



The City of
AVENTURA, FLORIDA



*Comprehensive Annual Financial Report
For The Fiscal Year Ended
September 30, 2019*

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF AVENTURA, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019



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

CITY OF AVENTURA, FLORIDA

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INTRODUCTORY SECTION



City of Aventura

Government Center
19200 West Country Club Drive
Aventura, Florida 33180

ENID WEISMAN
MAYOR

COMMISSIONERS
DENISE LANDMAN
DR. LINDA MARKS
GLADYS MEZRAHI
MARC NAROTSKY
ROBERT SHELLEY
HOWARD WEINBERG
RONALD J. WASSON
CITY MANAGER

March 5, 2020

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

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, 2019. 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 has been established for this purpose. Because the cost of internal controls should not exceed their 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 Caballero Fierman Llerena & Garcia, LLP has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2019. The independent auditor's 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. The 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. Each Commissioner has 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 (2) 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 175 full-time positions and provides high-quality public services including General Government, Police, Community Services and Public Works/Transportation to its residents and business community.

In FY 2018/19, the Commission addressed the following priorities/goals either through formal adoption or supporting them through policy and/or initiatives:

Enhance the safety and security of our residents and businesses:

- Continued community outreach initiatives to engage the community in joint problem solving and crime prevention techniques.
- Added one (1) new School Resource Officer for the new Don Soffer Aventura High School which opened in August 2019.
- Improved communications with the community by expanding social media and the Police Department's community policing efforts.
- Increased police service overtime costs to meet increased demands and to keep our community safe.

Provide and support quality educational choices for Aventura students to succeed academically and become productive citizens:

- Continued to operate the Aventura City of Excellence School K-8 as an "A" rated high performing school and provide support services thorough various City departments.
- Opened the Don Soffer Aventura High School in August 2019 to 200 9th grade students.

Maintain efficient and responsive government which embraces the highest standards of service and financial stability:

- Had no increase in the tax rate for the 23rd year in a row.
- Continued to focus on maintaining the City's infrastructure by providing more than \$2.9 million in funding for park improvements and road resurfacing capital outlay projects.
- Maintained healthy reserves to address economic challenges and unforeseen emergencies.

- Continued the model of privatizing many City service areas while maintaining a small workforce which has allowed for a more cost effective service delivery system, as compared to the traditional government structure.
- Continued to utilize technology to improve productivity and expand E-government applications.

Continue to explore alternate transportation modes to alleviate traffic and support bicycle friendly initiatives:

- Continued to fund the free Aventura Express Shuttle Bus system that serves nearly 26,000 riders a month and extend service to new developments.
- Continued to implement recommendations made in the Unfiled Master Plan for Pedestrian/Bicycle Connectivity.
- Maintained the Aventura BCycle bike share program.
- Continued to collaborate with state, county and local officials to address traffic issues.

Community Engagement, Parks, Programs and Special Events:

- Expanded part-time seasonal Park Attendant hours in order to provide adequate coverage in the peak season and accommodate increased attendance at our park facilities.
- Continued the new afterschool program at the Community Recreation Center for Aventura students that attend Aventura Waterways K-8.
- Continued the youth travel soccer and basketball leagues to respond to increased demand for these community services which are offset by user fees.
- Continued the “Community Ride with the Police Department” Special Event which provides opportunities for the residents to interact with the Police.
- Increased funding to support a wide Variety of programming for all age groups at the Aventura Arts & Cultural Center.
- Continued to fund Family Movie Nights at Founders Park.
- Provided funding to maintain our parks and recreation facilities at a high level.
- Continue to employ the use of the Youth Advisory Board.

Environmental Sustainability and Go Green Initiatives

- Maintained Tree City USA status.
- Continued to improve the energy efficiency of all City facilities including the replacement of worn air conditioning systems.
- Ensured that redevelopment projects that require land use/zoning revisions do not have a negative impact on the community.
- Included funding to continue to retrofit street lighting with more energy efficient LED fixtures.
- Monitored and participated in regional efforts to address the impact of rising sea level as well as implemented recommendations found in the City’s Comprehensive Stormwater Management Plan that address drainage improvements and the long-range impacts of climate change.
- Continued the “Go Green Award Program” sponsored by the Community Services Board to recognize condominiums and businesses that have made efforts to reduce energy consumption and implement recycling programs.
- Provided adequate funding to maintain our signature landscape, streets, rights-of-way and facilities and maintained the silver level certification recognition by the Florida Green Local Government Program.

Police Department

On March 25, 2000, the Aventura Police Department (“APD”) became the youngest agency to ever receive accreditation status through the Commission on Accreditation for Law Enforcement Agencies, Inc. (“CALEA”). The accreditation means the APD 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 APD has met or exceeded international accreditation standards set by CALEA.

The accreditation process increases the agency'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 APD and its role in the community, its goals and objectives. For the 7th time, CALEA has awarded reaccreditation to the APD. This prestigious organization has awarded our agency with their Gold Standard and has recognized us as one of their flagship organizations. These coveted awards from a nationally recognized and independent organization, symbolizes the agency's professionalism and distinction.

The APD is a leader in the field of technology. The agency completed full integration of our E911 system as well as our Computer Aided Dispatch ("CAD") and Records Management System ("RMS") for reports and computer dispatched calls for service. The merge has allowed our 911 dispatchers to instantly share knowledge of changing events with field units and simultaneously provide existing data on suspects and previous incidents.

In addition, during the past year the APD upgraded its E911 center to be fully Next Generation compliant. This technological upgrade will allow the public to send text and video into our 911 center. Furthermore, the APD was the first municipality in the nation to implement shot detection technology in both of its charter schools. This cutting edge technology that ties into our 911 center provides real time video and mapping location to our officers and dispatchers, in the event a gunshot is detected on either school campus.

Aventura City of Excellence School

The City owns and operates the Aventura City of Excellence School ("ACES"). ACES is a K-8 Municipal Charter School that is part of the City's government and 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 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 16 years. The School will serve 1,020 students in the 2019/20 school year.

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 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 1,020 students over the next five (5) years commencing with the 2012/13 school year.

Don Soffer Aventura High School

The Don Soffer Aventura High School ("DSAHS") is a tuition-free public charter school that opened in August 2019. The DSAHS currently has 200 9th grade students enrolled in its first year and will add grades 10 through 12 in subsequent years for a total enrollment of 800 students. The 53,418-square-foot school and 10,250-square-foot gymnasium is located on two (2) acres at 3151 NE 213th St., Aventura, FL 33180.

DSAHS is a municipal charter school managed by Charter Schools USA Inc. ("CSUSA") and is governed by the City. CSUSA, the first education management company to receive corporation system-wide accreditation through AdvancED is one of the nation's leading charter school

management companies. CSUSA currently manages 83 schools in six (6) states serving more than 70,000 students in kindergarten through 12th grade. CSUSA's innovative educational advantages include advanced technology, meaningful parental involvement, student uniforms, consistent and fairly-enforced discipline policies, highly qualified and motivated staff, community focus, integrated character education and high academic growth and performance. Learners at DSAHS will discover their passion and build a bridge between their rigorous high school experience and future to become impactful global citizens.

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 and has just completed its 9th season. The AACC has become the cultural heart of the City as thousands have enjoyed a wide range of shows in this beautiful waterfront facility.

Budget Process

The City's fiscal year begins on October 1st and ends on September 30th of each year as mandated by Florida statutes. The City Manager submits to the Commission the Proposed Operating and Capital Budget for the coming year no later than July 10th of each fiscal year. The preliminary millage rate is based on the certified taxable value that is received on July 1st. The appropriations contained in the proposed budget 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, the Charter High 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 2.8 million square foot Aventura Mall, one of the biggest indoor shopping destinations in the greater Miami area, with 300+ luxury retail stores. The City is home to many other beautiful shopping centers, fine dining establishments, parks and the Aventura Hospital and Medical Center.

In September 2019, the Commission adopted the budget for the fiscal year beginning October 1, 2019 with the same tax rate as the prior year of 1.726. This is the lowest rate in the County, making it the City's 24th year without a property tax increase. The City's property tax component is responsible for approximately 10% of the total tax bill, with the largest portions being incurred from the County and School Board. In FY 2019/20, the City will maintain the same service levels and programs that our residents and businesses enjoyed in the prior year with the following exceptions:

- The overtime in the Police Department operational budget has increased by \$30,000 due to an anticipated increase in workload demands covered by this category.
- The actuarial determined City contribution related to the Police Officer's Pension Plan has increased from 17.903% to 21.310% resulting in an increase of approximately \$300,000 in the Police Department operational budget.

- Part-time seasonal Park Attendant hours were increased by approximately \$15,000 over the prior year to ensure adequate coverage is provided during the peak season.
- Non-Departmental Transfers increased by approximately \$227,000 primarily due to the final balloon payment that is due on the Series 2000 Revenue Bond on September 30, 2020.
- On February 4, 2020, the City Commission approved a new three-year agreement between the City and the Dade County Police Benevolent Association for the period October 1, 2019 – September 30, 2022.

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 FY 2018/19:

- ✓ Improvements at Founders Park that included new Sunpad furniture, splashpad pumps and bathroom renovations
- ✓ Security enhancements at Waterways Parks, Community Recreation Center and ACES
- ✓ ACES Play Area Turf Replacement Project
- ✓ Mystic Point Drive Road Resurfacing Project
- ✓ Country Club Drive Irrigation Relocation Project
- ✓ Country Club Drive and Lehman Causeway Curb and Fill Project
- ✓ Storm grates NE Section

In addition, the construction of the Don Soffer Aventura High School was substantially complete, while the Retrofit Street Lighting with LED fixtures project and the tennis court enhancements at Founders Park were both in process at the end of FY 2018/19.

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. 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. Some of our more significant fund balance classifications include:

Committed: This classification includes amounts that can be used only for the specific purposes as determined by adoption of an ordinance by the Commission. Once adopted, the limitation imposed by the ordinance remains in effect until another ordinance either removes or revises the limitation. Effective September 30, 2019, the Commission provided a General Fund Capital Reserve of approximately \$ 14.8 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. If in any fiscal year the City's unassigned fund balance falls below the required threshold, the City shall not utilize any unassigned fund balance to balance 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 threshold. In FY 2019/20, 10% of the General Fund revenue approximates \$ 4 million, while at September 30, 2019 unassigned fund balance approximated \$ 20.4 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.

Privatization of City Services

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

AWARDS AND ACKNOWLEDGEMENTS

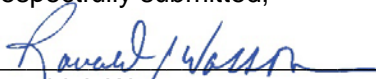
The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Aventura for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the 23rd consecutive 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, 2018. 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 would not have been possible without the efficient and dedicated service of the Finance Department and as such we would like to express our appreciation to all members of the Department who assisted in this effort. In addition, we give credit to City Commission for their continued interest and support in planning and conducting the City’s financial operations in a responsible and progressive manner.

Respectfully submitted,



Ronald J. Wasson
City Manager

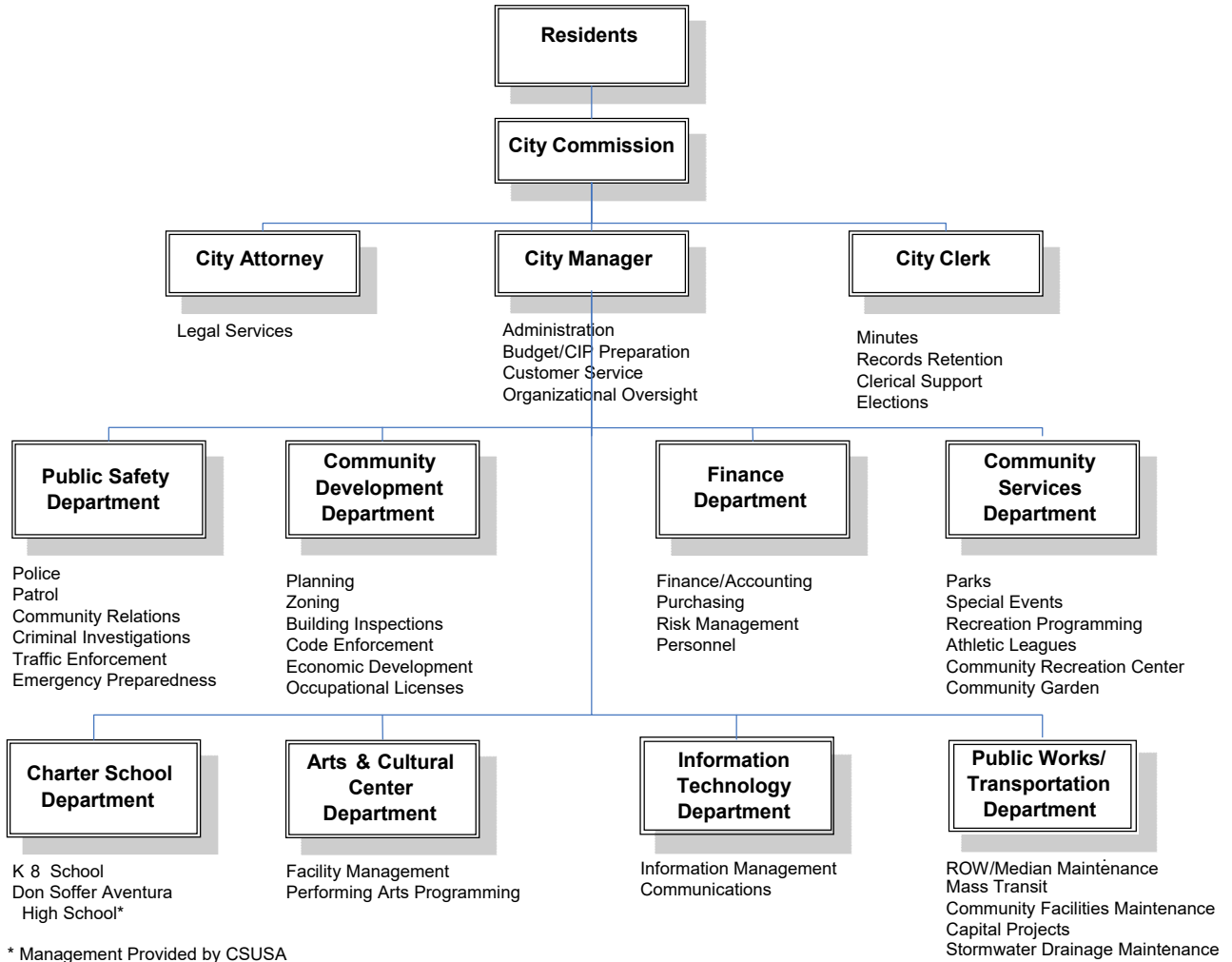


Brian K. Raducci
Finance Director

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

<u>Title</u>	<u>Name</u>
Mayor	Enid Weisman
Commissioner	Denise Landman
Commissioner	Dr. Linda Marks
Commissioner	Gladys Mezrahi
Commissioner	Marc Narotsky
Commissioner	Robert Shelley
Commissioner	Howard Weinberg
City Manager	Ronald J. Wasson
City Attorney	Weiss Serota Helfman Cole & Bierman, P.L.
Community Development Director	Joanne Carr
Information Technology Director	Karen J. Lanke
Finance Director	Brian K. Raducci
City Clerk	Ellisa L. Horvath
Arts & Cultural Center General Manager	Jeff Kiltie
Community Services Director	Kimberly Merchant
Public Works/Transportation Director	Joseph S. Kroll
Chief of Police	Bryan Pegues
Don Soffer Aventura High School Principal	David McKnight
Aventura City of Excellence School Principal	Anthony Tyrkala
City Auditor	Caballero Fierman Llerena & Garcia, 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, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



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, 2019, 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, which represents 95%, 96% and 86% 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, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, 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.

