 18)	\$	3,840,752
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

The details of the difference are as follows:

Capital outlay	\$	2,608,949	
Depreciation expense		<u>(4,854,249)</u>	
Net adjustment			(2,245,300)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.			(217,323)
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The issuance of long-term debt (e.g., bonds, master leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

The details of the differences are as follows:

Principal payments:			
Notes payable			1,735,000

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.

The details of the difference are as follows:

Change in OPEB liability	\$	(54,000)	
Decrease in net pension liability and related expenses		316,124	
Increase in compensated absences		<u>(173,984)</u>	
Net adjustment			<u>88,140</u>

Change in net position of governmental activities (Page 15)	\$	<u>3,201,269</u>
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CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2015

	Stormwater Utility <u>Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash, cash equivalents and investments	\$ 2,013,889
Due from other governments	<u>642,685</u>
Total current assets	<u>2,656,574</u>
Capital assets:	
Capital assets not being depreciated	427,437
Capital assets being depreciated, net	<u>6,347,928</u>
Total noncurrent assets	<u>6,775,365</u>
Total assets	<u>9,431,939</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	<u>107,156</u>
Total liabilities	<u>107,156</u>
<u>NET POSITION</u>	
Net investment in capital assets	6,775,365
Unrestricted	<u>2,549,418</u>
Total net position	<u>\$ 9,324,783</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Stormwater Utility Fund</u>
Operating revenues:	
Charges for services	\$ 926,278
Operating expenses:	
Cost of sales and services	396,540
Depreciation expense	<u>297,324</u>
Total operating expenses	<u>693,864</u>
Operating income	232,414
Non-operating revenues (expenses):	
Grant revenue	496,293
Investment income	<u>7,335</u>
Change in net position	<u>736,042</u>
Net position, beginning of year	<u>8,588,741</u>
Net position, end of year	<u>\$ 9,324,783</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Cash flows from operating activities:	
Cash received from customers, users and others	\$ 428,134
Cash paid to suppliers	<u>(318,816)</u>
Net cash provided by operating activities	<u>109,318</u>
Cash flows from non capital financing activities:	
Grant proceeds	<u>496,293</u>
Net cash provided by non capital financing activities	<u>496,293</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<u>(540,564)</u>
Net cash (used in) in capital and related financing activities	<u>(540,564)</u>
Cash flows provided by investing activities:	
Investment income received	<u>7,335</u>
Net cash provided by investing activities	<u>7,335</u>
Net increase in cash, cash equivalents and investments	72,382
Cash, cash equivalents and investments, beginning of year	<u>1,941,507</u>
Cash, cash equivalents and investments, end of year	<u>\$ 2,013,889</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ <u>232,414</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	(498,144)
Increase in accounts payable	<u>77,724</u>
Total adjustments	<u>(123,096)</u>
Net cash provided by operating activities	<u>\$ 109,318</u>

FIDUCIARY FUNDS

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUND - POLICE OFFICERS' RETIREMENT PLAN
SEPTEMBER 30, 2015

ASSETS

Investments, at fair value:	
Common stocks, net of options and futures	\$ 19,150,605
U.S. Government securities	3,639,513
Hedge funds	2,552,416
Corporate bonds	2,296,239
Money market funds	1,156,233
Real estate	1,312,578
Receivables:	
Other receivables	4,092
Accrued investment income	58,038
Prepaid expenses	<u>31,639</u>
Total assets	<u>30,201,353</u>

LIABILITIES

Accounts payable	3,921
Due for securities purchased	58,331
Deferred revenue	<u>53,343</u>
Total liabilities	<u>115,595</u>

Net position held in trust for pension benefits	<u>\$ 30,085,758</u>
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CITY OF AVENTURA, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND - POLICE OFFICERS' RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Additions:	
Contributions:	
Employer	\$ 1,550,643
Employees	541,792
State of Florida, premium tax	<u>310,355</u>
Total contributions	<u>2,402,790</u>
Investment (loss):	
Net (depreciation) appreciation in fair value of investments	(927,415)
Interest and dividend income	<u>574,155</u>
Total investment (loss)	(353,260)
Less: investment expenses	<u>261,901</u>
Net investment (loss)	<u>(615,161)</u>
Total additions	<u>1,787,629</u>
Deductions:	
Administrative expenses	64,108
Benefits paid	382,361
Refund of contributions	<u>14,800</u>
Total deductions	<u>461,269</u>
Change in net position	1,326,360
Net position held in trust for pension benefits, beginning of year	<u>28,759,398</u>
Net position held in trust for pension benefits, end of year	<u>\$ 30,085,758</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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.

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government Wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets/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.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the City follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government wide and proprietary fund financial statements. Governments also have the option of following subsequent FASB pronouncements for their business type activities and enterprise funds subject to this same limitation. The City has elected not to follow subsequent FASB guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided and fines and forfeitures, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

The City maintains a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Cash, 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, cash equivalents and investments (Continued) - 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.

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 has pension contributions and deferred charges on refunding that qualify for reporting in this category in the amount of \$1,773,092 and \$490,066, respectively.

Pension contributions were recorded during the fiscal year as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as of October 1, 2014 (See Note 1)

Deferred charge on refunding reported 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, inflow of resources (revenue) until that time. The City has pension expenses and unavailable revenues that qualify for reporting in this category in the amount of \$220,857 and \$140,376, respectively.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred outflows/inflows of resources (Continued) - Pension expenses were recorded during the fiscal year as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as of October 1, 2014 (See Note 1)

Unavailable revenues consist of 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.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

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.

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.

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.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund balance policies - 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.

- Minimum Level of Unassigned Fund Balance of the General Fund

At the beginning of each fiscal year, the total unassigned fund balance shall not be less than 10% of the annual General Fund revenue. In any fiscal year where the City's unassigned fund balance falls below the required 10% threshold, the City shall not budget any amounts of unassigned fund balance for the purpose of balancing the budget. In addition, the City Manager will make every effort to reestablish the minimum unassigned fund balance in a 24 – 36 month period beginning with the year from which the reserve funds fell below the 10% threshold.

- Hurricane/Emergency and Disaster Recovery Reserve

The City's Commission has adopted a fund balance reserve policy to maintain a Hurricane/Emergency and Disaster Recovery's Operating Reserve at a minimum level of \$ 5,000,000.

12. Net position flow of assumption - Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

13. 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.

14. 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.

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT

The City implemented the following GASB Statement during the fiscal year ended September 30, 2015 that had an impact on the financial statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27.*

This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT (Continued)

As a result of the implementation of this standard it was determined that the opening net position of the governmental activities, as of October 1, 2014 was to be restated as follows:

Net position - beginning as previously reported	\$ 109,734,376
Record net pension liability	(3,644,758)
Eliminate net pension asset	(220,059)
Record deferred outflows	<u>1,817,045</u>
Net position - beginning as restated	<u>\$ 107,686,604</u>

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, 2015 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, 2015.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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 2a-7 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, 2015, the City's investment in the Florida PRIME was that of \$17,450,475. 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, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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, 2015 is \$521,058 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 \$500,594.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued):

As of September 30, 2015, 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	\$ 17,450,475
Deposits with financial institutions	17,011,362
U.S. Treasury bills	4,918,231
U.S. Government obligations	3,634,529
Corporate bonds	3,719,215
Asset backed securities	1,609,332
Guaranteed investment contract	500,594
Municipal obligations	156,227
Mortgage-backed securities	1,667,544
Petty cash	<u>3,155</u>
	<u>50,670,664</u>

Fiduciary fund investments:

Common stocks, net of options and futures	19,150,605
U.S. Government securities	3,639,513
Hedge funds	2,552,416
Corporate bonds	2,296,239
Money market funds	1,156,233
Real estate	<u>1,312,578</u>
	<u>30,107,584</u>
	<u>\$ 80,778,248</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued):

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

Statement of Net Position:

Cash, cash equivalents and investments	\$ 50,170,070
Restricted cash, cash equivalents and investments	<u>500,594</u>
	<u>50,670,664</u>

Statement of Net Position - Fiduciary Fund:

Common stocks, net of options and futures	19,150,605
U.S. Government securities	3,639,513
Hedge funds	2,552,416
Corporate bonds	2,296,239
Money market funds	1,156,233
Real estate	<u>1,312,578</u>
	<u>30,107,584</u>
	<u>\$ 80,778,248</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, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk (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)				Greater Than 10 Years
		Less Than 1 Year	1-5 Years	6-10 Years		
City Investments:						
State Board of Administration -						
SBA, Florida PRIME	\$ 17,450,475	\$ 17,450,475	\$ -	\$ -	\$ -	-
U.S. Treasury bills	4,918,231	1,942,604	2,975,627	-	-	-
U.S. Government obligations	3,634,529	1,337,029	2,297,500	-	-	-
Corporate bonds	3,719,215	994,591	2,724,624	-	-	-
Asset backed securities	1,609,332	13,277	1,596,055	-	-	-
Municipal obligations	156,227	35,368	120,859	-	-	-
Mortgage-backed securities	1,667,544	36,396	1,361,484	269,664	-	-
Subtotal - City Investments	33,155,553	21,809,740	11,076,149	269,664	-	-
Fiduciary Fund:						
U.S. Government securities	3,639,513	1,326,958	1,732,523	580,032	-	-
Corporate bonds	2,296,239	101,197	1,626,150	568,892	-	-
Subtotal - Fiduciary Fund	5,935,752	1,428,155	3,358,673	1,148,924	-	-
Total investments	\$ 39,091,305	\$ 23,237,895	\$ 14,434,822	\$ 1,418,588	\$ -	-

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, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk (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	\$ 1,724,770
AAAm	17,450,475
AA+	9,601,466
A/A1	999,412
AA	365,816
AA-	351,019
A+	660,438
A-	525,596
A-1+	840,041
Not Rated	636,520
	33,155,553
Fiduciary Fund:	
A1	573,736
A2	1,062,028
A3	152,510
Aa3	257,458
Aaa	3,639,513
Baa1	126,547
Not Rated	123,960
	5,935,752
	\$ 39,091,305

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, 2015, the City had investments in the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Banks (FHLB) amounting to 7.48% and 12.92%, respectively, of the total investments held by the City.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Concentration (continued)

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% 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.

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 \$3,958,791. The investment policy limits the foreign investments to no more than 12.5% of the plan's investments balance. At September 30, 2015, these foreign investments were 13% of the total investments.

NOTE 4 – RECEIVABLES

Receivables as of September 30, 2015 for the City's individual major funds and non-major funds in the aggregate consist of the following:

	General Fund	Street Maintenance Fund	Charter School Fund	Stormwater Fund	Nonmajor Governmental Funds	Total
Receivables:						
Franchise and utility	\$ 479,761	\$ -	\$ -	\$ -	\$ -	\$ 479,761
Intergovernmental	538,438	361,806	11,152	642,685	465	1,554,546
Police services	201,605	-	-	-	-	201,605
Vendors and miscellaneous	192,823	-	3,471	-	50,788	247,082
Net total receivables	<u>\$ 1,412,627</u>	<u>\$ 361,806</u>	<u>\$ 14,623</u>	<u>\$ 642,685</u>	<u>\$ 51,253</u>	<u>\$ 2,482,994</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2015 were as follows:

	Transfers In	Transfers Out
	<u> </u>	<u> </u>
General Fund	\$ 30,000	\$ 2,192,334
Charter School Fund	100,000	444,000
Debt Service Fund Series 2000	508,680	-
Nonmajor governmental funds	<u>2,027,654</u>	<u>30,000</u>
	<u>\$ 2,666,334</u>	<u>\$ 2,666,334</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 transfers from the 911 Fund of \$30,000. The transfer to the Charter School Fund consists of \$100,000 from the General Fund which is being used to support future capital projects occurring in the Charter School Special Revenue Fund. 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, 2015

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2015 was as follows:

	Balance September 30, 2014	Additions	Retirements and Transfers	Balance September 30, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 21,022,864	\$ -	\$ -	\$ 21,022,864
Construction in progress	<u>3,608,723</u>	<u>1,200,586</u>	<u>(3,596,323)</u>	<u>1,212,986</u>
Total capital assets, not being depreciated	<u>24,631,587</u>	<u>1,200,586</u>	<u>(3,596,323)</u>	<u>22,235,850</u>
Capital assets, being depreciated:				
Buildings	49,094,273	-	-	49,094,273
Improvements other than buildings	11,852,138	1,571,887	-	13,424,025
Infrastructure	39,706,110	41,809	-	39,747,919
Furniture, machinery and equipment	<u>14,845,471</u>	<u>3,390,990</u>	<u>(742,579)</u>	<u>17,493,882</u>
Total capital assets, being depreciated	<u>115,497,992</u>	<u>5,004,686</u>	<u>(742,579)</u>	<u>119,760,099</u>
Less accumulated depreciation for:				
Buildings	12,641,008	1,491,372	-	14,132,380
Improvements other than buildings	4,078,041	507,164	-	4,585,205
Infrastructure	16,954,621	1,480,820	-	18,435,441
Furniture, machinery and equipment	<u>11,686,494</u>	<u>1,374,893</u>	<u>(742,579)</u>	<u>12,318,808</u>
Total accumulated depreciation	<u>45,360,164</u>	<u>4,854,249</u>	<u>(742,579)</u>	<u>49,471,834</u>
Total capital assets, being depreciated, net	<u>70,137,828</u>	<u>150,437</u>	<u>-</u>	<u>70,288,265</u>
Governmental activities capital assets, net	<u>\$ 94,769,415</u>	<u>\$ 1,351,023</u>	<u>\$ (3,596,323)</u>	<u>\$ 92,524,115</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 427,437	\$ -	\$ 427,437
Total capital assets, not being depreciated	<u>-</u>	<u>427,437</u>	<u>-</u>	<u>427,437</u>
Capital assets, being depreciated:				
Infrastructure	9,658,576	113,127	-	9,771,703
Less accumulated depreciation	<u>3,126,451</u>	<u>297,324</u>	<u>-</u>	<u>3,423,775</u>
Total capital assets, being depreciated, net	<u>6,532,125</u>	<u>(184,197)</u>	<u>-</u>	<u>6,347,928</u>
Business-type activities capital assets, net	<u>\$ 6,532,125</u>	<u>\$ 243,240</u>	<u>\$ -</u>	<u>\$ 6,775,365</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 6 - CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 549,189
Public safety	965,421
Community services	<u>3,339,639</u>
	<u>\$ 4,854,249</u>

Business-type activities:

Stormwater utility	<u>\$ 297,324</u>
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NOTE 7 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2015 were as follows:

	Balance September 30, 2014	Additions	Reductions	Balance September 30, 2015	Due Within One Year
Series 2000 Revenue Bonds payable	\$ 2,950,000	\$ -	\$ (360,000)	\$ 2,590,000	\$ 380,000
Series 2010 Refunding Revenue Bonds payable	9,055,000	-	(470,000)	8,585,000	485,000
Series 2011 Refunding Revenue Bonds payable	4,875,000	-	(255,000)	4,620,000	260,000
Series 2012 Refunding Revenue Bonds payable	8,660,000	-	(650,000)	8,010,000	665,000
Compensated absences payable	2,997,024	1,306,777	(1,132,793)	3,171,008	1,109,853
Other post-employment benefits	322,000	54,000	-	376,000	-
	<u>\$ 28,859,024</u>	<u>\$ 1,360,777</u>	<u>\$ (2,867,793)</u>	<u>\$ 27,352,008</u>	<u>\$ 2,899,853</u>

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

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

Revenue bonds as of September 30, 2015 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.	\$ 2,590,000
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.	8,585,000
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.	4,620,000
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.	8,010,000
	\$ 23,805,000

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, 2015 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

Series 2012 Refunding Revenue Bonds (continued)

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.

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

Year Ending September 30,	Principal	Interest	Total
2016	\$ 1,790,000	\$ 753,904	\$ 2,543,904
2017	1,850,000	693,680	2,543,680
2018	1,820,000	631,325	2,451,325
2019	1,880,000	568,749	2,448,749
2020	2,455,000	503,875	2,958,875
2021-2025	8,120,000	1,585,285	9,705,285
2026-2029	5,890,000	365,045	6,255,045
	<u>\$ 23,805,000</u>	<u>\$ 5,101,861</u>	<u>\$ 28,906,861</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 six (6) months advance written notice to resign voluntarily.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)

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.

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 \$321,000.

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	\$ 313,426
Charter School Fund	2,245,018
Street Maintenance Fund	651,137
Capital Projects Fund	8,092
Stormwater Utility Fund	44,538
	<u>\$ 3,262,211</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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, 2014, the latest actuarial valuation, health care and dental plan participants consisted of:

Active Plan participants	163
Retiree Plan participants	3
	166
	166

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, 2015, the annual required contribution was \$122,000. The City made estimated explicit and implicit contributions of \$47,000 towards this amount. Retirees contributed approximately \$17,000 towards the cost of these benefits, for the fiscal year ended September 30, 2015. At September 30, 2015 the City recorded a net OPEB obligation of \$376,000 for governmental activities, in its government-wide statement of net position.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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)	\$ 122,000
Interest on net pension obligation	13,000
Adjustment to annual required contribution	<u>(33,000)</u>
Total annual OPEB cost	102,000
Employer contributions made	* (47,000)
Interest on employer contributions	<u>(1,000)</u>
Increase in net OPEB obligation	54,000
Net OPEB obligation, beginning of year	<u>322,000</u>
Net OPEB obligation, end of year	<u><u>\$ 376,000</u></u>

**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 2015 and two preceding years were as follows:

Year Ending	Annual	Percentage	
<u>September 30,</u>	<u>OPEB</u>	<u>of Annual</u>	<u>Net OPEB</u>
	<u>Cost</u>	<u>OPEB Cost</u>	<u>Obligation</u>
		<u>Contributed</u>	
2015	\$ 102,000	43.00%	\$ 376,000
2014	\$ 103,000	43.00%	\$ 322,000
2013	\$ 103,000	43.00%	\$ 263,000

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability at Entry Age (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/01/14	\$ -	\$ 700,000	\$ 700,000	0.0%	\$ 12,625,000	5.5%

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, 2014 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 2015 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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:

2014/2015	8.00%
2015/2016	7.50%
2016/2017	7.00%
2017/2018	6.60%
2018/2019	6.00%
2019/2020	5.50%
2020/2021 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 \$6,600 per year for each the retiree and \$5,700 for the retiree's spouse.