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 3 through 11 and the budgetary comparison schedules, schedule of changes in City's net pension liability and related ratios, schedule of City's contributions, schedule of changes in total liability and related ratios other post-employment benefits on pages 53 through 60, 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.

Supplementary and 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 and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the 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 the 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 March 5, 2020, 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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 5, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

CITY OF AVENTURA, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

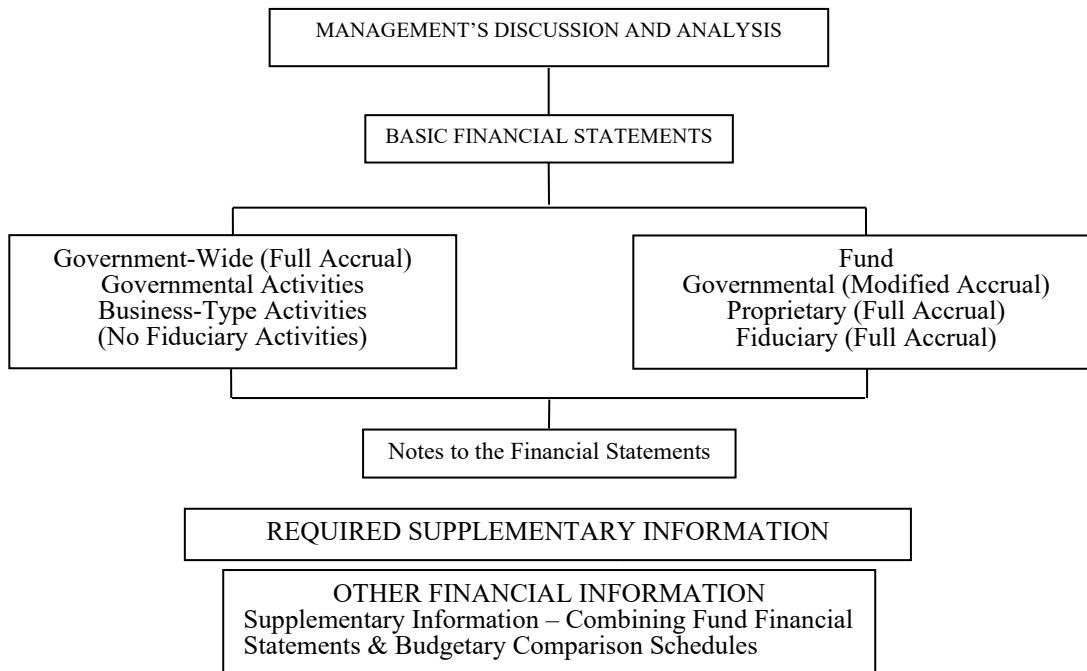
As the City of Aventura’s (the “City”) management, we offer the City’s financial statement readers this narrative overview and analysis of the City’s financial activities for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented herein in conjunction with the Letter of Transmittal, which can be found on pages i through vii 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 \$133 million (net position). Of this amount, \$32.1 million represents unrestricted net position, which may be used to meet the City’s ongoing obligations to citizens and creditors.
- The City’s total net position increased by \$4.5 million over the course of this year’s operations. The net position of our governmental activities increased by approximately \$4.3 while the net position of our business type activities increased by approximately \$.2 million.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$49.9 million, a decrease of \$6.9 million in comparison with the prior year. Approximately 38% of this amount (\$19.0 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 nonspendable, committed, assigned and unassigned components of fund balance) for the General Fund was \$41.1 million, or approximately 98% of total General Fund expenditures (inclusive of transfers out).

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.



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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	Balance sheet	Statement of net position	Statement of net position
	Statement of activities	Statement of revenues, expenditures, and net changes in fund balances	Statement of revenues, expenses, and changes in net position Statement of cash flows	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 from 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 the City's long and short term financial information on the assets held and liabilities owed, as well its deferred outflows/inflows of resources. The City's assets are reported when acquired and its 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 it incurs. 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).

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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, community services and public works. 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 the City's specific activities 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 City's funds 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

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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 customers a fee for their 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. Although the City does not have any Internal Service Funds, such funds are used to account for services provided and billed on an internal basis.

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 another party's benefit outside the government. Fiduciary funds are not reflected in the government-wide financial statement because 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.

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 components of net pension liability and related ratios and schedule of employer and State of Florida contributions as well as a schedule of components of the net OPEB liability and related ratios.

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.

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Government-Wide Financial Analysis

The table below presents a summary of net position as of 2019 and 2018, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 56,279	\$ 63,796	\$ 715	\$ 448	\$ 56,994	\$ 64,244
Capital assets	<u>106,847</u>	<u>95,528</u>	<u>8,959</u>	<u>8,942</u>	<u>115,806</u>	<u>104,470</u>
Total assets	<u>163,126</u>	<u>159,324</u>	<u>9,674</u>	<u>9,390</u>	<u>172,800</u>	<u>168,714</u>
Total deferred outflows of resources	<u>4,739</u>	<u>3,420</u>	<u>-</u>	<u>-</u>	<u>4,739</u>	<u>3,420</u>
Liabilities:						
Long-term liabilities	31,469	32,099	-	-	31,469	32,099
Other liabilities	<u>10,168</u>	<u>10,066</u>	<u>198</u>	<u>133</u>	<u>10,366</u>	<u>10,199</u>
Total liabilities	<u>41,637</u>	<u>42,165</u>	<u>198</u>	<u>133</u>	<u>41,835</u>	<u>42,298</u>
Total deferred inflows of resources	<u>2,996</u>	<u>1,684</u>	<u>-</u>	<u>-</u>	<u>2,996</u>	<u>1,684</u>
Net position:						
Net investment in capital assets	83,299	69,820	8,960	8,942	92,259	78,762
Restricted	8,300	16,785	-	-	8,300	16,785
Unrestricted	<u>31,634</u>	<u>32,290</u>	<u>516</u>	<u>315</u>	<u>32,150</u>	<u>32,605</u>
Total net position	<u>\$ 123,233</u>	<u>\$ 118,895</u>	<u>\$ 9,476</u>	<u>\$ 9,257</u>	<u>\$ 132,709</u>	<u>\$ 128,152</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 and deferred inflows of resources by approximately \$133 million.

The largest component of the City's net position is net investment in capital assets and is 70% 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 its citizens with quality services. 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 (resources available for spending) and is 24% of total net position. Restricted net position represents 6% of total net position and contains resources that are subject to external restrictions on how they can be used.

Capital assets increased approximately \$11.3 million and net investment in capital assets increased by \$13.5 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 decreased by approximately \$7.5 million and unrestricted net position in the governmental activities decreased by approximately \$.7 million. The increase in net investment in capital assets is due to the City's ability to self-finance acquisition and construction of new capital/infrastructure projects.

CITY OF AVENTURA, FLORIDA
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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, property taxes increased by approximately \$.3 million as the assessed value of our taxable property increased over the prior year coupled with no change in our ad valorem millage rate. In addition, we experienced a \$1.9 million decrease in building permit fees due to the completion of several large projects. Investment earnings increased by \$1.0 million due to higher interest rates and more aggressive asset allocation. Community Services expenses increased by \$.6 million as a result of opening the Don Soffer Aventura High School, and increase salary costs related to the Aventura City of Excellence School.

The table below presents a summary of changes in net position for the years ended September 30, 2019 and 2018, as derived from the government-wide Statement of Activities:

	Changes in Net Position (in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 11,429	\$ 12,871	\$ 1,347	\$ 1,254	\$ 12,776	\$ 14,125
Operating grants and contributions	10,763	9,859	-	-	10,763	9,859
Capital grants and contributions	1,270	288	-	100	1,270	388
General revenues:						
Property taxes	17,052	16,747	-	-	17,052	16,747
Utility service taxes	7,890	8,053	-	-	7,890	8,053
Franchise fees	2,399	2,545	-	-	2,399	2,545
Intergovernmental revenues	6,414	6,633	-	-	6,414	6,633
Other revenues	3,701	1,819	7	6	3,708	1,825
Total revenues	<u>60,918</u>	<u>58,815</u>	<u>1,354</u>	<u>1,360</u>	<u>62,272</u>	<u>60,175</u>
Expenses:						
General government	6,499	6,852	-	-	6,499	6,852
Public safety	28,048	26,271	-	-	28,048	26,271
Community services	14,522	13,884	-	-	14,522	13,884
Public works	6,595	6,808	-	-	6,595	6,808
Interest and fiscal charges	916	823	-	-	916	823
Stormwater utility	-	-	1,135	1,480	1,135	1,480
Total expenses	<u>56,580</u>	<u>54,638</u>	<u>1,135</u>	<u>1,480</u>	<u>57,715</u>	<u>56,118</u>
Change in net position	4,338	4,177	219	(120)	4,557	4,057
Net position, beginning of year (as restated)	<u>118,895</u>	<u>114,718</u>	<u>9,257</u>	<u>9,377</u>	<u>128,152</u>	<u>124,095</u>
Net position, end of year	<u>\$ 123,233</u>	<u>\$ 118,895</u>	<u>\$ 9,476</u>	<u>\$ 9,257</u>	<u>\$ 132,709</u>	<u>\$ 128,152</u>

Financial Analysis of the City of Aventura's Funds

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

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.

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Financial Analysis of the City of Aventura's Funds (Continued)

Governmental funds (Continued)

The General Fund is the City's chief operating fund and at end of the current fiscal year its total fund balance approximated \$41.1 million. Much of the unrestricted fund balance portion 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. Unassigned fund balance equals approximately \$20.3 million or 49% of the General Fund total fund balance. This amount represents approximately 50% of total general fund expenditures (inclusive of transfers out) and is available for spending at the government's discretion.

The total fund balance of the City's General Fund increased by \$4.7 million. During the current fiscal year revenues decreased by \$.3 million and expenditures decreased by \$13.1 million, respectively. There was less development activity in the City, resulting in a \$1.9 million decrease in permit fee revenue. Expenditures decreased by 13.1 million as a result of completion of the Don Soffer Aventura High School.

The Charter School Fund is used to record the operations of the Aventura City of Excellence School. The Charter School's fund balance decreased by \$.5 million. Revenues did not change significantly from the prior year, increasing only \$.1 million. The primary increase in costs were related to salaries and benefits. During the year, the School increased its investment in computers and other capital equipment in the amount of \$.1 million.

The Don Soffer Aventura High School Fund is used to record the operations of the Don Soffer Aventura High School. This is the first year of operations for this Fund, and reflects startup costs and three months of operations. The student population is being phased in over four years.

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. This year the fund balance increased by \$1.5 million. Revenues increase by approximately \$.3 million and expenditures increased by approximately \$2 million.

The Charter School Construction Fund is used to account for the costs to build the City's new high school. The costs are financed partially with \$7.1 million of debt and the remaining costs are covered with the City's funds and donations. The total cost is estimated to be approximately \$15 million. In the current year, construction costs were \$13.7 million, and prior year construction costs were \$2.3 million.

The Debt Service Fund Series 2000 is used to record principal 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 an increase in net position of \$.2 million over the prior year. Revenues increased by \$.1 million and expenses decreased by .3 million.

General Fund Budgetary Highlights

During the year, the original budget was amended to reflect an additional \$2.2 million in new revenues and expenditures. Revenues and expenditures were increased by approximately as follows:

- \$.5 million expenditures related to the automatic reappropriation of capital-related encumbrances for capital projects that were in process at the end of fiscal year 2018.
- \$1.2 million related to the increase in building permit and planning review activity which was offset by additional revenue in their respective categories.
- \$.5 million for various operational needs.

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General Fund Budgetary Highlights (Continued)

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in the net increase to fund balance of approximately \$4.7 million. As explained earlier, much of the unrestricted fund balance will continue to be utilized in future years to fund various capital needs. Licenses and permits and fines and forfeitures revenue exceeded the revised budget by \$.8 million and \$ 1.2 million, respectively due to higher than anticipated revenues in both categories. Non-departmental capital outlay was approximately \$15.2 million less than budgeted because the City budgets a reserve for future capital expenditures which accounts for a significant portion of the appropriated beginning fund balance.

Capital Assets

As of September 30, 2019 and 2018, the City had \$ 115.8 million and \$ 104.5 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital assets (in thousands, net of depreciation)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 24,169	\$ 24,169	\$ -	\$ -	\$ 24,169	\$ 24,169
Buildings	29,579	30,684	-	-	29,579	30,684
Improvements other than buildings	9,485	9,708	-	-	9,485	9,708
Furniture, machinery and equipment	20,180	4,554	-	-	20,180	4,554
Infrastructure	4,059	19,882	8,481	8,481	12,540	28,363
Construction in progress	19,375	6,531	461	461	19,836	6,992
Total	<u>\$ 106,847</u>	<u>\$ 95,528</u>	<u>\$ 8,942</u>	<u>\$ 8,942</u>	<u>\$ 115,789</u>	<u>\$ 104,470</u>

Additional information can be found in Note 7 – Capital Assets.

Debt Administration

As of year-end, the City had \$ 23.125 million in debt outstanding compared to the \$ 25.335 million last year, a \$2.2 million decrease . All debt is secured only by a covenant to budget and appropriate.

	Bonded Debt and Notes Payable (in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Non-Ad Valorem bonds	\$ 23,125	\$ 25,335	\$ -	\$ -	\$ 23,125	\$ 25,335

Additional information can be found in Note 8 – Long-Term Liabilities of Governmental Activities.

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 including cities, counties and school boards primarily rely on property and a limited array of permitted other taxes (e.g., utility taxes, franchise fees and occupational licenses) and intergovernmental revenues to provide funding for their governmental activities. For business-type activities and certain governmental activities (e.g., construction services and recreational programs), a fee or charge is paid by those that utilize the service.

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

Strong fiscal policies and prudent budgeting have enabled the City to maintain the lowest tax rate within the County while at the same time provide high-quality services to our residents. The City experienced a 3.61% increase in property values over the prior year while the new construction assessed values rose by \$411 million over the same time. Recent developments such as the Park Square Aventura mixed use project, Publix Shopping Center redevelopment, 3 new office buildings and the expansion of the Aventura Mall will insure that this trend continues in the near future. For the 24th year in a row the FY 2019/20 budget did 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 to be issued.

The FY 2019/20 budget totals \$61.8 million or 4.8% less than the previous year mainly due to the completion of major capital outlay projects in the prior year. Capital Outlay expenditures are budgeted at \$2.6 million a decrease of \$2.5 million as compared to the prior year. In the coming year, funding has been planned and provided for park improvements, road resurfacing projects as well as the continued investment in state-of-the-art technology to better serve and protect our residents. In addition, the City has made it a priority to maintain its infrastructure (e.g., government buildings and its park facilities) to a very high standard in order to ensure our service levels will be long into the future.

Operating costs increased by \$1,270,275 or 3.4% as compared to the previous year. The budget maintains our current level for all City services except the following areas:

- The overtime in the Police Department operational budget has increased by \$30,000 due to an anticipated increase in workload demands covered by this category.
- The actuarial determined City contribution related to the City of Aventura Police Officer's Retirement Plan has increased from 17.903% to 21.310% resulting in an increase of approximately \$300,000 in the Police Department operational budget.
- The number of part-time seasonal Park Attendant hours was increased by approximately \$15,000 over the prior year to ensure that adequate coverage is provided during the peak season and to accommodate increased attendance at our park facilities.
- Non-Departmental Transfers has increased by approximately \$227,000 or 8.2% primarily due to the final balloon payment that is due on the Series 2000 Revenue Bond that will be paid on September 30, 2020.

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, 2019

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash, cash equivalents and investments	\$ 52,346,722	\$ 409,731	\$ 52,756,453
Receivables, net of allowance for uncollectibles	1,694,976	-	1,694,976
Due from other governments	1,097,034	304,987	1,402,021
Prepaid expenses	623,743	-	623,743
Inventories	16,418	-	16,418
Restricted cash, cash equivalents and investments	500,533	-	500,533
Capital assets:			
Nondepreciable	43,543,824	347,081	43,890,905
Depreciable, net of accumulated depreciation	63,303,459	8,612,573	71,916,032
Total assets	<u>163,126,709</u>	<u>9,674,372</u>	<u>172,801,081</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	4,278,054	-	4,278,054
OPEB	128,006	-	128,006
Deferred charge on refunding	333,420	-	333,420
Total deferred outflows of resources	<u>4,739,480</u>	<u>-</u>	<u>4,739,480</u>
<u>LIABILITIES</u>			
Accounts payable	2,869,412	198,414	3,067,826
Accrued liabilities	2,874,036	-	2,874,036
Due to other governments	35,635	-	35,635
Unearned revenues	433,639	-	433,639
Accrued interest payable	62,380	-	62,380
Due within one year:			
Compensated absences payable	1,187,746	-	1,187,746
Bonds payable	2,705,000	-	2,705,000
Due in more than one year:			
Compensated absences payable	2,205,814	-	2,205,814
Bonds payable	20,510,000	-	20,510,000
Net pension liability	7,549,691	-	7,549,691
Total OPEB liability	1,203,433	-	1,203,433
Total liabilities	<u>41,636,786</u>	<u>198,414</u>	<u>41,835,200</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	2,456,253	-	2,456,253
OPEB	539,896	-	539,896
Total deferred inflows of resources	<u>2,996,149</u>	<u>-</u>	<u>2,996,149</u>
<u>NET POSITION</u>			
Net investment in capital assets	83,298,863	8,959,654	92,258,517
Restricted for:			
Community services	6,100,145	-	6,100,145
Capital projects	852,512	-	852,512
Public safety	811,325	-	811,325
Debt service	536,587	-	536,587
Unrestricted	31,633,822	516,304	32,150,126
Total net position	<u>\$ 123,233,254</u>	<u>\$ 9,475,958</u>	<u>\$ 132,709,212</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,499,306	\$ -	\$ 702,020	\$ -	\$ (5,797,286)	\$ -	\$ (5,797,286)
Public safety	28,048,176	9,013,897	1,368,095	-	(17,666,184)	-	(17,666,184)
Community services	14,522,255	2,415,250	8,480,114	1,270,000	(2,356,891)	-	(2,356,891)
Public works	6,594,647	-	212,676	-	(6,381,971)	-	(6,381,971)
Interest and fiscal charges	915,785	-	-	-	(915,785)	-	(915,785)
Total governmental activities	56,580,169	11,429,147	10,762,905	1,270,000	(33,118,117)	-	(33,118,117)
Business-type activities:							
Stormwater utility	1,135,236	1,347,009	-	-	-	211,773	211,773
Total primary government	\$ 57,715,405	\$ 12,776,156	\$ 10,762,905	\$ 1,270,000	(33,118,117)	211,773	(32,906,344)
General revenue:							
Ad valorem taxes					17,051,593	-	17,051,593
Utility taxes					7,889,792	-	7,889,792
Franchise fees					2,399,456	-	2,399,456
Intergovernmental (unrestricted)					6,413,594	-	6,413,594
Impact fees					1,292,803	-	1,292,803
Investment income					1,627,125	6,697	1,633,822
Miscellaneous, including sale of general capital assets					781,941	-	781,941
Total general revenues					37,456,304	6,697	37,463,001
Change in net position					4,338,187	218,470	4,556,657
Net position - beginning					118,895,067	9,257,488	128,152,555
Net position - ending					\$ 123,233,254	\$ 9,475,958	\$ 132,709,212

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Major Funds						
	General Fund	Charter School Fund	Don Soffer Aventura High School Fund	Street Maintenance Fund	Charter High School Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents and investments	\$ 40,618,340	\$ 1,979,390	\$ -	\$ 5,882,970	\$ 1,524,501	\$ 2,341,521	\$ 52,346,722
Restricted cash, cash equivalents and investments	-	-	-	-	-	500,533	500,533
Accounts receivable	1,371,916	34,796	-	-	250,000	38,264	1,694,976
Due from other funds	2,401,983	-	-	-	-	-	2,401,983
Due from other governments	630,824	-	-	465,778	-	432	1,097,034
Inventories	16,418	-	-	-	-	-	16,418
Prepaid expenditures	614,277	9,466	-	-	-	-	623,743
Total assets	<u>\$ 45,653,758</u>	<u>\$ 2,023,652</u>	<u>\$ -</u>	<u>\$ 6,348,748</u>	<u>\$ 1,774,501</u>	<u>\$ 2,880,750</u>	<u>\$ 58,681,409</u>
LIABILITIES							
Accounts payable	\$ 1,816,409	\$ 229,676	2,505	\$ 93,693	726,974	\$ 155	\$ 2,869,412
Accrued liabilities	2,220,393	-	-	-	-	653,643	2,874,036
Due to other funds	-	-	645,825	-	1,750,000	6,158	2,401,983
Due to other governments	30,743	4,892	-	-	-	-	35,635
Unearned revenues	433,639	-	-	-	-	-	433,639
Total liabilities	<u>4,501,184</u>	<u>234,568</u>	<u>648,330</u>	<u>93,693</u>	<u>2,476,974</u>	<u>659,956</u>	<u>8,614,705</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - intergovernmental	-	-	-	152,510	-	6,986	159,496
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,510</u>	<u>-</u>	<u>6,986</u>	<u>159,496</u>
FUND BALANCES							
Nonspendable:							
Inventories	16,418	-	-	-	-	-	16,418
Prepaid expenditures	614,277	9,466	-	-	-	-	623,743
Restricted for:							
Public works/transportation	-	-	-	6,100,145	-	-	6,100,145
Public safety/law enforcement	-	-	-	-	-	811,325	811,325
Capital Projects	-	-	-	-	-	852,512	852,512
Debt service	-	-	-	-	-	536,587	536,587
Committed for:							
Capital reserves	14,772,304	1,779,618	-	-	-	-	16,551,922
Hurricane/emergency and disaster recovery operating reserves	5,000,000	-	-	-	-	-	5,000,000
Assigned for:							
Subsequent year's budget	399,087	-	-	2,400	-	13,384	414,871
Unassigned:	20,350,488	-	(648,330)	-	(702,473)	-	18,999,685
Total fund balances	<u>41,152,574</u>	<u>1,789,084</u>	<u>(648,330)</u>	<u>6,102,545</u>	<u>(702,473)</u>	<u>2,213,808</u>	<u>49,907,208</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,653,758</u>	<u>\$ 2,023,652</u>	<u>\$ -</u>	<u>\$ 6,348,748</u>	<u>\$ 1,774,501</u>	<u>\$ 2,880,750</u>	<u>\$ 58,681,409</u>

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, 2019

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

Total fund balances - governmental funds (Page 14)		\$ 49,907,208
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	175,035,768	
Less accumulated depreciation	<u>(68,188,485)</u>	106,847,283
Deferred outflows and deferred inflows of resources related to pensions and OPEB		
Deferred charge on refunding		1,409,911
		333,420
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.		
		159,496
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable	(23,215,000)	
Total OPEB liability	(1,203,433)	
Net pension liability	(7,549,691)	
Accrued interest	(62,380)	
Compensated absences	<u>(3,393,560)</u>	<u>(35,424,064)</u>
Net position of governmental activities (Page 12)		<u>\$ 123,233,254</u>

CITY OF AVENTURA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Major Funds						Total Governmental Funds
	General Fund	Charter School Fund	Don Soffer Aventura High School Fund	Street Maintenance Fund	Charter High School Construction Fund	Nonmajor Governmental Funds	
Revenues:							
Ad valorem taxes	\$ 17,051,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,051,593
Utility taxes	7,889,792	-	-	-	-	-	7,889,792
Franchise fees	2,399,456	-	-	-	-	-	2,399,456
Licenses and permits	5,038,979	-	-	-	-	-	5,038,979
Intergovernmental	4,563,158	8,536,359	1,200	2,514,007	-	93,954	15,708,678
Charges for services	3,473,529	913,336	-	-	-	325,000	4,711,865
Fines and forfeitures	2,675,837	-	-	-	-	30,991	2,706,828
Impact fees	-	-	-	1,193,686	-	99,117	1,292,803
Grants	702,020	34,796	-	-	1,270,000	-	2,006,816
Investment income	1,185,107	64,529	-	114,191	191,303	71,995	1,627,125
Miscellaneous	241,439	196,113	-	-	-	-	437,552
Total revenues	<u>45,220,910</u>	<u>9,745,133</u>	<u>1,200</u>	<u>3,821,884</u>	<u>1,461,303</u>	<u>621,057</u>	<u>60,871,487</u>
Expenditures:							
Current:							
General government	4,970,616	-	558,984	-	-	-	5,529,600
Public safety	24,426,307	-	-	-	-	101,906	24,528,213
Community services	3,500,528	9,266,473	-	-	-	-	12,767,001
Public works	3,113,732	-	-	1,670,240	-	-	4,783,972
Capital outlay	1,719,895	701,549	3,837	673,948	13,756,177	391,708	17,247,114
Debt service:							
Principal	-	-	-	-	-	2,120,000	2,120,000
Interest	-	-	-	-	-	867,530	867,530
Total expenditures	<u>37,731,078</u>	<u>9,968,022</u>	<u>562,821</u>	<u>2,344,188</u>	<u>13,756,177</u>	<u>3,481,144</u>	<u>67,843,430</u>
Excess (deficiency) of revenues over expenditures	<u>7,489,832</u>	<u>(222,889)</u>	<u>(561,621)</u>	<u>1,477,696</u>	<u>(12,294,874)</u>	<u>(2,860,087)</u>	<u>(6,971,943)</u>
Other financing sources (uses):							
Sale of general capital assets	22,459	-	-	-	-	-	22,459
Transfers in	-	100,000	100,000	-	265,000	3,013,942	3,478,942
Transfers out	(2,769,942)	(444,000)	-	-	-	(265,000)	(3,478,942)
Total other financing sources (uses)	<u>(2,747,483)</u>	<u>(344,000)</u>	<u>100,000</u>	<u>-</u>	<u>265,000</u>	<u>2,748,942</u>	<u>22,459</u>
Net change in fund balances	4,742,349	(566,889)	(461,621)	1,477,696	(12,029,874)	(111,145)	(6,949,484)
Fund balances - beginning	<u>36,410,225</u>	<u>2,355,973</u>	<u>(186,709)</u>	<u>4,624,849</u>	<u>11,327,401</u>	<u>2,324,953</u>	<u>56,856,692</u>
Fund balances - ending	<u>\$ 41,152,574</u>	<u>\$ 1,789,084</u>	<u>\$ (648,330)</u>	<u>\$ 6,102,545</u>	<u>\$ (702,473)</u>	<u>\$ 2,213,808</u>	<u>\$ 49,907,208</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, 2019

Amounts reported for governmental activities in the statement of activities (Page 13) are different because:

Net change in fund balances - total governmental funds (Page 16) \$ (6,949,484)

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	17,247,114	
Depreciation expense	<u>(5,357,106)</u>	
Net adjustment		11,890,008

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

Capital outlay which did not meet the threshold for capitalization	(537,433)	
Loss on disposal of capital assets	<u>(32,918)</u>	
Net adjustment		(570,351)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

The details of the difference are as follows:

Changes in Unavailable Revenue		24,410
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position.		2,120,000
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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	(486,441)	
Change in net pension liability and related expenses	(1,403,372)	
Change in compensated absences	(284,773)	
Change in accrued interest	(9,094)	
Change in deferred inflows	(1,312,280)	
Change in deferred outflows	1,358,725	
Amortization of deferred charges	(39,161)	
Net adjustment		<u>(2,176,396)</u>

Change in net position of governmental activities (Page 13)		<u>\$ 4,338,187</u>
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CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019

	<u>Stormwater Utility Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash, cash equivalents and investments	\$ 409,731
Due from other governments	<u>304,987</u>
Total current assets	<u>714,718</u>
Capital assets:	
Capital assets not being depreciated	347,081
Capital assets being depreciated, net	<u>8,612,573</u>
Total noncurrent assets	<u>8,959,654</u>
Total assets	<u>9,674,372</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	<u>198,414</u>
Total liabilities	<u>198,414</u>
<u>NET POSITION</u>	
Investment in capital assets	8,959,654
Restricted	
Subsequent years' budget	73,739
Unrestricted	<u>442,565</u>
Total net position	<u>\$ 9,475,958</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, 2019