Implied Subsidy (Dental Insurance):

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

Age-Related Morbidity:

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

Retiree 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Future Participation Rates:

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

Marriage and Dependent Assumption:

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

COBRA Assumption:

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

NOTE 11 - DEFINED CONTRIBUTION PENSION PLANS

The City is a single-employer that contributes to four (4) defined contribution pension plans based on employee classification created in accordance with Internal Revenue Code Section 401(a). The plans currently cover all full-time employees of the City. Under these plans, the City contributes between 7% and an amount equal to the annual IRS maximum depending on employee classifications. City contributions for the City Manager, department directors and assistant department directors vest in the year they are contributed. City contributions to general employees vest beginning after one year of service through year five in 20% increments. Participants are not permitted to make contributions during the year. The City made plan contributions of approximately \$759,000 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

General Information about the Pension Plan

Plan Description

The Plan is open solely to active police officers of the City of Aventura. A police officer is any person employed full time in the Police Department of the City, who is certified as a police officer as a condition of employment in accordance with the provisions of Florida Statutes and whose duty is to protect life and property and exercise lawful arrest powers of the State of Florida. The definition includes all supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time police officers. All full-time police officers of the City of Aventura, except the Chief of Police, must participate in the pension plan.

Board of Trustees: Two City Commission appointees who are City residents, two elected Members of the System, and a fifth member elected by the other four and appointed by Commission (as a ministerial duty).

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Plan Membership as of October 1, 2014:

Inactive Plan participants or beneficiaries currently receiving benefits	11
Fully vested, partially vested and non-vested active participants covered by the Plan	<u>85</u>
Total	<u><u>96</u></u>

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.

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, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

The Sponsor's net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2012 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increase	5.00%
Investment Rate of Return	7.50%

RP-2000 Combined Healthy (current). Disabled set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September, 30 2014 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	55%	7.80%
Internation Equity	10%	7.70%
Fixed Income	20%	2.30%
Real Estate	5%	6.90%
Hedge Funds	10%	5.10%
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	(a)		
Balances at September 30, 2013	\$ 28,314,013	\$ 24,669,255	\$ 3,644,758
Changes for a Year:			
Service Cost	1,732,252	-	1,732,252
Interest	2,238,129	-	2,238,129
Contributions - Employer	-	1,548,543	(1,548,543)
Contributions - State	-	318,440	(318,440)
Contributions - Employee	-	541,099	(541,099)
Net investment income	-	2,199,131	(2,199,131)
Benefit payments, including refunds of Employee contributions	(409,085)	(409,085)	-
Administrative Expense	-	(55,897)	55,897
New Changes	<u>3,561,296</u>	<u>4,142,231</u>	<u>(580,935)</u>
Balances at September 30, 2014	<u>\$ 31,875,309</u>	<u>\$ 28,811,486</u>	<u>\$ 3,063,823</u>

Sensitivity of the net pension liability to changes in the discount rate.

	Current Discount		
	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 6,902,291	\$ 3,063,824	\$ (259,355)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended September 30, 2015 the Sponsor will recognize a pension expense of \$1,188,465. On September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Actual Earnings on Pension Plan Investments	<u>\$ 220,857</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$ (55,214)
2017	(55,214)
2018	(55,214)
2019	(55,215)
2020	-
Thereafter	-

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes:				
Current	\$ 13,764,950	\$ 13,764,950	\$ 13,572,764	\$ (192,186)
Delinquent	46,147	46,147	404,866	358,719
Utility service taxes:				
Electric	4,350,000	4,350,000	4,453,953	103,953
Telecommunication	2,410,000	2,410,000	2,281,655	(128,345)
Water	870,000	870,000	1,102,567	232,567
Gas	22,000	22,000	34,309	12,309
Franchise fees:				
Electric	1,782,000	1,782,000	1,758,766	(23,234)
Gas	18,000	18,000	14,584	(3,416)
Sanitation	460,000	460,000	498,785	38,785
Towing	30,000	30,000	22,532	(7,468)
Total taxes	<u>23,753,097</u>	<u>23,753,097</u>	<u>24,144,781</u>	<u>391,684</u>
Intergovernmental revenues:				
Federal grants	7,200	7,200	8,040	840
State and local grants	9,679	9,679	12,671	2,992
State pension contribution	318,000	318,000	310,355	(7,645)
Alcoholic beverage licenses	20,000	20,000	19,993	(7)
State revenue sharing	500,000	569,000	656,351	87,351
Half cent sales tax	2,630,000	2,665,000	2,747,774	82,774
County occupational licenses	49,000	49,000	47,378	(1,622)
Total intergovernmental revenues	<u>3,533,879</u>	<u>3,637,879</u>	<u>3,802,562</u>	<u>164,683</u>
Licenses and permits:				
City business tax receipts	880,000	880,000	942,846	62,846
Building permits	1,602,000	1,862,000	2,004,789	142,789
Certificates of occupancy	35,000	35,000	70,122	35,122
Engineering	16,000	16,000	79,410	63,410
Total licenses and permits	<u>2,533,000</u>	<u>2,793,000</u>	<u>3,097,167</u>	<u>304,167</u>
Charges for services:				
Certificate of use fees	5,000	5,000	3,115	(1,885)
Lien search fees	100,000	100,000	103,422	3,422
Development review fees	90,000	190,000	235,523	45,523
Recreation/cultural events	1,095,000	1,121,000	1,077,751	(43,249)
Police services	1,053,000	1,353,000	1,558,061	205,061
Total charges for services	<u>2,343,000</u>	<u>2,769,000</u>	<u>2,977,872</u>	<u>208,872</u>

See notes to required supplementary information

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures:				
County court fees	425,000	425,000	254,107	(170,893)
Code violation fines	<u>1,207,000</u>	<u>1,277,000</u>	<u>2,020,370</u>	<u>743,370</u>
Total fines and forfeitures	<u>1,632,000</u>	<u>1,702,000</u>	<u>2,274,477</u>	<u>572,477</u>
Other:				
Investment income	125,000	125,000	130,838	5,838
Miscellaneous	<u>57,450</u>	<u>57,450</u>	<u>132,937</u>	<u>75,487</u>
Total other	<u>182,450</u>	<u>182,450</u>	<u>263,775</u>	<u>81,325</u>
Total revenues	<u>33,977,426</u>	<u>34,837,426</u>	<u>36,560,634</u>	<u>1,723,208</u>
Expenditures:				
Current:				
General government:				
City Commission:				
Personnel services	62,063	62,063	63,041	(978)
Operating	63,276	63,276	57,668	5,608
City Manager:				
Personnel services	666,431	666,431	670,894	(4,463)
Operating	141,500	141,500	106,873	34,627
Finance:				
Personnel services	862,010	862,010	868,548	(6,538)
Operating	124,965	124,965	99,723	25,242
Capital outlay	2,000	2,000	1,639	361
Information technology:				
Personnel services	711,423	711,423	617,741	93,682
Operating	257,165	257,165	213,135	44,030
Capital outlay	221,000	604,898	185,323	419,575
Legal:				
Operating	270,000	375,000	374,571	429
City Clerk:				
Personnel services	225,521	225,521	252,007	(26,486)
Operating	87,500	87,500	44,168	43,332
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>2,459</u>	<u>541</u>
Total general government- departmental	<u>3,697,854</u>	<u>4,186,752</u>	<u>3,557,790</u>	<u>628,962</u>