	<u>Stormwater Utility Fund</u>
Operating revenues:	
Charges for services	\$ 1,347,009
Operating expenses:	
Cost of services	723,770
Depreciation expense	<u>411,466</u>
Total operating expenses	<u>1,135,236</u>
Operating income	<u>211,773</u>
Non-operating revenues:	
Investment income	<u>6,697</u>
Change in net position	<u>218,470</u>
Net position, beginning of year	<u>9,257,488</u>
Net position, end of year	<u>\$ 9,475,958</u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Cash flows from operating activities:	
Cash received from customers, users and others	\$ 1,307,719
Cash paid to suppliers	<u>(658,325)</u>
Net cash provided by operating activities	<u>649,394</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<u>(428,538)</u>
Net cash used in capital and related financing activities	<u>(428,538)</u>
Cash flows provided by investing activities:	
Investment income received	<u>6,697</u>
Net cash provided by investing activities	<u>6,697</u>
Net increase in cash, cash equivalents and investments	227,553
Cash, cash equivalents and investments, beginning of year	<u>182,178</u>
Cash, cash equivalents and investments, end of year	<u><u>\$ 409,731</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating income	<u>\$ 211,773</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	411,466
Changes in assets and liabilities:	
Increase in due from other governments	(39,290)
Increase in accounts payable	<u>65,445</u>
Total adjustments	<u>437,621</u>
Net cash provided by operating activities	<u><u>\$ 649,394</u></u>

See notes to basic financial statements

CITY OF AVENTURA, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUND - CITY OF AVENTURA POLICE OFFICERS'
RETIREMENT PLAN
SEPTEMBER 30, 2019

ASSETS

Investments, at fair value:	
Equity securities	\$ 33,566,842
Government securities	5,793,563
Corporate bonds	3,769,051
Real estate fund	2,302,490
Money market funds	2,450,912
Hedge funds	978,829
Self-directed DROP account	<u>517,353</u>
Total investments	<u>49,379,040</u>
Receivables:	
Accounts receivable - sale of investments	43,113
Accrued investment income	<u>108,972</u>
Total receivables	<u>152,085</u>
Other assets	<u>60,787</u>
Total assets	<u>49,591,912</u>

LIABILITIES

Accounts payable	16,588
Accounts payable - purchase of investments	109,918
City excess contribution	<u>170,369</u>
Total liabilities	<u>296,875</u>
Net position restricted for defined benefits	48,777,684
Net position restricted for drop benefits	<u>517,353</u>
Total net position restricted for pensions	<u>\$ 49,295,037</u>

CITY OF AVENTURA, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND - CITY OF AVENTURA POLICE OFFICERS'
RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Additions:

Contributions:

City	\$ 1,450,355
Employee	934,005
Buyback	131,242
Florida chapter 185	<u>474,040</u>
Total contributions	<u>2,989,642</u>

Investment income:

Net (depreciation) appreciation in fair value of investments	(13,133)
Interest and dividend income	<u>1,131,818</u>
Total investment income	1,118,685
Less: investment expenses	<u>372,901</u>
Net investment income	<u>745,784</u>
Other income	<u>85,096</u>
Total additions	<u>3,820,522</u>

Deductions:

Benefits paid directly to retirees	703,759
Administrative expenses	<u>89,123</u>
Total deductions	<u>792,882</u>

Change in net position 3,027,640

Net position restricted for pensions:

Beginning of year	<u>46,267,397</u>
End of year	<u>\$ 49,295,037</u>

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.).

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government Wide and Fund Financial Statements (Continued)

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 total net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

The City reports the following major governmental funds:

General Fund

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

Charter School Fund

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

Don Soffer Aventura High School Fund

This fund is used to account for revenues and expenditures from the operations of the Don Soffer Aventura High 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Charter High School Construction Fund

This fund was established to account for the funding sources and uses relate to the construction and equipping of the Don Soffer Aventura High School.

The City reports the following 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:

City of Aventura Police Officers' Retirement Plan

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.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. 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 related amounts, post-employment benefits other than pension (OPEB), and deferred charges on refunding that qualify for reporting in this category on the government-wide statement of net position in the amounts of \$4,278,054, \$128,006 and \$333,420, respectively.

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 net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The City has pension and OPEB related amounts that qualify for reporting in this category in the amount of \$2,456,253 and \$539,896 respectively.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Fund balance (Continued)

Assigned

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

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.

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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Encumbrances (Continued)

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.

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, 2019 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, 2019.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 depositories 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, 2019, the City's investment in the Florida PRIME was that of \$22,250,882. 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.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Investments

On February 7, 2019, 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, 2019

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; (10) taxable/tax-exempt municipal bonds; and (11) Israel 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, 2019 is \$500,533 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 \$500,533.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of September 30, 2019, 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	\$ 22,250,882
Deposits with financial institutions	3,586,375
Government bonds	9,023,119
Government agencies	4,618,446
Corporate bonds	6,442,510
Government mortgage backed securities	3,970,835
Asset backed securities	1,836,742
Guaranteed investment contract	500,533
International Bonds	300,000
Government issued commercial mortgage backed se	645,462
Cash	<u>82,082</u>
Total cash and cash equivalents and investments	<u>53,256,986</u>
Fiduciary fund investments:	
Equity securities	33,566,842
Government securities	5,793,563
Corporate bonds	3,769,051
Real estate fund	2,302,490
Money market funds	2,450,912
Hedge funds	978,829
Self-directed DROP account	<u>517,353</u>
Total fiduciary investments	<u>49,379,040</u>

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

Statement of Net Position:	
Cash, cash equivalents and investments	\$ 52,756,453
Restricted cash, cash equivalents and investments	<u>500,533</u>
	<u>53,256,986</u>
Statement of Net Position - Fiduciary Fund:	
Equity securities	33,566,842
Government securities	5,793,563
Corporate bonds	3,769,051
Real estate fund	2,302,490
Money market funds	2,450,912
Hedge funds	978,829
Self-directed DROP account	<u>517,353</u>
	<u>49,379,040</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2019, is 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average like (WAL) of Florida PRIME at September 30, 2019, is 85 days.

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

Summary of Investments and Interest Rate Risk	Fair Value	Time to Maturity (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
City Investments:					
State Board of Administration - SBA, Florida PRIME	\$22,250,882	\$22,250,882	\$ -	\$ -	\$ -
Government Bonds	9,023,119	1,374,681	7,648,438	-	-
Government Agencies	4,618,446	1,842,704	2,775,742	-	-
Corporate bonds	6,442,510	964,530	5,477,980	-	-
Asset backed securities	1,836,742	-	1,836,742	-	-
Government issued commercial mortgage backed securities	645,462	-	645,462	-	-
Government mortgage backed securities	3,970,835	-	149,626	3,668,610	152,599
Guaranteed investment contract	500,533	-	500,533	-	-
International Bonds	300,000	-	300,000	-	-
Subtotal - City Investments	<u>49,588,529</u>	<u>26,432,797</u>	<u>19,334,523</u>	<u>3,668,610</u>	<u>152,599</u>
Fiduciary Fund:					
U.S. treasuries	4,982,941	-	3,043,108	1,939,833	-
Corporate bonds	3,769,051	-	3,275,360	493,691	-
U.S. agencies	810,622	-	248,583	562,039	-
Subtotal - Fiduciary Fund	<u>9,562,614</u>	<u>-</u>	<u>6,567,051</u>	<u>2,995,563</u>	<u>-</u>
Total Investments	<u>\$59,151,143</u>	<u>\$26,432,797</u>	<u>\$25,901,574</u>	<u>\$ 6,664,173</u>	<u>\$ 152,599</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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.

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

<u>Rating</u>	<u>Fair Value</u>
City Investments:	
AAAm	\$ 22,250,882
A	3,264,160
A-	750,160
A+	2,148,973
AA	149,006
AA+	18,257,863
AAA	1,074,848
BBB+	130,211
Not Rated	1,562,426
	49,588,529
Fiduciary Fund:	
A1	766,775
A2	611,487
A3	130,029
Aa2	126,404
Aa3	125,697
AAA	3,850,214
Not Rated	3,952,008
	9,562,614
	\$ 59,151,143

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, 2019, the City had investments in the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal Home Loan Banks (FHLB) amounting to 6.8%, 4.5% and 2.0%, respectively, of the total investments held by the City.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 10% 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, which consist of ADR's and foreign bonds, was \$8,030,482. The investment policy limits the foreign investments to no more than 12.5% of the plan's investments balance. As of September 30, 2019, the foreign investments were over the investment policy limits at approximately 16% of total investments.

NOTE 4 - FAIR VALUE MEASUREMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The City has the following recurring fair value measurements as of September 30, 2019:

	Fair Value Measurements at Reporting Date			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>September 30, 2019</u>				
City investments:				
Asset backed securities	\$ 1,836,742	\$ -	\$ 1,836,742	\$ -
Corporate bonds	6,442,510	-	6,403,508	39,002
Government agencies	4,618,445	-	4,542,773	75,672
Government bonds	9,023,119	-	9,023,119	-
Government mortgage backed securities	3,970,835	-	3,970,835	-
Government issued commercial mortgage backed securities	645,463	-	645,463	-
Foreign	300,000	-	300,000	-
Subtotal - City investments	<u>26,837,114</u>	<u>-</u>	<u>26,722,440</u>	<u>114,674</u>
Fiduciary fund:				
Equity securities:				
Common stocks	29,872,566	29,872,566	-	-
Equity mutual funds	3,694,276	3,694,276	-	-
Subtotal - investments by fair value level	<u>33,566,842</u>	<u>33,566,842</u>	<u>-</u>	<u>-</u>
Debt services:				
U.S. treasury securities	4,982,941	4,982,941	-	-
Corporate bonds	3,769,051	-	3,769,051	-
U.S. agency securities	810,622	-	810,622	-
Total debt securities	<u>9,562,614</u>	<u>4,982,941</u>	<u>4,579,673</u>	<u>-</u>
Self directed DROP accounts	517,353	-	517,353	-
Subtotal - investments by fair value level	<u>43,646,809</u>	<u>38,549,783</u>	<u>5,097,026</u>	<u>-</u>
<u>Investments measured at the Net Asset Value (NAV)(a)</u>				
Hedge funds	978,829			
Real estate fund	2,302,490			
Total investments measured at the NAV	<u>3,281,319</u>			
Money market funds (exempt)	2,450,912			
Subtotal - fiduciary fund	<u>49,379,040</u>			
Total investments	<u>\$ 76,216,154</u>			

(a) As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

City Investments

The City's Debt Securities of approximately \$26,722,440 classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)
Fiduciary Fund

The following is a description of the valuation methodologies used for asset measured at fair value.

- Common stock: Valued at the closing price reported on the New York Stock Exchange.
- Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.
- Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.
- Hedge funds: Value based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.
- Real estate: Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.
- The Plan has investment in a private market real estate investment for which no liquid public market exists.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions:

<u>Investments Measured at the NAV</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge fund (1)	\$ 35,639	\$ -	Quarterly	90 Days
Hedge fund (1)	35,612	-	Quarterly	95 Days
Hedge fund (2)	907,578	-	Quarterly	95 Days
Real estate fund (3)	2,302,490	-	Quarterly	65 Days
Total investments measured at the NAV	<u>\$ 3,281,319</u>	<u>\$ -</u>		

- (1) Hedge fund: The fund is a multi-strategy fund of hedge funds that aims to pursue varying strategies in order to diversify risk and reduce volatility. The fund is a diversified portfolio offering investment solutions through activist long/short equity, credit/special situations, event driven and arbitrage, global long/short equity and other opportunistic situations. The investment is valued at NAV and is redeemable on a quarterly basis.
- (2) Hedge fund: The fund is a diversified portfolio of relative value and event driven hedge funds with a focus on credit strategies. The fund seeks to invest with managers that demonstrate limited exposure to eight key sources of risk, including market risks (equities, interest rates, currencies, commodities, and unsecured credit) and trading risks (excessive leverage, asset/liability mismatch, and high concentration). The investment is valued at NAV and is redeemable on a quarterly basis.
- (3) Real estate fund: The fund is an open-end core real estate fund with a diversified portfolio of income producing properties located throughout the United States. The investment is valued at NAV and is redeemable on a quarterly basis.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 5 - RECEIVABLES

Receivables as of September 30, 2019 for the City's individual major funds and non-major funds in the aggregate consist of the following:

	General Fund	Charter School Fund	Charter High School Construction Fund	Street Maintenance Fund	Stormwater Fund	Nonmajor Governmental Funds	Total
Receivables:							
Franchise and utility	\$ 576,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 576,433
Intergovernmental	630,824	-	-	465,778	304,987	432	1,402,021
Police services	113,158	-	-	-	-	-	113,158
Grants	436,509	-	-	-	-	-	436,509
Vendors and miscellaneous	245,816	34,796	250,000	-	-	38,264	568,876
Net total receivables	<u>\$ 2,002,740</u>	<u>\$ 34,796</u>	<u>\$ 250,000</u>	<u>\$ 465,778</u>	<u>\$ 304,987</u>	<u>\$ 38,696</u>	<u>\$ 3,096,997</u>

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2019 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,769,942
Charter School Fund	100,000	444,000
Charter High School Fund	100,000	-
Charter School Construction Fund	265,000	-
Nonmajor governmental funds	3,013,942	265,000
	<u>\$ 3,478,942</u>	<u>\$ 3,478,942</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.