See notes to required supplementary information

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Nondepartmental:				
Personnel services	10,000	10,000	-	10,000
Operating	1,459,000	1,459,000	1,263,478	195,522
Capital outlay	<u>16,378,324</u>	<u>16,408,324</u>	<u>1,500</u>	<u>16,406,824</u>
Total general government- nondepartmental	<u>17,847,324</u>	<u>17,877,324</u>	<u>1,264,978</u>	<u>16,612,346</u>
Total general government	<u>21,545,178</u>	<u>22,064,076</u>	<u>4,822,768</u>	<u>17,241,308</u>
Public safety:				
Police:				
Personnel services	15,677,180	15,977,180	15,796,304	180,876
Operating	1,951,500	1,951,500	1,814,864	136,636
Capital outlay	781,450	1,493,742	1,158,135	335,607
Community development:				
Personnel services	802,585	802,585	800,404	2,181
Operating	1,301,850	1,661,850	1,619,184	42,666
Capital outlay	<u>3,500</u>	<u>93,645</u>	<u>2,459</u>	<u>91,186</u>
Total public safety	<u>20,518,065</u>	<u>21,980,502</u>	<u>21,191,350</u>	<u>789,152</u>
Community services:				
Personnel services	1,433,710	1,433,710	1,450,302	(16,592)
Operating	3,042,500	3,137,500	3,103,943	33,557
Capital outlay	154,080	349,417	142,616	206,801
Arts and cultural center:				
Operating	726,900	726,900	722,334	4,566
Capital outlay	<u>-</u>	<u>-</u>	<u>35,371</u>	<u>(35,371)</u>
Total community services	<u>5,357,190</u>	<u>5,647,527</u>	<u>5,454,566</u>	<u>192,961</u>
Total expenditures	<u>47,420,433</u>	<u>49,692,105</u>	<u>31,468,684</u>	<u>18,223,421</u>
Excess (deficiency) of revenues over expenditures	<u>(13,443,007)</u>	<u>(14,854,679)</u>	<u>5,091,950</u>	<u>19,946,629</u>
Other financing sources (uses):				
Sale of general capital assets	-	-	40,850	40,850
Transfers in	30,000	30,000	30,000	-
Transfers out	(2,212,045)	(2,192,334)	(2,192,334)	-
Appropriated fund balance	<u>15,625,052</u>	<u>17,017,013</u>	<u>-</u>	<u>(17,017,013)</u>
Total other financing sources (uses)	<u>13,443,007</u>	<u>14,854,679</u>	<u>(2,121,484)</u>	<u>(16,976,163)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,970,466</u>	<u>\$ 2,970,466</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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive - (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 1,725,000	\$ 1,725,000	\$ 2,233,061	\$ 508,061
Impact fees	-	-	81,455	81,455
Investment income	<u>2,000</u>	<u>2,000</u>	<u>9,589</u>	<u>7,589</u>
Total revenues	<u>1,727,000</u>	<u>1,727,000</u>	<u>2,324,105</u>	<u>597,105</u>
Expenditures:				
Operating	862,500	862,500	897,996	(35,496)
Capital outlay	<u>2,223,315</u>	<u>3,077,980</u>	<u>1,218,329</u>	<u>1,859,651</u>
Total expenditures	<u>3,085,815</u>	<u>3,940,480</u>	<u>2,116,325</u>	<u>1,824,155</u>
Excess (deficiency) of revenues over expenditures	<u>(1,358,815)</u>	<u>(2,213,480)</u>	<u>207,780</u>	<u>2,421,260</u>
Other financing sources (uses):				
Appropriated fund balance	<u>1,358,815</u>	<u>2,213,480</u>	<u>-</u>	<u>(2,213,480)</u>
Total other financing sources (uses)	<u>1,358,815</u>	<u>2,213,480</u>	<u>-</u>	<u>(2,213,480)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,780</u>	<u>\$ 207,780</u>

See notes to required supplementary information

CITY OF AVENTURA, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

<u>Total Pension Liability</u>	<u>9/30/2014</u>
Service Cost	\$ 1,732,252
Interest	2,238,129
Employee Contributions	<u>(409,084)</u>
Net change in total pension liability	<u>3,561,297</u>
Total Pension liability - beginning	<u>28,314,013</u>
Total Pension liability - ending (a)	<u>\$ 31,875,310</u>
<u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 1,548,543
Contributions - State	318,440
Contributions - Employee	541,099
Net investment income	2,199,131
Benefit payments, including refunds of Employee contributions	<u>(409,085)</u>
Administrative Expense	<u>(55,897)</u>
Net change in plan fiduciary net position	<u>\$ 4,142,231</u>
Plan fiduciary net position - beginning	<u>24,669,255</u>
Plan fiduciary net position - ending (b)	<u>\$ 28,811,486</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,063,824</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.39%
Covered Employee Payroll	\$ 7,986,695
Net Pension Liability as a Percentage of covered Employee Payroll	38.36%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available

CITY OF AVENTURA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

9/30/2014

Actuarially Determined Contribution	\$ 1,828,554
Contributions in Relation to the Actuarially Determined Contributions	<u>1,866,983</u>
Contribution Deficiency (Excess)	<u>\$ (38,429)</u>
Covered Employee Payroll	\$ 7,986,695
Contributions as a Percentage of Covered Employee Payroll	23.38%

Notes to Schedule

Valuation Date: 10/1/2012

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Method:	Level Dollar.
Remaining Amortization Period:	21 Years (as of 10/1/2012)
Assets Valuation Method:	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

CITY OF AVENTURA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(CONTINUED)

Inflation: 3%
Salary Increases: 5%
Interest Rate: 7.5% per year compounded annually, net of investment related expenses

Payroll Increase (for purpose of amortizing UAAL) 0% per year

Wage Increase (for purpose of projecting Sponsor Normal Cost in between valuations) 3% per year

Retirement Age: Earlier of age 57 and 10 years of Credited Service, or upon completion of 25 years of Credited Service, regardless of age.

Early Retirement: Commencing with the earliest Early Retirement Age (45), members are assumed to retire with an immediate subsidized benefit at the rates below:

<u>Age</u>	<u>Rate</u>
45-49	10.0%
50+	25.0%

Termination Rates: See table below for sample rates

Disability Rates: See table below for sample rates. 44% are assumed to be in-the-line-of-duty.

Mortality: RP-2000 Combined Healthy (current). Disabled set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Other Information Termination and Disability Rate Table

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.04%	10.30%
30	0.09%	4.15%
40	0.18%	0.99%
50	0.55%	0.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available

CITY OF AVENTURA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability at Entry Age (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll	
10/1/2014	\$	-	\$ 700,000	\$ 700,000	0.0%	\$ 12,625,000	5.5%
10/1/2013		-	679,000	679,000	0.0%	11,640,000	5.8%
10/1/2011		-	710,000	710,000	0.0%	12,781,000	5.6%

See notes to required supplementary information

CITY OF AVENTURA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

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 \$2,271,672 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, 2014 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, 2014 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS

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, 2015

	Special Revenue Funds				Capital Projects Fund	Debt Service Funds			Total Nonmajor Governmental Funds
	Police Education Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund	Capital Projects	Debt Service Fund Series 2010 & 2011	Debt Service Fund Series 2012 Charter School Land Acquisition	Debt Service Fund Series 2012 Charter School Building Construction	
ASSETS									
Cash, cash equivalents and investments	\$ 267	\$ 47,751	\$ 938,802	\$ 174,405	\$ 1,493,817	\$ 231,121	\$ 7,449	\$ 130,805	\$ 3,024,417
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-	61	61
Accounts receivable, net	-	50,788	-	-	-	-	-	-	50,788
Due from other governments	465	-	-	-	-	-	-	-	465
Total assets	\$ 732	\$ 98,539	\$ 938,802	\$ 174,405	\$ 1,493,817	\$ 231,121	\$ 7,449	\$ 130,866	\$ 3,075,731
LIABILITIES									
Accounts payable	\$ -	\$ 221	\$ 23,719	\$ 191	\$ 13,543	\$ -	\$ -	\$ -	\$ 37,674
Accrued liabilities	-	-	-	-	-	230,888	-	-	230,888
Total liabilities	-	221	23,719	191	13,543	230,888	-	-	268,562
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - intergovernmental	-	40,376	-	-	-	-	-	-	40,376
FUND BALANCES									
Assigned for:									
Community services	-	-	-	-	1,472,182	-	-	-	1,472,182
Subsequent year's budget	-	-	-	-	8,092	-	-	-	8,092
Restricted for:									
Public safety	732	57,942	915,083	174,214	-	-	-	-	1,147,971
Debt service	-	-	-	-	-	233	7,449	130,866	138,548
Total fund balances	732	57,942	915,083	174,214	1,480,274	233	7,449	130,866	2,766,793
Total liabilities, deferred inflows of resources, and fund balances	\$ 732	\$ 98,539	\$ 938,802	\$ 174,405	\$ 1,493,817	\$ 231,121	\$ 7,449	\$ 130,866	\$ 3,075,731

CITY OF AVENTURA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds				Capital Projects Fund	Debt Service Funds			Total Nonmajor Governmental Funds
	Police Education Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund	Capital Projects	Debt Service Fund Series 2010 & 2011	Debt Service Fund Series 2012 Charter School Land Acquisition	Debt Service Fund Series 2012 Charter School Building Construction	
Revenues:									
Intergovernmental revenues	\$ -	\$ 123,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,937
Fines and forfeitures	6,287	0	411,488	90,970	0	0	0	0	508,745
Impact fees	-	-	-	-	6,775	-	-	-	6,775
Investment income	-	205	4,148	605	-	233	-	677	5,868
Miscellaneous income	-	-	-	-	786,000	-	-	-	786,000
Total revenues	<u>6,287</u>	<u>124,142</u>	<u>415,636</u>	<u>91,575</u>	<u>792,775</u>	<u>233</u>	<u>-</u>	<u>677</u>	<u>1,431,325</u>
Expenditures:									
Current:									
Public safety	6,675	81,480	12,000	20,395	0	0	0	0	120,550
Capital outlay	-	-	540,491	-	372,140	-	-	-	912,631
Debt service:									
Principal	-	-	-	-	-	725,000	307,190	342,810	1,375,000
Interest	-	-	-	-	-	474,453	89,273	99,567	663,293
Total expenditures	<u>6,675</u>	<u>81,480</u>	<u>552,491</u>	<u>20,395</u>	<u>372,140</u>	<u>1,199,453</u>	<u>396,463</u>	<u>442,377</u>	<u>3,071,474</u>
Excess (deficiency) of revenues over expenditures	<u>(388)</u>	<u>42,662</u>	<u>(136,855)</u>	<u>71,180</u>	<u>420,635</u>	<u>(1,199,220)</u>	<u>(396,463)</u>	<u>(441,700)</u>	<u>(1,640,149)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	1,187,248	396,406	444,000	2,027,654
Transfers out	-	(30,000)	-	-	-	-	-	-	(30,000)
Total other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,248</u>	<u>396,406</u>	<u>444,000</u>	<u>1,997,654</u>
Net change in fund balances	(388)	12,662	(136,855)	71,180	420,635	(11,972)	(57)	2,300	357,505
FUND BALANCES, beginning	<u>1,120</u>	<u>45,280</u>	<u>1,051,938</u>	<u>103,034</u>	<u>1,059,639</u>	<u>12,205</u>	<u>7,506</u>	<u>128,566</u>	<u>2,409,288</u>
FUND BALANCES, ending	<u>\$ 732</u>	<u>\$ 57,942</u>	<u>\$ 915,083</u>	<u>\$ 174,214</u>	<u>\$ 1,480,274</u>	<u>\$ 233</u>	<u>\$ 7,449</u>	<u>\$ 130,866</u>	<u>\$ 2,766,793</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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 6,287	\$ (713)
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>6,287</u>	<u>(713)</u>
Expenditures:				
Operating	<u>7,000</u>	<u>8,120</u>	<u>6,675</u>	<u>1,445</u>
Total expenditures	<u>7,000</u>	<u>8,120</u>	<u>6,675</u>	<u>1,445</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,120)</u>	<u>(388)</u>	<u>732</u>
Other financing sources (uses):				
Appropriated fund balance	<u>-</u>	<u>1,120</u>	<u>-</u>	<u>(1,120)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,120</u>	<u>-</u>	<u>(1,120)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (388)</u>	<u>\$ (388)</u>

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
911 FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 153,600	\$ 153,600	\$ 123,937	\$ (29,663)
Investment income	<u>-</u>	<u>-</u>	<u>205</u>	<u>205</u>
Total revenues	<u>153,600</u>	<u>153,600</u>	<u>124,142</u>	<u>(29,458)</u>
Expenditures:				
Operating	188,600	158,400	81,480	76,920
Capital outlay	<u>-</u>	<u>10,480</u>	<u>-</u>	<u>10,480</u>
Total expenditures	<u>188,600</u>	<u>168,880</u>	<u>81,480</u>	<u>87,400</u>
Excess (deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>(15,280)</u>	<u>42,662</u>	<u>57,942</u>
Other financing sources (uses):				
Transfers out	(30,000)	(30,000)	(30,000)	-
Appropriated fund balance	<u>65,000</u>	<u>45,280</u>	<u>-</u>	<u>(45,280)</u>
Total other financing sources (uses)	<u>35,000</u>	<u>15,280</u>	<u>(30,000)</u>	<u>(45,280)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,662</u>	<u>\$ 12,662</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 15,000	\$ 15,000	\$ 6,775	\$ (8,225)
Investment income	-	-	-	-
Miscellaneous income	<u>750,000</u>	<u>750,000</u>	<u>786,000</u>	<u>36,000</u>
Total revenues	<u>765,000</u>	<u>765,000</u>	<u>792,775</u>	<u>27,775</u>
Expenditures:				
Capital outlay	<u>2,280,824</u>	<u>1,824,639</u>	<u>372,140</u>	<u>1,452,499</u>
Total expenditures	<u>2,280,824</u>	<u>1,824,639</u>	<u>372,140</u>	<u>1,452,499</u>
Excess (deficiency) of revenues over expenditures	<u>(1,515,824)</u>	<u>(1,059,639)</u>	<u>420,635</u>	<u>1,480,274</u>
Other financing sources (uses):				
Appropriated fund balance	1,515,824	1,059,639	-	(1,059,639)
Sale of general capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,515,824</u>	<u>1,059,639</u>	<u>-</u>	<u>(1,059,639)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,635</u>	<u>\$ 420,635</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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 233	\$ 233
Total revenues	-	-	233	233
Expenditures:				
Debt Service:				
Principal	725,000	725,000	725,000	-
Interest	474,453	474,453	474,453	-
Total expenditures	1,199,453	1,199,453	1,199,453	-
Excess (deficiency) of revenues over expenditures	(1,199,453)	(1,199,453)	(1,199,220)	233
Other financing sources (uses):				
Transfers in	1,199,453	1,187,248	1,187,248	-
Appropriated fund balance	-	12,205	-	(12,205)
Total other financing sources (uses)	1,199,453	1,199,453	1,187,248	(12,205)
Net change in fund balance	\$ -	\$ -	\$ (11,972)	\$ (11,972)

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND SERIES 2000
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 25,336	\$ 25,336
Total revenues	-	-	25,336	25,336
Expenditures:				
Debt Service:				
Principal	360,000	360,000	360,000	-
Interest	148,680	148,680	148,680	-
Total expenditures	508,680	508,680	508,680	-
Excess (deficiency) of revenues over expenditures	(508,680)	(508,680)	(483,344)	25,336
Other financing sources (uses):				
Transfers in	508,680	508,680	508,680	-
Total other financing sources (uses)	508,680	508,680	508,680	-
Net change in fund balance	\$ -	\$ -	\$ 25,336	\$ 25,336

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt Service:				
Principal	307,190	307,190	307,190	-
Interest	89,222	89,222	89,273	(51)
Trustee fees and other	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total expenditures	<u>403,912</u>	<u>403,912</u>	<u>396,463</u>	<u>7,449</u>
Excess (deficiency) of revenues over expenditures	<u>(403,912)</u>	<u>(403,912)</u>	<u>(396,463)</u>	<u>7,449</u>
Other financing sources (uses):				
Transfers in	403,912	396,406	396,406	-
Appropriated fund balance	<u>-</u>	<u>7,506</u>	<u>-</u>	<u>(7,506)</u>
Total other financing sources (uses)	<u>403,912</u>	<u>403,912</u>	<u>396,406</u>	<u>(7,506)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ (57)</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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 677	\$ 677
Total revenues	<u>-</u>	<u>-</u>	<u>677</u>	<u>677</u>
Expenditures:				
Debt Service:				
Principal	342,810	342,810	342,810	-
Interest	99,567	99,567	99,567	-
Trustee fees and other	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Total expenditures	<u>445,877</u>	<u>445,877</u>	<u>442,377</u>	<u>3,500</u>
Excess (deficiency) of revenues over expenditures	<u>(445,877)</u>	<u>(445,877)</u>	<u>(441,700)</u>	<u>4,177</u>
Other financing sources (uses):				
Transfers in	<u>445,877</u>	<u>445,877</u>	<u>444,000</u>	<u>(1,877)</u>
Total other financing sources (uses)	<u>445,877</u>	<u>445,877</u>	<u>444,000</u>	<u>(1,877)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ 2,300</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	73-79
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	80-84
Debt Capacity <i>These schedules contain 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 future.</i>	85-88
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	89-90
Operating Information <i>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.</i>	91-93

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 68,719,115
Restricted	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	3,271,471
Unrestricted	20,119,775	25,046,530	31,110,719	35,762,870	37,169,427	38,621,886	39,900,020	36,690,649	36,726,441	38,897,287
Total governmental activities, net position	<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>	<u>\$ 110,887,873</u>
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 6,775,365
Unrestricted	287,480	117,452	417,920	529,552	671,857	993,386	1,429,043	1,703,713	2,056,616	2,549,418
Total business-type activities, net position	<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>	<u>\$ 9,324,783</u>
Primary government:										
Net investment in capital assets	\$ 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	\$ 75,494,480
Restricted	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	3,271,471
Unrestricted	20,407,255	25,163,982	31,528,639	36,292,422	37,841,284	39,615,272	41,329,063	38,394,362	38,783,057	41,446,705
Total primary government, net position	<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>	<u>\$ 120,212,656</u>