The transfer to the Charter School Funds consists of \$100,000 transfers from the General Fund which are being used to support future capital projects occurring in the Charter School and Don Soffer Aventura High School Special Revenue Funds. The transfer to the Charter School Construction Fund was made to assist with funding anticipated additional costs related to the construction of the Don Soffer Aventura High School. 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, 2019

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2019 was as follows:

	Balance September 30, <u>2018</u>	<u>Additions</u>	Retirements and <u>Transfers</u>	Balance September 30, <u>2019</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,169,172	\$ -	\$ -	\$ 24,169,172
Construction in progress	6,530,620	14,696,750	(1,852,718)	19,374,652
Total capital assets, not being depreciated	<u>30,699,792</u>	<u>14,696,750</u>	<u>(1,852,718)</u>	<u>43,543,824</u>
Capital assets, being depreciated:				
Buildings	49,293,013	395,327	-	49,688,340
Improvements other than buildings	15,974,074	416,376	-	16,390,450
Infrastructure	42,675,064	1,943,705	-	44,618,769
Furniture, machinery and equipment	20,166,836	1,110,241	(482,692)	20,794,385
Total capital assets, being depreciated	<u>128,108,987</u>	<u>3,865,649</u>	<u>(482,692)</u>	<u>131,491,944</u>
Less accumulated depreciation for:				
Buildings	18,609,146	1,499,555	-	20,108,701
Improvements other than buildings	6,265,637	639,698	-	6,905,335
Infrastructure	22,793,198	1,645,535	-	24,438,733
Furniture, machinery and equipment	15,613,172	1,572,318	(449,774)	16,735,716
Total accumulated depreciation	<u>63,281,153</u>	<u>5,357,106</u>	<u>(449,774)</u>	<u>68,188,485</u>
Total capital assets, being depreciated, net	<u>64,827,834</u>	<u>(1,491,457)</u>	<u>(32,918)</u>	<u>63,303,459</u>
Governmental activities capital assets, net	<u>\$ 95,527,626</u>	<u>\$ 13,205,293</u>	<u>\$ (1,885,636)</u>	<u>\$ 106,847,283</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 461,321	\$ 391,504	\$ (505,744)	\$ 347,081
Total capital assets, not being depreciated	<u>461,321</u>	<u>391,504</u>	<u>(505,744)</u>	<u>347,081</u>
Capital assets, being depreciated:				
Infrastructure	12,823,018	542,778	-	13,365,796
Less accumulated depreciation	4,341,757	411,466	-	4,753,223
Total capital assets, being depreciated, net	<u>8,481,261</u>	<u>131,312</u>	<u>-</u>	<u>8,612,573</u>
Business-type activities capital assets, net	<u>\$ 8,942,582</u>	<u>\$ 522,816</u>	<u>\$ (505,744)</u>	<u>\$ 8,959,654</u>

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

Governmental activities:	
General government	\$ 766,753
Public safety	1,218,460
Community services	1,726,358
Public works	1,645,535
	<u>\$5,357,106</u>

Business-type activities:	
Stormwater utility	<u>\$ 411,466</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES

The City implemented GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* during the fiscal year then ended September 30, 2019.

The City does not currently have unused lines of credit or assets placed a collateral for debt.

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2019 were as follows:

	Balance			Balance	Due Within
	<u>September 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2019</u>	<u>One Year</u>
Governmental activities:					
Revenue bonds	\$ 25,335,000	\$ -	\$ (2,120,000)	\$ 23,215,000	\$ 2,705,000
Other long-term liabilities					
Compensated absences payable	3,108,787	1,934,925	(1,650,152)	3,393,560	1,187,746
Net Pension Liability	6,146,319	1,403,372	-	7,549,691	-
Other post-employment benefits	716,992	486,441	-	1,203,433	-
	<u>\$ 35,307,098</u>	<u>\$ 3,824,738</u>	<u>\$ (3,770,152)</u>	<u>\$ 35,361,684</u>	<u>\$ 3,892,746</u>

Compensated absences, net pension liability and other post-employment benefits attributable to governmental activities are generally liquidated by the General Fund.

Revenue bonds as of September 30, 2019 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 6.13% and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues.	\$ 965,000
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.	6,525,000
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.	3,525,000
Series 2012 Refunding Revenue Bonds, principal is due annually over 15 years in various amounts through August 2027. The bonds bear interest at 2.65% and are payable semi-annually on February 1 and August 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues.	5,450,000
Series 2018 Revenue Bonds, principal is due annually over 15 years in various amounts through August 2027. The bonds bear interest at 3.68% and are payable semi-annually on February 1 and August 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues.	6,750,000
	<u>\$ 23,215,000</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES (CONTINUED)

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, 2019 was sufficient to meet this requirement. The indenture also requires the maintenance of a minimum debt service coverage ratio of 2.50:1.00.

The indenture contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately.

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.

The indentures contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 300 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts including accrued interest are due immediately.

Series 2012 Refunding Revenue Bonds

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

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

The indenture contains (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 300 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts including accrued interest are due immediately.

Series 2018 Refunding Revenue Bonds

In fiscal year 2018, the City issued \$7,100,000 in Series 2018 Refunding Revenue Bonds for the construction and equipping the Don Soffer High School within the City.

The indenture contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8 - LONG-TERM LIABILITIES OF GOVERNMENTAL ACTIVITIES (CONTINUED)

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

Year Ending September 30,	Principal	Interest	Total
2020	\$ 2,705,000	\$ 749,975	\$ 3,454,975
2021	1,785,000	647,803	2,432,803
2022	1,845,000	592,810	2,437,810
2023	1,900,000	535,782	2,435,782
2024	1,965,000	476,851	2,441,851
2025 - 2029	9,235,000	1,449,133	10,684,133
2030 - 2034	1,945,000	539,672	2,484,672
2035 - 2038	1,835,000	154,928	1,989,928
	<u>\$23,215,000</u>	<u>\$5,146,953</u>	<u>\$28,361,953</u>

NOTE 9 - 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 four (4) months advance written notice to resign voluntarily.

Charter School Agreements

The City has a contract with the School Board of Miami-Dade County, Florida, that allows for Aventura City of Excellence School to provide the residents of the City of Aventura an elementary and middle school education choice. The contract was renewed on July 1, 2018 and expires June 30, 2033.

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, 2018 and both parties agreed to a five-year renewal term through June 30, 2023. 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.

In addition, on July 1 2019, the City entered into a separate management agreement with CSUSA to provide those services necessary to organize, manage, staff, operate and maintain the City's charter high school. The term of this Agreement shall be consistent with the then existing Charter and commence as of the effective date of this agreement. The agreement shall automatically be extended through the term consistent with the then current Charter provided performance standards are satisfied.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 City of Aventura 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 \$655,587.

Encumbrances

As discussed in Note 1(13.) 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	\$ 399,087
Street Maintenance Fund	2,400
Capital Projects Fund	12,420
Federal Treasury Forfeiture Fund	964
Stormwater Utility Fund	73,739
	<u>\$ 488,610</u>

NOTE 10 - 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.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City's defined benefit OPEB plan, provides OPEB for all permanent full-time employees, and is a single employer benefit plan administered by the City. Chapter 627 of the Florida Statutes requires that the City make health coverage available to retirees at the employer's group rate. The City provides no funding for any portion of the premiums after retirement. However, the City recognizes that there is an "implicit subsidy" arising because of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report. It is the City's current policy to fund the plan on a "pay-as-you-go" basis. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Employees who retire from the City and their dependents are eligible to continue to participate in the City's health insurance, life insurance, and long-term care benefits currently offered through the City at the "blended" employee group rate, which the City determines on an annual basis. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date. Life insurance and long-term care benefits are portable and the retiree must pay premiums to the carrier directly. The City provides no funding for any portion of the premiums after retirement.

As of October 1, 2017, the latest actuarial valuation, health care and dental plan participants consisted of:

Active Plan participants	175
Retiree Plan participants	<u>4</u>
	<u>179</u>

Total OPEB Liability

The City's total OPEB liability of \$1,203,433 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants.

As of the October 1, 2017 actuarial valuation, the following assumptions were made:

Discount rate

3.64% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Salary increases

3.00% per annum

Cost-of-living increases

Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates; dental premiums have been assumed to increase at the rate of 3.00% per year.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Healthcare cost trend rates

Increases in healthcare costs are assumed to be 7.50% for the 2017/18 fiscal year graded down by 0.50% per year to 5.00% for the 2022/23 and later fiscal years.

Age-related morbidity

Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Implied health subsidy

Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$650.00 for each of the retiree and the retiree's spouse has been assumed at age 62 for the 2017/18 fiscal year; at other ages, the implied subsidy was developed based on the age related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.

Dental/vision subsidy

No implied subsidy is assumed with respect to dental benefits.

Mortality basis

Mortality rates were based on sex-distinct rates set forth in the RP-2000 Combined Mortality Table (general employees) or RP-2000 Blue Collar Mortality Table (police officers), both with full generational improvements in mortality using Scale BB.

Retirement

For public safety employees, retirement is assumed to occur at the earlier of age 52 with 25 years of service or at age 55 with 10 years of service; for general employees, retirement is assumed to occur at the earlier of any age with 30 years of service or age 62 with six years of service.

Other decrements

Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for police officers and Class 1 rates were used for all other employees).

Health coverage election

Other than eligible department directors, 5% of eligible employees are assumed to elect medical coverage upon retirement or disability, 100% of eligible department directors are assumed to elect medical coverage upon retirement or disability; coverage is assumed to end upon the attainment of age 65.

Spouses and dependents

Husbands are assumed to be three years older than wives, spousal coverage has been assumed in accordance with each individual's current election; retirees are not assumed to have any dependent children.

COBRA

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, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes

Since the prior measurement date, the discount rate was increased from 3.35% per annum to 3.64% per annum, the implied monthly subsidy at age 62 for the 2017/18 fiscal year was increased from \$567.00 for the retiree and \$594.00 for the retiree's spouse to \$650.00, and the percentage of retirees who elect coverage for their spouse was changed from 80% for male retirees and 50% for female retirees to each individual's current spousal coverage election.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of 9/30/2017	<u>\$ 716,992</u>
Change due to:	
Service cost	65,680
Interest	27,175
Changes of benefit terms	611,405
Benefit payments	(72,858)
Assumption changes	<u>(144,961)</u>
Net changes	<u>486,441</u>
Balance as of 9/30/2018	<u>\$ 1,203,433</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	<u>(2.64%)</u>	<u>(3.64%)</u>	<u>(4.64%)</u>
Net OPEB liability	\$ 1,338,481	\$ 1,203,433	\$ 1,086,746

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend Rates Minus 1.00%	Healthcare Cost Trend Rates (8.00% graded down to 5.00%)	Trend Rates Plus 1.00%
Net OPEB liability	<u>\$ 1,059,102</u>	<u>\$ 1,203,433</u>	<u>\$ 1,374,300</u>

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$74,551. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB in the amounts of \$539,896 and \$128,006 respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net Deferred Outflows of Resources
2020	54,554
2021	54,554
2022	54,554
2023	54,554
2024	54,554
Thereafter	139,120

NOTE 12 - 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 \$815,939 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 13 - 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, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Plan Membership as of October 1, 2018

Inactive Plan members or beneficiaries currently receiving benefits	24
Inactive Plan members entitled to but not yet receiving benefits	2
Active Plan Members	78
Total	104

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 22.5 years of credited service, regardless of age. For the first 29.091 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 29.091 will be taken into account at 2.75% 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, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Retirement Option Plan

Effective October 1, 2018, a deferred retirement option plan ("DROP") will be created. A member will be eligible to enter the DROP on the earlier of the first day that he/she is eligible for service retirement as defined by section 36-26(b)(2) or delayed retirement as defined in section 36-26(b)(3) but with at least 11 years of credited service and attainment of age 57. Upon entering the DROP, a member will no longer accrue credited service or additional pension benefits and will no longer make employee contributions to the Retirement Plan. Instead, the amount of the monthly pension benefit for the benefit option selected by the member will be credited to the member's DROP account. The maximum period that a member may participate in the DROP is five years. After the maximum period of DROP participation, the member must terminate from employment as a City police officer. DROP participation must begin by the earlier of the date on which a member reaches 25 years of service or the date on which a member reaches age 57 with 11 years of service. A member may elect to enter DROP after the foregoing dates, but his/her maximum participation in the DROP will be reduced by the period of time in which the member delayed entry in the DROP after reaching either of the foregoing Maximum DROP Entry Deadlines. The member's DROP account will be self-directed by the member to mutual funds selected by the Retirement Plan's Board of Trustees from among those offered by a vendor selected by the Board of Trustees. The available mutual funds and the vendor may be changed from time to time by the Board of Trustees. Members will be solely responsible for the gains and losses of their individual self-directed DROP accounts. Members who elect to participate in the DROP shall be required to separate from City service at the conclusion of the DROP period. A member's DROP shall be distributed to the member in a lump sum, rollover, or a combination of both, as soon as administratively practicable and not more than 90 days following the conclusion of the DROP period or approval of the distribution by the Retirement Plan Board of Trustees, whichever occurs last. Neither the City, the Retirement Plan, nor its Board of Trustees shall have any liability or responsibility to guarantee the principal and/or rate of return for a member's DROP assets. The DROP accounts, although self-directed separate accounts, will remain part of the pension trust, and distributions from a member's account shall not be permitted until termination of employment. The balance of the amounts held by the Plan pursuant to the DROP was \$513,881 for the fiscal year ended September 30, 2019.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2018. 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, 2018 (and rolled forward to September 30, 2019) using the following actuarial assumptions: applied to all measurement periods.

Inflation	2.30%
Salary Increases	5.00%
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate: RP-2000 Combined Healthy (current). Disabled female set forward 2 years and disabled male set back 4 years.

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Large Cap US Equity	45.00%	5.70%
Small/Mid Cap US Equity	10.00%	5.93%
Non-US Equity- Developed	10.00%	5.20%
US Corps Bonds-Core	20.00%	1.80%
Real Estate	5.00%	6.00%
Hedge Funds	<u>10.00%</u>	3.90%

Discount Rate - 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, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending September 30, 2018	\$ 46,749,025	\$ 40,602,706	\$ 6,146,319
Changes for the year:			
Service cost	1,960,406	-	1,960,406
Interest	3,627,275	-	3,627,275
Differences between expected and actual experience	(794,007)	-	(794,007)
Changes of assumptions	1,856,302	-	1,856,302
Changes of benefit terms	1,173,788	-	1,173,788
Contributions - employer	-	1,589,440	(1,589,440)
Contributions - state	-	435,103	(435,103)
Contributions - employee	-	956,612	(956,612)
Net investment income	-	3,511,042	(3,511,042)
Benefit payments, including refunds of employee contributor	(691,515)	(691,515)	-
Administrative expenses	-	(71,805)	71,805
Net change	<u>7,132,249</u>	<u>5,728,877</u>	<u>1,403,372</u>
Reporting period ending September 30, 2019	<u>\$ 53,881,274</u>	<u>\$ 46,331,583</u>	<u>\$ 7,549,691</u>

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

	Current Discount		
	1% Decrease 6.25%	Rate 7.25%	1% Increase 8.25%
City's Net Pension Liability	\$ 15,193,464	\$ 7,549,691	\$ 1,327,338

Pension plan fiduciary net position.