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 5,472,458
Public safety	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	21,260,568
Community services	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	18,108,075
Interest and fiscal charges	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	811,973
Total governmental activities	<u>34,956,222</u>	<u>36,368,609</u>	<u>36,998,689</u>	<u>37,208,996</u>	<u>39,669,533</u>	<u>40,189,447</u>	<u>40,923,742</u>	<u>41,876,541</u>	<u>44,350,909</u>	<u>45,653,074</u>
Business-type activities:										
Stormwater utility	360,712	557,635	670,602	651,175	843,251	827,090	758,185	872,010	805,636	693,864
Total business-type activities	<u>360,712</u>	<u>557,635</u>	<u>670,602</u>	<u>651,175</u>	<u>843,251</u>	<u>827,090</u>	<u>758,185</u>	<u>872,010</u>	<u>805,636</u>	<u>693,864</u>
Total primary government expenses	<u>\$ 35,316,934</u>	<u>\$ 36,926,244</u>	<u>\$ 37,669,291</u>	<u>\$ 37,860,171</u>	<u>\$ 40,512,784</u>	<u>\$ 41,016,537</u>	<u>\$ 41,681,927</u>	<u>\$ 42,748,551</u>	<u>\$ 45,156,545</u>	<u>\$ 46,346,938</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 91,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	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	6,839,027
Community services	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	1,828,016
Operating grants and contributions	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	8,261,217
Capital grants and contributions	420,493	40,340	-	2,359,690	2,465,574	500,068	676,604	723,997	4,428,098	1,253,396
Total governmental activities program revenues	<u>13,548,089</u>	<u>13,632,995</u>	<u>13,338,947</u>	<u>15,565,075</u>	<u>16,909,738</u>	<u>14,573,136</u>	<u>14,743,849</u>	<u>15,029,066</u>	<u>20,272,484</u>	<u>18,181,656</u>
Business-type activities:										
Charges for services:										
Stormwater utility	815,454	889,178	882,429	801,532	842,867	843,930	892,395	846,921	857,558	926,278
Operating grants and contributions	415,000	580,759	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	107,364	175,303	108,862	-	-	-	-
Total business-type activities program revenues	<u>1,230,454</u>	<u>1,469,937</u>	<u>882,429</u>	<u>908,896</u>	<u>1,018,170</u>	<u>952,792</u>	<u>892,395</u>	<u>846,921</u>	<u>857,558</u>	<u>926,278</u>
Total primary government program revenues	<u>\$ 14,778,543</u>	<u>\$ 15,102,932</u>	<u>\$ 14,221,376</u>	<u>\$ 16,473,971</u>	<u>\$ 17,927,908</u>	<u>\$ 15,525,928</u>	<u>\$ 15,636,244</u>	<u>\$ 15,875,987</u>	<u>\$ 21,130,042</u>	<u>\$ 19,107,934</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net expense/revenue:										
Governmental activities	\$ (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)	\$ (27,471,418)
Business-type activities	<u>869,742</u>	<u>912,302</u>	<u>211,827</u>	<u>257,721</u>	<u>174,919</u>	<u>125,702</u>	<u>134,210</u>	<u>(25,089)</u>	<u>51,922</u>	<u>232,414</u>
Total primary government, net expense	<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>	<u>\$ (27,239,004)</u>
General revenues and other:										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 13,977,630
Utility service taxes	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	7,872,484
Franchise fees	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	2,294,667
Intergovernmental revenue - unrestricted	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	5,967,534
Impact fees	-	-	-	15,581	101	189,440	22,426	655,743	77,607	-
Investment income	1,159,778	1,580,978	1,035,457	292,180	310,885	195,382	174,152	65,726	89,941	182,464
Miscellaneous revenues	365,705	92,987	748,831	438,421	420,352	397,287	284,916	597,916	1,534,877	377,908
Transfers	<u>50,742</u>	<u>-</u>								
Total governmental activities	<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>	<u>30,672,687</u>
Business-type activities:										
Intergovernmental (unrestricted)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,293
Interest income	3,202	3,335	17,528	2,567	3,320	3,562	4,124	2,436	3,657	7,335
Transfers	<u>(50,742)</u>	<u>-</u>								
Total business-type activities	<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>	<u>503,628</u>
Total primary government	<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>	<u>\$ 31,176,315</u>
Change in net position:										
Governmental activities	\$ 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	\$ 3,201,269
Business-type activities	<u>822,202</u>	<u>915,637</u>	<u>229,355</u>	<u>260,288</u>	<u>178,239</u>	<u>129,264</u>	<u>138,334</u>	<u>(22,653)</u>	<u>55,579</u>	<u>736,042</u>
Total primary government	<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>	<u>\$ 3,937,311</u>

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

Fiscal <u>Year</u>	Tax Roll <u>Year</u>	Ad Valorem <u>Taxes</u>	Utility Service <u>Taxes</u>	Franchise <u>Fees</u>	<u>Total</u>
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
2015	2014	13,977,630	7,872,484	2,294,667	24,144,781

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:										
Reserved	\$ 3,799,001	\$ 1,523,001	\$ 439,385	\$ 215,174	\$ 139,823	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	12,635,078	21,765,557	29,087,603	34,184,317	36,344,556	-	-	-	-	-
Nonspendable	-	-	-	-	-	37,204	33,045	285,056	358,893	448,765
Committed	-	-	-	-	-	20,193,488	19,773,488	19,773,488	21,378,324	21,405,561
Assigned	-	-	-	-	-	2,119,548	5,747,436	1,995,152	789,486	313,426
Unassigned	-	-	-	-	-	15,868,958	14,084,222	14,459,667	13,582,754	16,912,171
Total General Fund	<u>\$ 16,434,079</u>	<u>\$ 23,288,558</u>	<u>\$ 29,526,988</u>	<u>\$ 34,399,491</u>	<u>\$ 36,484,379</u>	<u>\$ 38,219,198</u>	<u>\$ 39,638,191</u>	<u>\$ 36,513,363</u>	<u>\$ 36,109,457</u>	<u>\$ 39,079,923</u>
All other governmental funds:										
Reserved	\$ 1,206,173	\$ 186,560	\$ 170,219	\$ 1,067,451	\$ 253,040	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	2,746,804	3,950,116	3,676,879	2,439,375	2,308,838	-	-	-	-	-
Debt Service Funds	(4,525)	133,053	136,790	137,175	280,321	-	-	-	-	-
Capital Projects Funds	3,963,362	1,823,597	99,664	811,979	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	30,575	30,759	-	9,466	9,466
Restricted	-	-	-	-	-	1,694,288	2,240,013	2,910,452	3,778,520	3,271,471
Assigned	-	-	-	-	-	2,352,114	2,196,478	2,153,301	2,999,094	4,376,429
Total all other governmental funds	<u>\$ 7,911,814</u>	<u>\$ 6,093,326</u>	<u>\$ 4,083,552</u>	<u>\$ 4,455,980</u>	<u>\$ 2,842,199</u>	<u>\$ 4,076,977</u>	<u>\$ 4,467,250</u>	<u>\$ 5,063,753</u>	<u>\$ 6,787,080</u>	<u>\$ 7,657,366</u>