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

For the year ended September 30, 2019 the Sponsor will recognize a pension expense of \$2,970,957. On September 30, 2018 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF AVENTURA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions (Continue)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,816,946
Changes of assumptions	2,252,134	-
Net difference between projected and actual earnings on pension plan investments	-	639,307
Employer and State contributions subsequent to the measurement date	2,025,920	-
Actual earnings on pension plan investments	<u>\$ 4,278,054</u>	<u>\$ 2,456,253</u>

The deferred outflow of resources, resulting from the City and State contributions to the Plan subsequent to the measurement date of September 30, 2018 in the amount of \$2,025,920 will be recognized as a reduction of the City's net pension liability in the fiscal year ended September 30, 2019.

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:	
2020	\$ 277,881
2021	(291,820)
2022	(326,105)
2023	135,925
2024	-
Thereafter	-

NOTE 14 – DEFICITS IN FUND BALANCE

At September 30, 2019 the Don Soffer Aventura High School Fund and Charter High School Construction Fund had a deficit fund balance of \$648,330 and \$702,473 respectively. The City expects to fund this deficit with transfers from the General Fund in subsequent years.

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Locally levied taxes	\$ 26,982,856	\$ 27,082,856	\$ 27,340,841	\$ 257,985
Licenses and permits	3,376,000	4,576,000	5,038,979	462,979
Intergovernmental revenues	4,122,670	4,122,670	4,563,158	440,488
Charges for services	3,008,106	3,332,106	3,473,529	141,423
Fines and forfeitures	1,427,500	1,447,500	2,675,837	1,228,337
Grants	-	-	702,020	702,020
Investments	200,000	200,000	1,185,107	985,107
Miscellaneous	75,000	75,000	241,439	166,439
Total revenues	<u>39,192,132</u>	<u>40,836,132</u>	<u>45,220,910</u>	<u>4,384,778</u>
Expenditures:				
Current:				
City commission	147,644	147,644	146,406	1,238
City manager	661,547	661,547	584,141	77,406
Legal	305,000	425,000	417,607	7,393
City clerk	344,183	344,183	300,514	43,669
Finance	1,076,976	1,076,976	1,049,136	27,840
Information technology	1,164,220	1,164,220	1,102,231	61,989
Nondepartmental	1,503,500	1,503,500	1,370,581	132,919
Total general government	<u>5,203,070</u>	<u>5,323,070</u>	<u>4,970,616</u>	<u>352,454</u>
Public safety:				
Police	20,633,170	20,698,170	20,643,026	55,144
Community development	2,591,696	3,791,696	3,783,281	8,415
Total public safety	<u>23,224,866</u>	<u>24,489,866</u>	<u>24,426,307</u>	<u>63,559</u>
Community services:				
Community services	2,480,960	2,739,960	2,695,795	44,165
Arts and cultural center	825,440	825,440	804,733	20,707
Total community services	<u>3,306,400</u>	<u>3,565,400</u>	<u>3,500,528</u>	<u>64,872</u>
Public works:				
Public works	3,162,634	3,162,634	3,113,732	48,902
Total public works	<u>3,162,634</u>	<u>3,162,634</u>	<u>3,113,732</u>	<u>48,902</u>
Capital outlay	16,393,529	16,952,792	1,719,895	15,232,897
Total expenditures	<u>51,290,499</u>	<u>53,493,762</u>	<u>37,731,078</u>	<u>15,762,684</u>
Excess (deficiency) of revenues over expenditures	<u>(12,098,367)</u>	<u>(12,657,630)</u>	<u>7,489,832</u>	<u>20,147,462</u>
Other financing sources (uses):				
Sale of general capital assets	20,000	20,000	22,459	(2,459)
Transfers out	(2,757,169)	(2,769,942)	(2,769,942)	-
Appropriated fund balance	14,835,536	15,407,572	-	15,407,572
Total other financing sources (uses)	<u>12,098,367</u>	<u>12,657,630</u>	<u>(2,747,483)</u>	<u>15,405,113</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,742,349</u>	<u>\$ 4,742,349</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 2,234,000	\$ 2,234,000	\$ 2,514,007	\$ 280,007
Impact fees	40,000	40,000	1,193,686	1,153,686
Investment income	<u>7,500</u>	<u>7,500</u>	<u>114,191</u>	<u>106,691</u>
Total revenues	<u>2,281,500</u>	<u>2,281,500</u>	<u>3,821,884</u>	<u>1,540,384</u>
Expenditures:				
Operating	1,741,965	1,741,965	1,670,240	71,725
Capital outlay	<u>2,086,660</u>	<u>5,164,384</u>	<u>673,948</u>	<u>4,490,436</u>
Total expenditures	<u>3,828,625</u>	<u>6,906,349</u>	<u>2,344,188</u>	<u>4,562,161</u>
Excess (deficiency) of revenues over expenditures	<u>(1,547,125)</u>	<u>(4,624,849)</u>	<u>1,477,696</u>	<u>6,102,545</u>
Other financing sources (uses):				
Appropriated fund balance	<u>1,547,125</u>	<u>4,624,849</u>	-	<u>(4,624,849)</u>
Total other financing sources (uses)	<u>1,547,125</u>	<u>4,624,849</u>	-	<u>(4,624,849)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,477,696</u>	<u>\$ 1,477,696</u>

See notes to required supplementary information

CITY OF AVENTURA, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted for all governmental funds with the exception of the Charter School Fund, Charter High 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 supplemental budgetary appropriations throughout the year including approximately \$2.2 million 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 re-appropriated in the following year's budget.

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

Reporting period ending Measurement date	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability					
Service cost	\$ 1,960,406	\$ 1,946,501	\$ 1,810,699	\$ 1,896,180	\$ 1,732,252
Interest	3,627,275	3,279,516	2,931,936	2,727,885	2,238,129
Changes of benefit terms	1,173,788	-	-	2,797,541	-
Differences between expected and actual experience	(794,007)	-	(1,226,574)	(1,326,392)	-
Changes of assumptions	1,856,302	-	1,534,188	-	-
Benefit payments, including refunds of employee contributions	<u>(691,515)</u>	<u>(514,739)</u>	<u>(588,554)</u>	<u>(394,472)</u>	<u>(409,084)</u>
Net change in total pension liability	<u>7,132,249</u>	<u>4,711,278</u>	<u>4,461,695</u>	<u>5,700,742</u>	<u>3,561,297</u>
Total pension liability - beginning	<u>46,749,025</u>	<u>42,037,747</u>	<u>37,576,052</u>	<u>31,875,310</u>	<u>28,314,013</u>
Total pension liability - ending (a)	<u>\$ 53,881,274</u>	<u>\$ 46,749,025</u>	<u>\$ 42,037,747</u>	<u>\$ 37,576,052</u>	<u>\$ 31,875,310</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,589,440	\$ 1,497,898	\$ 1,302,614	\$ 1,550,643	\$ 1,548,543
Contributions - state	435,103	338,364	342,209	310,354	318,440
Contributions - employee	956,612	941,916	863,769	541,792	541,099
	3,511,042	4,262,504	2,158,517	(614,811)	2,199,131
Benefit payments, including refunds of employee contributions	(691,515)	(514,739)	(588,554)	(394,472)	(409,085)
Administrative expense	<u>(71,805)</u>	<u>(74,636)</u>	<u>(66,033)</u>	<u>(66,115)</u>	<u>(55,897)</u>
Net change in plan fiduciary net position	<u>5,728,877</u>	<u>6,451,307</u>	<u>4,012,522</u>	<u>1,327,391</u>	<u>4,142,231</u>
Plan fiduciary net position - beginning	<u>40,602,706</u>	<u>34,151,399</u>	<u>30,138,877</u>	<u>28,811,486</u>	<u>24,669,255</u>
Plan fiduciary net position - ending (b)	<u>\$ 46,331,583</u>	<u>\$ 40,602,706</u>	<u>\$ 34,151,399</u>	<u>\$ 30,138,877</u>	<u>\$ 28,811,486</u>
Net pension liability - ending (a) - (b)	\$ 7,549,691	\$ 6,146,319	\$ 7,886,348	\$ 7,437,175	\$ 3,063,824
Plan fiduciary net position as a percentage of the total pension liability	85.99%	86.85%	81.24%	80.21%	90.39%
Covered payroll*	\$ 8,878,068	\$ 8,741,677	\$ 8,129,475	\$ 8,047,155	\$ 7,986,695
Net pension liability as a percentage of covered payroll	85.04%	70.31%	97.01%	92.42%	38.36%

* The covered employee payroll numbers shown are in compliance with GASB 82

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 CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(CONTINUED)

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

Changes of benefit terms:

For measurement date 09/30/2018, amounts reported as changes of benefit terms resulted from the following changes:

- 1.) Amend the retirement benefit structure. The prior structure was a 3.0% benefit accrual rate with a Normal Retirement Date of the earlier of 1.) age 55 with 10 years of service or 2.) 25 years of Credited Service, regardless of age. The new structure will have an age 55 with 10 years of service Normal Retirement Date, but the benefit accrual rate will be 2.75% for all years of Credited Service if that provision is utilized. There will also be a Delayed Retirement option that says that if a Member retires later than the 55 & 10 Normal Retirement Date, the benefit accrual rate will be increased for all years of service by 0.01% for each month worked beyond the 55 & 10 Normal Retirement Date until the 24th month, which will increase by 0.02%. Any retirement beyond 2 years past 55 & 10 will receive a 3.0% benefit accrual rate for all years of service, with a maximum benefit of 80% of Average Final Compensation. There will also be a Service Retirement Date of 22.5 years of service, regardless of age, that will receive a 3.0% benefit accrual rate for all years of service, with a maximum benefit of 80% of Average Final Compensation. Please note that the benefit accrual rate for Disability Benefits and Line Of Duty Pre-retirement Death Benefits will remain at 3.0%.
- 2.) If a Member terminates vested without 22.5 years of service, prior to attaining age 57, they will have the option to receive a 2.75% benefit accrual rate, unreduced benefit at age 55 or a 3.0% benefit accrual rate, unreduced benefit at age 57. Alternatively, they may elect to receive a benefit at age 45 or later that is reduced for Early Retirement (from age 55 if the 2.75% accrual rate is selected or from age 57 if the 3.0% benefit accrual rate is selected).
- 3.) A Deferred Retirement Option Plan will be enacted that allows entry at either 22.5 years of Credited Service or age 57 with 11 years of service. A Member must leave the DROP by the date which is 5 years beyond first eligibility (22.5 or 57 & 11). If a Member is already beyond this first eligibility and enters DROP when it is first adopted, then they will be allowed to stay in the DROP for maximum of 5 years.

For measurement date 09/30/2015, amounts reported as changes of benefit terms were resulted from Ordinance 2014-11 that was adopted on 09/17/2014 made the following changes:

- 1.) Provide for an automatic annual cost-of-living increase (COLA) to all future retirees of any type (Normal, Early, Disability, Vested Deferred, Beneficiary, etc.). In order to be eligible for the COLA, the Officer must have been in active employment on or after October 1, 2015 (Officers who terminated prior to that date are not eligible for the COLA). The COLA adjustment will be 2.0% each year, but the first adjustment will not be until 5 years after retirement.
- 2.) Increase the Member Contribution Rate, effective October 1, 2015, from 6.775% to 10.775% of Salary.
- 3.) Provide that the maximum amount of overtime that will be included in pensionable compensation will be 300 hours per year.

Changes of assumptions:

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from the following changes:

- The interest rate was decreased to 7.25%.
- Pursuant to the provisions of Chapter 2015-157, Laws of Florida, the mortality assumption reflects a change from the rates utilized by the Florida Retirement System in the July 1, 2015 valuation to those utilized in the July 1, 2018 valuation.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

Fiscal Year Ending <u>September 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll*</u>	Actual Contribution as a % of <u>Covered Payroll</u>
09/30/2019	\$ 1,924,394	\$ 2,025,920	\$ (101,526)	\$ 8,668,447	23.37%
09/30/2018	\$ 1,951,222	\$ 2,024,543	\$ (73,321)	\$ 8,878,068	22.80%
09/30/2017	\$ 1,826,049	\$ 1,836,262	\$ (10,213)	\$ 8,741,677	21.01%
09/30/2016	\$ 1,698,166	\$ 1,644,823	\$ 53,343	\$ 8,129,475	20.23%
09/30/2015	\$ 1,830,896	\$ 1,860,998	\$ (30,102)	\$ 8,047,155	23.13%
09/30/2014	\$ 1,828,554	\$ 1,866,983	\$ (38,429)	\$ 7,986,695	23.38%

* The covered employee payroll numbers shown are in compliance with GASB 82

Notes to Schedule

Valuation date 10/1/2016 (AIS 11/14/2018)

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

Mortality:

Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

It is assumed that 44% of deaths are duty related.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida.

This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2015 FRS valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

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. 44% are assumed to be in-the line-of-duty.

Interest rate: 7.5% per year compounded annually, net of investment related expenses

Retirement Age: Earlier of age 57 and 10 years of Credited Service, or upon completion of 25 years of Credited Service, regardless of age. Additionally, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

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

Age	Rate
45-49	10.0%
50+	25.0%

See notes to required supplementary information

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

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

Termination rates: See table below for sample rates.

Salary Increases: 5% per year.

Wage Increases (for purpose of projecting Sponsor Normal Cost in between vals) 3% per year.

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

Funding Method: Entry Age Normal Actuarial Cost Method.

Actuarial Asset 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.