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:										
Ad valorem taxes	\$ 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	\$ 13,977,630
Utility service taxes	6,015,016	6,269,809	6,741,903	7,451,872	7,448,097	7,465,029	7,486,791	7,856,769	7,884,829	7,872,484
Franchise fees	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	2,294,667
Intergovernmental	10,905,885	11,586,872	11,762,763	13,273,593	12,970,784	11,764,642	11,738,610	12,432,705	13,161,980	13,755,193
Licenses and permits	3,277,960	3,229,778	2,808,112	1,892,862	2,025,310	2,374,902	2,522,665	2,489,707	3,184,386	3,097,167
Charges for services	1,904,741	2,194,596	2,313,107	2,078,224	2,322,794	2,814,652	2,891,647	2,997,916	3,076,390	4,514,137
Fines and forfeitures	601,339	577,148	652,747	2,275,882	3,107,179	2,096,677	2,459,276	2,371,544	2,652,615	2,783,222
Impact fees	398,436	40,340	-	15,581	101	189,440	22,426	655,743	77,607	-
Investment income	1,159,778	1,580,978	1,035,457	292,180	310,885	195,382	174,152	65,726	89,941	182,464
Miscellaneous	610,584	234,544	748,831	438,421	428,907	414,678	303,795	380,446	474,230	336,529
Total revenues	42,322,388	47,076,552	46,275,611	46,551,797	45,554,790	41,733,850	42,393,616	44,154,270	45,683,143	48,813,493
Expenditures:										
Current:										
General government	2,668,284	4,884,708	4,561,020	4,639,737	4,360,999	4,274,015	4,266,981	4,437,525	4,536,983	4,631,847
Public safety	13,781,535	14,360,873	14,727,849	15,625,029	16,965,808	17,636,378	18,413,325	18,820,627	19,682,937	20,151,306
Community services	9,019,229	10,817,310	10,798,272	11,057,179	11,950,071	12,083,949	12,305,720	12,727,047	13,654,908	13,878,863
Nondepartmental	2,978,900	-	-	-	-	-	-	-	-	-
Capital outlay	5,800,374	9,265,681	9,256,902	7,278,743	8,576,499	2,596,599	3,050,256	8,158,627	5,074,822	3,804,602
Debt service:										
Principal	965,000	1,005,000	1,035,000	1,080,000	1,130,000	635,000	960,000	1,590,000	1,675,000	1,735,000
Advance refunding escrow	-	-	-	-	520,000	336,928	597,856	-	-	-
Interest	1,719,392	1,682,298	1,642,606	1,607,984	1,553,980	1,212,882	987,303	948,769	867,979	811,973
Trustee fees and other	25,817	24,691	25,306	18,194	89,766	49,496	77,909	-	-	-
Total expenditures	36,958,531	42,040,561	42,046,955	41,306,866	45,147,123	38,825,247	40,659,350	46,682,595	45,492,629	45,013,591
Excess (deficiency of revenues over expenditures)	5,363,857	5,035,991	4,228,656	5,244,931	407,667	2,908,603	1,734,266	(2,528,325)	190,514	3,799,902
Other financing sources (uses):										
Issuance of debt	-	-	-	-	10,385,000	5,565,000	9,885,000	-	-	-
Sale of general capital assets	-	-	-	-	-	-	-	-	1,128,907	40,850
Transfers in	2,740,850	2,898,498	2,907,111	5,254,251	4,526,447	2,316,510	2,747,803	2,657,882	2,773,685	2,666,334
Transfers out	(2,690,108)	(2,898,498)	(2,907,111)	(5,254,251)	(4,526,447)	(2,316,510)	(2,747,803)	(2,657,882)	(2,773,685)	(2,666,334)
Payment to refunded bond escrow agent	-	-	-	-	(10,321,560)	(5,504,006)	(9,810,000)	-	-	-
Total other financing sources (uses)	50,742	-	-	-	63,440	60,994	75,000	-	1,128,907	40,850
Net change in fund balances	\$ 5,414,599	\$ 5,035,991	\$ 4,228,656	\$ 5,244,931	\$ 471,107	\$ 2,969,597	\$ 1,809,266	\$ (2,528,325)	\$ 1,319,421	\$ 3,840,752
Debt service as a percentage of noncapital expenditures	8.62%	8.20%	8.17%	7.90%	7.15%	5.07%	5.11%	6.54%	6.17%	6.01%

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

<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>
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
2015	24,144,781	13,755,193	3,097,167	4,514,137	2,783,222	182,464	336,529	48,813,493

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

<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>
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%
2015	2014	8,734,453,409	198,681,857	(538,824,136)	8,394,311,130	1.7261	10,144,322,013	82.749%

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	Overlapping Rates								
		City of Aventura			School District			Regional		
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	South Florida Water Management District	Everglades Project	Okeechobee Basin
2006	2005	2.2270	-	2.2270	7.9470	0.4910	8.4380	0.5970	0.1000	-
2007	2006	2.2270	-	2.2270	7.6910	0.4140	8.1050	0.5970	0.1000	-
2008	2007	1.7261	-	1.7261	7.5700	0.3780	7.9480	0.5346	0.0894	-
2009	2008	1.7261	-	1.7261	7.5330	0.2640	7.7970	0.5346	0.0894	-
2010	2009	1.7261	-	1.7261	7.6980	0.2970	7.9950	0.5346	0.0894	-
2011	2010	1.7261	-	1.7261	7.8640	0.3850	8.2490	0.5346	0.0894	-
2012	2011	1.7261	-	1.7261	7.7650	0.2400	8.0050	0.3739	0.0624	-
2013	2012	1.7261	-	1.7261	7.7650	0.2330	7.9980	0.3676	0.0613	-
2014	2013	1.7261	-	1.7261	7.6440	0.3330	7.9770	0.3523	0.0587	-
2015	2014	1.7261	-	1.7261	7.7750	0.1990	7.9740	0.1577	0.0548	0.17

Source: Miami-Dade County Appraiser's Office.

Overlapping Rates

Regional		Miami-Dade County					Other	Total Direct and Overlapping Rates	
Florida Inland Navigational District	Total Regional Millage	Operating Millage	Debt Service Millage	Fire and Rescue	Fire Debt	Library	Total County Millage	Children's Trust	Total Direct and Overlapping Rates
0.0385	0.7355	5.8350	0.2850	2.6090	0.0520	0.4860	9.2670	0.4288	21.0963
0.0385	0.7355	5.6150	0.2850	2.6090	0.0420	0.4860	9.0370	0.4223	20.5268
0.0345	0.6585	4.5796	0.2850	2.2067	0.0420	0.3842	7.4975	0.4223	18.2524
0.0345	0.6585	4.8379	0.2850	2.1851	0.0420	0.3822	7.7322	0.4212	18.3350
0.0345	0.6585	4.8379	0.2850	2.1851	0.0420	0.3822	7.7322	0.5000	18.6118
0.0345	0.6585	5.4275	0.4450	2.5753	0.0200	0.2840	8.7518	0.5000	19.8854
0.0345	0.4708	4.8050	0.2850	2.4496	0.0131	0.1795	7.7322	0.5000	18.4341
0.0345	0.4634	4.7035	0.2850	2.4496	0.0131	0.1725	7.6237	0.5000	18.3112
0.0345	0.4455	4.7035	0.4220	2.4496	0.0127	0.1725	7.7603	0.5000	18.4089
0.0345	0.4187	4.6669	0.4500	2.4207	0.0114	0.2840	7.8330	0.5000	18.4518

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

		Fiscal Year					
		2015			2006		
<u>Taxpayer</u>	<u>Type of Use</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage Total Assessed Value</u>
Aventura Mall Ventures	Shopping Center	\$ 455,462,319	1	5.43%	\$ 328,700,000	1	4.97%
Miami Beach Health Care Group, LTD	Hospital & Health Care Facility	128,763,633	2	1.53%	-	0	0.00%
CG Bay One and Two, LLC	Rental Apartment Complex	-	0	0.00%	87,970,000	2	1.33%
Turnberry Isle Resort, LP	Golf Course, Hotel & Marina	71,993,867	3	0.86%	78,008,295	3	1.18%
CC-Aventura, Inc.	Independent/Assisted Living Facility	70,700,000	4	0.84%	68,072,777	4	1.03%
Summit Properties Partnership, LP	Rental Apartment Complex	48,630,000	5	0.58%	50,000,000	5	0.76%
Florida Power & Light Co.	Electrical Utility Company	46,128,320	6	0.55%	-	0	0.00%
OTP Capital LLC	Office Building	40,414,000	7	0.48%	-	0	0.00%
NNN Aventura Harbour Centre, LLC	Mixed Use Zones & Offices	40,400,000	8	0.48%	43,000,000	8	0.65%
Bruce Strohm and D. Neithercut TRS	Rental Apartment Complex	40,160,000	9	0.48%	38,800,000	9	0.59%
Promventure Limited Partnership	Shopping Center	39,895,836	10	0.48%	35,200,000	10	0.53%
Miami Beach Healthcare Group, Ltd.	Hospital/Medical Center	-	0	0.00%	47,421,812	6	0.72%
D. Soffer and B. Redich TRS	Commercial Developer	-	0	0.00%	44,046,720	7	0.67%
		<u>\$ 982,547,975</u>		<u>11.70%</u>	<u>\$ 821,219,604</u>		<u>12.43%</u>

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

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

Fiscal Year	Tax Roll Year	Property Tax Levy	(1)	Net Tax Levy	Current Tax Collection	Percentage of Current Tax Collections to Net Tax Levy	(2)	Total Tax Collection	Percentage of Total Tax Collection to Property Tax Levy
			Property Tax Discount			Delinquent Tax Collection	of Total Tax Collection		
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%
2015	2014	14,489,420	579,577	13,909,843	13,576,858	97.61%	404,878	13,981,736	96.50%

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

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				
2006	\$ -	\$ 35,260,000	\$ -	\$ -	\$ -	\$ 35,260,000	3.20%	\$ 1,197.24
2007	-	34,255,000	-	-	-	34,255,000	2.93%	1,127.44
2008	-	33,220,000	-	-	-	33,220,000	2.73%	1,070.09
2009	-	32,140,000	-	-	-	32,140,000	2.81%	1,032.58
2010	-	30,815,000	-	-	-	30,815,000	2.54%	988.26
2011	-	30,045,000	-	-	-	30,045,000	2.13%	841.05
2012	-	28,805,000	-	-	-	28,805,000	1.91%	773.52
2013	-	27,215,000	-	-	-	27,215,000	*	721.40
2014	-	25,540,000	-	-	-	25,540,000	*	685.42
2015	-	23,805,000	-	-	-	23,805,000	*	635.26

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

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

* Information not available.

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

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)
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
2015	23,805,000	353,377	23,451,623	8,394,311,130	0.28%	625.83

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

CITY OF AVENTURA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
SEPTEMBER 30, 2015

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Aventura (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 3,936,368,257	3.992%	\$ 157,139,821
Miami-Dade County School Board (2)	<u>3,157,004,000</u>	3.992%	<u>126,027,600</u>
Subtotal overlapping debt	<u>7,093,372,257</u>		<u>283,167,420</u>
Direct debt:			
City of Aventura	<u>23,805,000</u>	100.000%	<u>23,805,000</u>
Subtotal direct debt	<u>23,805,000</u>		<u>23,805,000</u>
Total direct and overlapping debt	<u>\$ 7,117,177,257</u>		<u>\$ 306,972,420</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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 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	\$ 839,431,113
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 839,431,113
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 2015

Assessed valuation of taxable real and personal property	\$ 8,394,311,130
Bonded debt limit - 10% above (1)	\$ 839,431,113
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 23,805,000
Less: debt to be repaid from specified revenue sources:	
Covenant to budget and appropriate	<u>(23,805,000)</u>
Total net debt applicable to limit	-
Legal Debt Margin (1)	<u>\$ 839,431,113</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

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
2006	29,451	\$ 1,101,762	\$ 37,410	2.3%
2007	30,383	1,168,074	38,445	2.5%
2008	31,044	1,216,087	39,173	3.4%
2009	31,126	1,143,881	36,750	7.3%
2010	31,181	1,211,881	38,866	9.2%
2011	35,723	1,410,523	39,485	8.1%
2012	37,239	1,508,701	40,514	6.7%
2013	37,725	1,516,696	40,204	6.2%
2014	37,262	1,560,644	41,883	5.5%
2015	37,473	*	*	5.4%

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

	Fiscal Year					
	2015			2006		
<u>Occupational Groups</u>	<u>Employees</u>	<u>Rank</u>	Percentage of Total <u>Employment</u>	<u>Employees</u>	<u>Rank</u>	Percentage of Total <u>Employment</u>
Office and administrative support	202,070	1	19.29%	211,360	1	21.02%
Sales and related	145,320	2	13.87%	131,030	2	13.04%
Food preparation and serving related	100,010	3	9.55%	77,860	4	7.75%
Transportation and material moving	78,940	4	7.54%	83,890	3	8.35%
Healthcare practitioners and technical	65,240	5	6.23%	54,790	5	5.45%
Business and financial operations	56,980	6	5.44%	44,390	7	4.42%
Education, training and library	50,000	7	4.77%	N/A	N/A	N/A
Protective service	42,830	8	4.09%	39,130	8	3.89%
Installation, maintenance and repair	39,380	9	3.76%	35,740	10	3.56%
Production	38,730	10	3.70%	44,680	6	4.45%
Management	36,490	11	3.48%	30,370	12	3.02%
Building and grounds cleaning and maintenance	35,120	12	3.35%	34,460	11	3.43%
Personal care and service	31,010	13	2.96%	26,080	13	2.60%
Healthcare support	25,920	14	2.47%	21,590	14	2.15%
Construction and extraction	25,620	15	2.45%	36,800	9	3.66%
Computer and mathematical	17,590	16	1.68%	16,280	15	1.62%
Legal	14,930	17	1.43%	12,460	18	1.24%
Arts, design, entertainment, sports and media	13,330	18	1.27%	15,280	16	1.52%
Community and social service	12,250	19	1.17%	12,690	17	1.26%
Architecture and engineering	9,680	20	0.92%	12,230	19	1.22%
Life, physical and social science	3,790	21	0.36%	5,870	20	0.58%
Farming, fishing and forestry	2,310	22	0.22%	N/A	N/A	N/A
Other, not classified	N/A	N/A	N/A	57,970	21	5.77%
Total	<u>1,047,540</u>		<u>100.00%</u>	<u>1,004,950</u>		<u>100.00%</u>

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 2014. 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

Function:	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	26	23	23	19	20	19	19	18	22	22
Public safety:										
Sworn	74	80	80	80	83	83	83	83	83	83
Civilians	37	34	35	37	37	37	38	38	37	38
Community services	17	15	16	16	16	15	14	14	14	14
Community development	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
 Total	<u>164</u>	<u>162</u>	<u>163</u>	<u>161</u>	<u>164</u>	<u>162</u>	<u>162</u>	<u>161</u>	<u>164</u>	<u>165</u>

Source: Various City departments.

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function:										
Public safety:										
Part 1 Crimes reported*	1,797	2,045	2,363	2,302	2,193	2,400	2,298	2,353	2,210	2,273
Arrests	1,733	1,966	2,215	2,387	2,203	2,137	2,258	2,015	1,937	1,705
Traffic citations and warnings	14,431	16,848	16,987	20,026	20,814	19,114	18,707	16,940	18,690	15,911
Parking citations issued	4,816	4,750	4,049	3,639	3,375	2,886	2,120	1,847	1,498	1,295
Calls for service	33,905	34,987	33,281	32,616	31,169	30,470	29,276	29,123	28,682	16,816
Accidents	1,816	2,222	2,087	1,961	1,878	1,437	1,102	2,046	2,134	2,144
Community development:										
Building permits issued	5,242	6,161	4,112	3,377	4,130	4,465	4,615	5,141	5,244	5,352
Building inspections conducted	10,292	13,891	9,365	6,015	6,963	7,903	7,963	8,954	10,438	12,538
Code notice of violations issued	170	199	118	122	134	153	135	187	139	146
City business tax receipts issued	2,966	2,978	2,875	2,817	2,884	2,776	2,580	2,712	2,383	2,504
Community services:										
Recreation center memberships	N/A	N/A	1,149	1,112	1,238	1,242	1,101	1,088	1,125	1,100
Special event attendance	36,365	38,714	22,242	23,068	24,017	24,849	24,957	27,188	31,715	32,648
Shuttle bus ridership	146,506	166,255	189,996	209,257	241,273	260,325	271,645	284,876	279,943	270,082
Charter school enrollment	800	800	900	900	932	972	984	996	1,008	1,020

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	5	5	5	5	5	5	5	5	5
Park acreage	23.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50
Baseball/softball diamonds	1	1	2	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	3	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	639	654	712	712	712	712	712	742	800	800
Miles of roads	13.00	13.25	13.80	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)	5	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



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

Honorable Mayor and Members of the City Commission
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 fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 16, 2016. Our report includes a reference to other auditors who audited the pension trust fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other 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 City'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.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
February 16, 2016



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MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the basic financial statements of City of Aventura, Florida (the "City"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated February 16, 2016.

Auditors' 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required By OMB Circular A-133; and Independent Accountant's Report on Compliance with the Requirements of Section 218.415 Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated February 16, 2016, 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 or 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. This information is disclosed in the notes to the financial statements, Note 1.

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 condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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, 2015, 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, 2015. 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, City Commission and applicable management, and is not intended to be and should not be and should not be used by anyone other than these specified parties.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
February 16, 2016



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have examined the City of Aventura, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2015. 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, 2015.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
February 16, 2016



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited City of Aventura (the "City"), Florida's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2015. City of Aventura, Florida's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Aventura, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2015.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
February 16, 2016

CITY OF AVENTURA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Expenditures</u>
<i>U.S. Department of Justice</i>			
<i>Direct Programs</i>			
Equitable Sharing Program	16.922	FL0139100	\$ 550,095
Bulletproof Vest Partnership Program	16.607	N/A	2,909
COPS Hiring Program	16.710	N/A	3,487
<i>Indirect Program-Passed through the Florida Department of Law Enforcement:</i>			
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-JAGC-DADE-31-R3-237	<u>5,131</u>
<i>Total U.S. Department of Justice</i>			<u>\$ 561,622</u>
<i>U.S. Department of Agriculture</i>			
<i>Indirect Program-Passed through the Florida Department of Education:</i>			
National School Lunch Program	10.555	N/A	<u>12,148</u>
<i>Total U.S. Department of Agriculture</i>			<u>\$ 12,148</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 573,770</u>

See notes to schedule of federal awards

CITY OF AVENTURA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. CONTINGENCY

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

CITY OF AVENTURA, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF AVENTURA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified not considered to be material weakness? yes None reported

Non-compliance material to financial statements noted? yes no

Federal Awards Program

Internal control over major federal awards programs:

Material weakness(es) identified? yes no

Significant deficiencies identified not considered to be material weakness? yes None reported

Type of auditors' report issued on compliance for major federal awards programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133? yes no

Identification of major federal awards programs:

<u>Federal Awards Program</u>	<u>Federal CFDA No.</u>
Equitable Sharing Program	16.922
Dollar threshold used to distinguish between Type A and Type B programs:	Federal \$300,000
Auditee qualified as low risk auditee for audit of federal awards programs?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

CITY OF AVENTURA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2015
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.



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