Termination and Disability Rate Table:

<u>Age</u>	% Becoming Disabled <u>During the Year</u>	% Terminating <u>During the Year</u>
20	0.14%	10.30%
30	0.18%	4.15%
40	0.30%	0.99%
50	1.00%	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
SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS

	2019	2018
Total OPEB liability		
Service cost	\$ 65,680	\$ 33,459
Expected interest growth	27,175	23,363
Demographic experience	611,405	-
Benefit payments and refunds	(72,858)	(7,496)
Assumption changes	<u>(144,961)</u>	<u>-</u>
Net change in total OPEB liability	486,441	49,326
Total OPEB liability-beginning	<u>716,992</u>	<u>667,666</u>
Total OPEB liability-ending	<u>\$ 1,203,433</u>	<u>\$ 716,992</u>
Covered payroll	15,746,445	12,592,559
Total OPEB liability as a percentage of covered payroll	7.64%	5.69%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

CITY OF AVENTURA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds							Capital Projects Fund		Total Nonmajor Governmental Funds	
	Police Education Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund	2000 Loan Debt Service Fund	Debt Service Fund Series 2010 & 2011	Debt Service Fund Series 2012 Charter School Land Acquisition	Debt Service Fund Series 2012 Charter School Building Construction	2018 Loan Debt Service Fund		Capital Projects
ASSETS											
Cash, cash equivalents and investments	\$ 7,164	\$ -	\$ 622,022	\$ 157,706	\$ 295,035	\$ 176,041	\$ 533	\$ 218,088	\$ -	\$ 864,932	\$ 2,341,521
Restricted cash, cash equivalents and investments	-	-	-	-	500,533	-	-	-	-	-	500,533
Accounts receivable, net	-	38,264	-	-	-	-	-	-	-	-	38,264
Due from other governments	432	-	-	-	-	-	-	-	-	-	432
Total assets	\$ 7,596	\$ 38,264	\$ 622,022	\$ 157,706	\$ 795,568	\$ 176,041	\$ 533	\$ 218,088	\$ -	\$ 864,932	\$ 2,880,750
LIABILITIES											
Accounts payable	-	-	-	155	-	-	-	-	-	-	155
Accrued liabilities	-	-	-	-	477,910	175,733	-	-	-	-	653,643
Due to other funds	-	6,158	-	-	-	-	-	-	-	-	6,158
Total liabilities	-	6,158	-	155	477,910	175,733	-	-	-	-	659,956
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - intergovernmental	-	6,986	-	-	-	-	-	-	-	-	6,986
FUND BALANCES											
Restricted for:											
Public safety/law enforcement	7,596	25,120	621,058	157,551	-	-	-	-	-	-	811,325
Capital Projects	-	-	-	-	-	-	-	-	-	852,512	852,512
Debt service	-	-	-	-	317,658	308	533	218,088	-	-	536,587
Assigned for:											
Subsequent year's budget	-	-	964	-	-	-	-	-	-	12,420	13,384
Total fund balances	7,596	25,120	622,022	157,551	317,658	308	533	218,088	-	864,932	2,213,808
	\$ 7,596	\$ 38,264	\$ 622,022	\$ 157,706	\$ 795,568	\$ 176,041	\$ 533	\$ 218,088	\$ -	\$ 864,932	\$ 2,880,750

CITY OF AVENTURA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds				Debt Service Funds				Capital Projects Fund	Total Nonmajor Governmental Funds	
	Police Education Fund	911 Fund	Federal Forfeiture Fund	Law Enforcement Trust Fund	2000 Loan Debt Service Fund	Debt Service Fund Series 2010 & 2011	Debt Service Fund Series 2012 Charter School Land Acquisition	Debt Service Fund Series 2012 Charter School Building Construction	2018 Loan Debt Service Fund		Capital Projects
Revenues:											
Intergovernmental	\$ -	\$ 93,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,954
Fines and forfeitures	5,736	-	9,380	15,875	-	-	-	-	-	-	30,991
Charges for services	-	-	-	-	-	-	-	-	-	325,000	325,000
Impact fees	-	-	-	-	-	-	-	-	-	99,117	99,117
Investment income	159	701	18,325	3,231	25,836	308	53	5,236	-	18,146	71,995
Total revenues	5,895	94,655	27,705	19,106	25,836	308	53	5,236	-	442,263	621,057
Current:											
Public safety	8,906	88,439	-	4,561	-	-	-	-	-	-	101,906
Capital outlay	-	-	302,299	-	-	-	-	-	-	89,409	391,708
Debt service:											
Principal	-	-	-	-	435,000	830,000	290,649	324,351	240,000	-	2,120,000
Interest	-	-	-	-	85,820	365,972	75,546	85,168	255,024	-	867,530
Total expenditures	8,906	88,439	302,299	4,561	520,820	1,195,972	366,195	409,519	495,024	89,409	3,481,144
Excess (deficiency) of revenues over expenditures	(3,011)	6,216	(274,594)	14,545	(494,984)	(1,195,664)	(366,142)	(404,283)	(495,024)	352,854	(2,860,087)
Other financing sources (uses):											
Transfers in	-	-	-	-	520,820	1,194,963	359,135	444,000	495,024	-	3,013,942
Transfers out	-	-	-	-	-	-	-	-	-	(265,000)	(265,000)
Total other financing sources (uses)	-	-	-	-	520,820	1,194,963	359,135	444,000	495,024	(265,000)	2,748,942
Net change in fund balances	(3,011)	6,216	(274,594)	14,545	25,836	(701)	(7,007)	39,717	-	87,854	(111,145)
FUND BALANCES, beginning	10,607	18,904	896,616	143,006	291,822	1,009	7,540	178,371	-	777,078	2,324,953
FUND BALANCES, ending	\$ 7,596	\$ 25,120	\$ 622,022	\$ 157,551	\$ 317,658	\$ 308	\$ 533	\$ 218,088	\$ -	\$ 864,932	\$ 2,213,808

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 5,736	\$ 5,736
Investment income	<u>6,000</u>	<u>6,000</u>	<u>159</u>	<u>(5,841)</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>5,895</u>	<u>(105)</u>
Expenditures:				
Public safety	<u>11,116</u>	<u>16,607</u>	<u>8,906</u>	<u>7,701</u>
Total expenditures	<u>11,116</u>	<u>16,607</u>	<u>8,906</u>	<u>7,701</u>
Excess (deficiency) of revenues over expenditures	<u>(5,116)</u>	<u>(10,607)</u>	<u>(3,011)</u>	<u>7,596</u>
Other financing sources (uses):				
Appropriated fund balance	<u>5,116</u>	<u>10,607</u>	<u>-</u>	<u>(10,607)</u>
Total other financing sources (uses)	<u>5,116</u>	<u>10,607</u>	<u>-</u>	<u>(10,607)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,011)</u>	<u>\$ (3,011)</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 90,800	\$ 90,800	\$ 93,954	\$ 3,154
Investment income	<u>-</u>	<u>-</u>	<u>701</u>	<u>701</u>
Total revenues	<u>90,800</u>	<u>90,800</u>	<u>94,655</u>	<u>3,855</u>
Expenditures:				
Public safety	<u>90,800</u>	<u>109,704</u>	<u>88,439</u>	<u>21,265</u>
Total expenditures	<u>90,800</u>	<u>109,704</u>	<u>88,439</u>	<u>21,265</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(18,904)</u>	<u>6,216</u>	<u>25,120</u>
Other financing sources (uses):				
Appropriated fund balance	<u>-</u>	<u>18,904</u>	<u>-</u>	<u>(18,904)</u>
Total other financing sources (uses)	<u>-</u>	<u>18,904</u>	<u>-</u>	<u>(18,904)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,216</u>	<u>\$ 6,216</u>

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 25,836	\$ 25,836
Total revenues	<u>-</u>	<u>-</u>	<u>25,836</u>	<u>25,836</u>
Expenditures:				
Debt Service:				
Principal	435,000	435,000	435,000	-
Interest	<u>85,820</u>	<u>85,820</u>	<u>85,820</u>	<u>-</u>
Total expenditures	<u>520,820</u>	<u>520,820</u>	<u>520,820</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(520,820)</u>	<u>(520,820)</u>	<u>(494,984)</u>	<u>25,836</u>
Other financing sources (uses):				
Transfers in	<u>520,820</u>	<u>520,820</u>	<u>520,820</u>	<u>-</u>
Total other financing sources (uses)	<u>520,820</u>	<u>520,820</u>	<u>520,820</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,836</u>	<u>\$ 25,836</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 308	\$ 308
Total revenues	<u>-</u>	<u>-</u>	<u>308</u>	<u>308</u>
Expenditures:				
Debt Service:				
Principal	830,000	830,000	830,000	-
Interest	<u>365,972</u>	<u>365,972</u>	<u>365,972</u>	<u>-</u>
Total expenditures	<u>1,195,972</u>	<u>1,195,972</u>	<u>1,195,972</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,195,972)</u>	<u>(1,195,972)</u>	<u>(1,195,664)</u>	<u>308</u>
Other financing sources (uses):				
Transfers in	1,195,704	1,194,963	1,194,963	-
Appropriated fund balance	<u>268</u>	<u>1,009</u>	<u>-</u>	<u>(1,009)</u>
Total other financing sources (uses)	<u>1,195,972</u>	<u>1,195,972</u>	<u>1,194,963</u>	<u>(1,009)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (701)</u>	<u>\$ (701)</u>

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
2012A LOAN DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 53	\$ 53
Total revenues	-	-	53	53
Expenditures:				
Debt Service				
Principal	290,649	290,649	290,649	-
Interest	62,486	76,026	75,546	480
Total expenditures	353,135	366,675	366,195	480
Excess (deficiency) of revenues over expenditures	(353,135)	(366,675)	(366,142)	533
Other financing sources (uses):				
Transfers in	345,621	359,135	359,135	-
Appropriated fund balance	7,514	7,540	-	(7,540)
Total other financing sources (uses)	353,135	366,675	359,135	(7,540)
Net change in fund balance	\$ -	\$ -	\$ (7,007)	\$ (7,007)

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
2012B LOAN DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 5,236	\$ 5,236
Total revenues	<u>-</u>	<u>-</u>	<u>5,236</u>	<u>5,236</u>
Expenditures:				
Debt Service				
Principal	324,351	324,351	324,351	-
Interest	<u>69,732</u>	<u>85,668</u>	<u>85,168</u>	<u>500</u>
Total expenditures	<u>394,083</u>	<u>410,019</u>	<u>409,519</u>	<u>500</u>
Excess (deficiency) of revenues over expenditures	<u>(394,083)</u>	<u>(410,019)</u>	<u>(404,283)</u>	<u>5,736</u>
Other financing sources (uses):				
Transfers in	<u>394,083</u>	<u>410,019</u>	<u>444,000</u>	<u>33,981</u>
Total other financing sources (uses)	<u>394,083</u>	<u>410,019</u>	<u>444,000</u>	<u>33,981</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,717</u>	<u>\$ 39,717</u>

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
2018 LOAN DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt Service				
Principal	\$ 240,000	\$ 240,000	\$ 240,000	\$ -
Interest	<u>255,024</u>	<u>255,024</u>	<u>255,024</u>	<u>-</u>
Total expenditures	<u>495,024</u>	<u>495,024</u>	<u>495,024</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(495,024)</u>	<u>(495,024)</u>	<u>(495,024)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	<u>495,024</u>	<u>495,024</u>	<u>495,024</u>	<u>-</u>
Total other financing sources (uses)	<u>495,024</u>	<u>495,024</u>	<u>495,024</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ -	\$ -	\$ 325,000	\$ 325,000
Impact Fees	-	-	99,117	99,117
Investment income	-	-	18,146	18,146
Total revenues	-	-	442,263	442,263
Expenditures:				
Capital outlay	134,700	187,078	89,409	97,669
Total expenditures	134,700	187,078	89,409	97,669
Excess (deficiency) of revenues over expenditures	(134,700)	(187,078)	352,854	539,932
Other financing sources (uses):				
Transfers out	-	(265,000)	(265,000)	-
Appropriated fund balance	134,700	452,078	-	(452,078)
Total other financing sources (uses)	134,700	187,078	(265,000)	(452,078)
Net change in fund balance	\$ -	\$ -	\$ 87,854	\$ 87,854

CITY OF AVENTURA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
CHARTER HIGH SCHOOL CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 191,303	\$ 191,303
Other revenues	-	2,000,000	-	2,000,000
Total revenues	<u>-</u>	<u>2,000,000</u>	<u>191,303</u>	<u>191,303</u>
Expenditures:				
Capital outlay	-	14,362,401	13,756,177	606,224
Total expenditures	<u>-</u>	<u>14,362,401</u>	<u>13,756,177</u>	<u>606,224</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(12,362,401)</u>	<u>(13,564,874)</u>	<u>797,527</u>
Other financing sources (uses):				
Transfers in	-	265,000	265,000	-
Appropriated fund balance	-	12,097,401	-	(12,097,401)
Total other financing sources (uses)	<u>-</u>	<u>12,362,401</u>	<u>265,000</u>	<u>(12,097,401)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,299,874)</u>	<u>\$ (11,299,874)</u>

See notes to required supplementary information

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.

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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>	72-78
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	79-83
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 the future.</i>	84-87
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>	88-89
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>	90-92

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)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Net investment in capital assets	\$ 60,320,654	\$ 59,215,769	\$ 59,176,872	\$ 63,727,119	\$ 69,229,415	\$ 68,719,115	\$ 69,973,180	\$ 69,676,810	\$ 56,363,585	\$ 83,298,863
Restricted	895,481	1,694,288	2,240,013	2,910,452	3,778,520	3,271,471	3,856,017	5,084,902	17,073,477	8,300,569
Unrestricted	<u>37,169,427</u>	<u>38,621,886</u>	<u>39,900,020</u>	<u>36,690,649</u>	<u>36,726,441</u>	<u>38,897,287</u>	<u>37,512,481</u>	<u>40,147,287</u>	<u>45,458,005</u>	<u>31,633,822</u>
Total governmental activities, net position	<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>	<u>\$ 111,341,678</u>	<u>\$ 114,908,999</u>	<u>\$ 118,895,067</u>	<u>\$ 123,233,254</u>
Business-type activities:										
Net investment in capital assets	\$ 7,616,360	\$ 7,424,095	\$ 7,126,772	\$ 6,829,449	\$ 6,532,125	\$ 6,775,365	\$ 6,809,456	\$ 8,464,648	\$ 8,942,582	\$ 8,959,654
Unrestricted	<u>671,857</u>	<u>993,386</u>	<u>1,429,043</u>	<u>1,703,713</u>	<u>2,056,616</u>	<u>2,549,418</u>	<u>2,265,033</u>	<u>912,350</u>	<u>314,906</u>	<u>516,304</u>
Total business-type activities, net position	<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>	<u>\$ 9,074,489</u>	<u>\$ 9,376,998</u>	<u>\$ 9,257,488</u>	<u>\$ 9,475,958</u>
Primary government:										
Net investment in capital assets	\$ 67,937,014	\$ 66,639,864	\$ 66,303,644	\$ 70,556,568	\$ 75,761,540	\$ 75,494,480	\$ 76,782,636	\$ 78,141,458	\$ 65,306,167	\$ 92,258,517
Restricted	895,481	1,694,288	2,240,013	2,910,452	3,778,520	3,271,471	3,856,017	5,084,902	17,073,477	8,300,569
Unrestricted	<u>37,841,284</u>	<u>39,615,272</u>	<u>41,329,063</u>	<u>38,394,362</u>	<u>38,783,057</u>	<u>41,446,705</u>	<u>39,777,514</u>	<u>41,059,637</u>	<u>45,772,911</u>	<u>32,150,126</u>
Total primary government, net position	<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>	<u>\$ 120,416,167</u>	<u>\$ 124,285,997</u>	<u>\$ 128,152,555</u>	<u>\$ 132,709,212</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses:										
Governmental activities:										
General government	\$ 4,574,365	\$ 4,917,160	\$ 4,977,304	\$ 5,116,689	\$ 5,340,426	\$ 5,472,458	\$ 5,435,311	\$ 6,152,071	\$ 6,852,644	\$ 6,499,306
Public safety	18,460,900	18,928,521	19,571,423	19,776,833	21,178,335	21,260,568	28,476,913	22,977,305	26,270,646	28,048,176
Community services	15,059,743	14,947,707	15,187,991	16,006,410	16,927,314	18,108,075	18,537,066	13,906,239	13,883,644	14,522,255
Public works	-	-	-	-	-	-	-	5,972,296	6,808,327	6,594,647
Interest and fiscal charges	<u>1,574,525</u>	<u>1,396,059</u>	<u>1,187,024</u>	<u>976,609</u>	<u>904,834</u>	<u>811,973</u>	<u>780,591</u>	<u>691,208</u>	<u>823,128</u>	<u>915,785</u>
Total governmental activities	<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>	<u>53,229,881</u>	<u>49,699,119</u>	<u>54,638,389</u>	<u>56,580,169</u>
Business-type activities:										
Stormwater utility	<u>843,251</u>	<u>827,090</u>	<u>758,185</u>	<u>872,010</u>	<u>805,636</u>	<u>693,864</u>	<u>1,165,564</u>	<u>990,716</u>	<u>1,479,473</u>	<u>1,135,236</u>
Total business-type activities	<u>843,251</u>	<u>827,090</u>	<u>758,185</u>	<u>872,010</u>	<u>805,636</u>	<u>693,864</u>	<u>1,165,564</u>	<u>990,716</u>	<u>1,479,473</u>	<u>1,135,236</u>
Total primary government expenses	<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>	<u>\$ 54,395,445</u>	<u>\$ 50,689,835</u>	<u>\$ 56,117,862</u>	<u>\$ 57,715,405</u>
Program revenues:										
Governmental activities:										
Charges for services:										
Public safety	\$ 5,505,242	\$ 4,917,288	\$ 5,413,866	\$ 5,276,699	\$ 6,369,993	\$ 6,839,027	\$ 9,155,350	\$ 8,438,187	\$ 10,703,033	\$ 9,013,897
Community services	1,275,753	1,596,122	1,621,334	1,704,529	1,633,233	1,828,016	1,927,076	2,008,547	2,168,119	2,415,250
Operating grants and contributions	7,663,169	7,559,658	7,032,045	7,323,841	7,841,160	8,261,217	10,211,395	8,951,723	9,859,151	10,762,905
Capital grants and contributions	<u>2,465,574</u>	<u>500,068</u>	<u>676,604</u>	<u>723,997</u>	<u>4,428,098</u>	<u>1,253,396</u>	<u>475,022</u>	<u>237,244</u>	<u>288,174</u>	<u>1,270,000</u>
Total governmental activities program revenues	<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>	<u>21,768,843</u>	<u>19,635,701</u>	<u>23,018,477</u>	<u>23,462,052</u>
Business-type activities:										
Charges for services:										
Stormwater utility	842,867	843,930	892,395	846,921	857,558	926,278	904,116	1,283,915	1,253,514	1,347,009
Capital grants and contributions	<u>175,303</u>	<u>108,862</u>	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>904,116</u>	<u>1,283,915</u>	<u>1,253,514</u>	<u>1,347,009</u>
Total primary government program revenues	<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>	<u>\$ 22,672,959</u>	<u>\$ 20,919,616</u>	<u>\$ 24,271,991</u>	<u>\$ 24,809,061</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net expense/revenue:										
Governmental activities	\$ (22,759,795)	\$ (25,616,311)	\$ (26,179,893)	\$ (26,847,475)	\$ (24,078,425)	\$ (27,471,418)	\$ (31,474,670)	\$ (30,063,418)	\$ (31,619,912)	\$ (33,118,117)
Business-type activities	<u>174,919</u>	<u>125,702</u>	<u>134,210</u>	<u>(25,089)</u>	<u>51,922</u>	<u>232,414</u>	<u>(261,448)</u>	<u>293,199</u>	<u>(225,959)</u>	<u>211,773</u>
Total primary government, net expense	<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>	<u>\$ (31,736,118)</u>	<u>\$ (29,770,219)</u>	<u>\$ (31,845,871)</u>	<u>\$ (32,906,344)</u>
General revenues and other:										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 13,253,848	\$ 11,734,232	\$ 11,724,189	\$ 12,080,224	\$ 12,791,444	\$ 13,977,630	\$ 15,008,874	\$ 16,349,089	\$ 16,747,025	\$ 17,051,593
Utility Tax	7,362,899	7,379,830	7,772,000	7,551,899	7,933,535	7,872,483	7,720,496	7,655,803	8,052,694	7,889,792
Franchise fees	3,686,885	2,684,216	3,070,065	2,823,490	2,289,721	2,294,667	2,365,853	1,979,437	2,544,772	2,399,456
Intergovernmental revenue - unrestricted	3,838,972	4,182,305	4,917,107	5,238,710	5,767,456	5,967,535	6,303,054	7,141,485	6,632,917	6,413,594
Impact fees	101	189,440	22,426	655,743	77,607	6,775	255,022	145,498	1,140,494	1,292,803
Investment income	310,885	195,382	174,152	65,726	89,941	182,464	260,113	347,537	650,183	1,627,125
Miscellaneous revenues	<u>420,352</u>	<u>397,287</u>	<u>284,916</u>	<u>597,916</u>	<u>1,534,877</u>	<u>377,908</u>	<u>15,063</u>	<u>11,890</u>	<u>28,560</u>	<u>781,941</u>
Total governmental activities	<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>30,679,462</u>	<u>31,928,475</u>	<u>33,630,739</u>	<u>35,796,645</u>	<u>37,456,304</u>
Business-type activities:										
Intergovernmental (unrestricted)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,293	\$ -	\$ -	\$ 100,000	\$ -
Interest income	<u>3,320</u>	<u>3,562</u>	<u>4,124</u>	<u>2,436</u>	<u>3,657</u>	<u>7,335</u>	<u>11,154</u>	<u>9,310</u>	<u>6,449</u>	<u>6,697</u>
Total business-type activities	<u>3,320</u>	<u>3,562</u>	<u>4,124</u>	<u>2,436</u>	<u>3,657</u>	<u>503,628</u>	<u>11,154</u>	<u>9,310</u>	<u>106,449</u>	<u>6,697</u>
Total primary government	<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>\$ 31,183,090</u>	<u>\$ 31,939,629</u>	<u>\$ 33,640,049</u>	<u>\$ 35,903,094</u>	<u>\$ 37,463,001</u>
Change in net position:										
Governmental activities	\$ 6,114,147	\$ 1,146,381	\$ 1,784,962	\$ 2,166,233	\$ 6,406,156	\$ 3,201,269	\$ 453,805	\$ 3,567,321	\$ 4,176,734	\$ 4,338,187
Business-type activities	<u>178,239</u>	<u>129,264</u>	<u>138,334</u>	<u>(22,653)</u>	<u>55,579</u>	<u>736,042</u>	<u>(250,294)</u>	<u>302,509</u>	<u>(119,510)</u>	<u>218,470</u>
Total primary government	<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>	<u>\$ 203,511</u>	<u>\$ 3,869,830</u>	<u>\$ 4,057,224</u>	<u>\$ 4,556,657</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 <u>Taxes</u>	Franchise <u>Fees</u>	<u>Total</u>
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	7,872,483	2,294,667	24,144,780
2016	2015	15,008,844	7,720,496	2,364,853	25,094,193
2017	2016	16,349,089	7,655,803	1,979,437	25,984,329
2018	2017	16,747,025	8,052,694	2,544,772	27,344,491
2019	2018	17,051,593	7,889,792	2,399,456	27,340,841

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:										
Reserved	\$ 139,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	36,344,556	-	-	-	-	-	-	-	-	-
Nonspendable	-	37,204	33,045	285,056	358,893	448,765	416,956	496,322	537,563	630,695
Committed	-	20,193,488	19,773,488	19,773,488	21,378,324	21,405,561	21,575,911	21,895,756	19,772,304	19,772,304
Assigned	-	2,119,548	5,747,436	1,995,152	789,486	313,426	898,495	1,541,402	559,263	399,087
Unassigned	-	15,868,958	14,084,222	14,459,667	13,582,754	16,912,171	19,724,328	21,290,153	15,541,095	20,350,488
Total General Fund	<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>	<u>\$ 42,615,690</u>	<u>\$ 45,223,633</u>	<u>\$ 36,410,225</u>	<u>\$ 41,152,574</u>
All other governmental funds:										
Reserved	\$ 253,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	2,308,838	-	-	-	-	-	-	-	-	-
Debt Service Funds	280,321	-	-	-	-	-	-	-	-	-
Nonspendable	-	30,575	30,759	-	9,466	9,466	11,961	11,961	11,961	9,466
Committed	-	-	-	-	-	-	-	-	-	1,779,659
Restricted	-	1,694,288	2,240,013	2,910,452	3,778,520	3,271,471	4,286,433	5,084,902	16,784,549	8,301,533
Assigned	-	2,352,114	2,196,478	2,153,301	2,999,094	4,376,429	3,877,756	2,648,408	3,649,957	2,400
Unassigned	-	-	-	-	-	-	-	-	-	(1,338,424)
Total all other governmental funds	<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>	<u>\$ 8,176,150</u>	<u>\$ 7,745,271</u>	<u>\$ 20,446,467</u>	<u>\$ 8,754,634</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:										
Ad valorem taxes	\$ 13,253,848	\$ 11,734,232	\$ 11,724,189	\$ 12,080,224	\$ 12,791,444	\$ 13,977,630	\$ 15,008,874	\$ 16,349,089	\$ 16,747,025	\$ 17,051,593
Utility tax	7,448,098	7,465,029	7,486,792	7,856,770	7,884,830	7,872,483	7,720,496	7,655,803	8,052,694	7,889,792
Franchise fees	3,686,885	2,956,350	3,317,331	2,823,490	2,289,722	2,294,667	2,374,953	1,979,437	2,544,772	2,399,456
Licenses and permits	2,067,920	2,420,468	2,567,600	2,538,274	3,231,091	3,930,547	5,459,891	4,978,721	7,010,108	5,038,979
Intergovernmental	12,913,025	11,446,939	11,446,417	12,384,138	13,115,271	13,707,814	13,952,101	14,496,892	15,200,778	15,708,678
Charges for services	2,322,793	2,985,639	2,912,471	3,164,636	3,147,989	3,721,362	5,061,619	4,363,712	4,313,718	4,711,865
Fines and forfeitures	3,107,179	2,096,678	2,459,276	2,371,542	2,652,615	2,783,222	3,008,304	2,787,628	2,653,695	2,706,828
Impact fees	101	18,512	1,596	489,401	6,006	6,775	255,022	145,497	1,140,494	1,292,803
Investment income	310,885	195,382	174,149	65,657	89,941	182,464	260,077	347,537	650,183	1,627,125
Miscellaneous	425,269	354,101	293,279	345,791	474,234	336,529	311,886	264,948	514,920	2,444,368
Total revenues	45,536,003	41,673,330	42,383,100	44,119,923	45,683,143	48,813,493	53,413,223	53,369,264	58,828,387	60,871,487
Expenditures:										
Current:										
General government	4,360,999	4,274,015	4,266,981	4,437,525	4,536,983	4,631,847	4,786,053	5,303,755	5,839,355	5,529,600
Public safety	16,965,808	17,636,378	18,413,325	18,820,627	19,682,937	20,151,306	22,019,805	22,835,279	24,752,571	24,528,213
Community services	11,950,071	12,083,949	12,305,720	12,727,047	13,654,908	13,878,863	14,898,678	11,445,973	11,893,206	12,767,001
Public works	-	-	-	-	-	-	-	4,421,461	4,733,897	4,783,972
Capital outlay	8,576,499	2,596,599	3,050,256	8,158,627	5,074,822	3,804,602	5,125,295	4,653,942	12,150,289	17,247,114
Debt service:										
Principal	1,130,000	635,000	960,000	1,590,000	1,675,000	1,735,000	1,790,000	1,850,000	1,930,000	2,120,000
Advance refunding escrow	520,000	336,928	597,856	-	-	-	-	-	-	-
Interest	1,553,980	1,212,882	987,303	948,769	867,979	811,973	753,904	693,679	769,842	867,530
Trustee fees and other	89,766	49,496	77,909	-	-	-	-	-	-	-
Total expenditures	45,147,123	38,825,247	40,659,350	46,682,595	45,492,629	45,013,591	49,373,735	51,204,089	62,069,160	67,843,430
Excess (deficiency) of revenues over expenditures	388,880	2,848,083	1,723,750	(2,562,672)	190,514	3,799,902	4,039,488	2,165,175	(3,240,773)	(6,971,943)
Other financing sources (uses):										
Issuance of debt	10,385,000	5,565,000	9,885,000	-	-	-	-	-	7,100,000	-
Sale of general capital assets	-	-	-	-	1,128,907	40,850	15,063	11,890	28,560	22,459
Transfers in	4,526,447	2,316,510	2,747,803	2,657,882	2,773,685	2,666,334	2,644,908	2,644,502	9,273,335	-
Transfers out	(4,526,447)	(2,316,510)	(2,747,803)	(2,657,882)	(2,773,685)	(2,666,334)	(2,644,908)	(2,644,502)	(9,273,335)	3,478,942
Payment to refunded bond escrow agent	(10,321,560)	(5,504,006)	(9,810,000)	-	-	-	-	-	-	(3,478,942)
Total other financing sources (uses)	63,440	60,994	75,000	-	1,128,907	40,850	15,063	11,890	7,128,560	22,459
Net change in fund balances	\$ 452,320	\$ 2,909,077	\$ 1,798,750	\$ (2,562,672)	\$ 1,319,421	\$ 3,840,752	\$ 4,054,551	\$ 2,177,065	\$ 3,887,787	\$ (6,949,484)
Debt service as a percentage of noncapital expenditures	7.15%	5.07%	5.11%	6.54%	6.17%	6.01%	5.63%	5.46%	4.67%	5.84%

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

Fiscal Year	Ad Valorem Taxes	Utility Taxes	Franchise Fees	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Impact Fees	Investment Income	Miscellaneous	Total
2010	\$ 13,253,848	\$ 7,448,098	\$ 3,686,885	\$ 2,067,920	\$ 12,913,025	\$ 2,322,793	\$ 3,107,179	\$ 101	\$ 310,885	\$ 425,269	\$ 45,536,003
2011	11,734,232	7,465,029	2,956,350	2,420,468	11,446,939	2,985,639	2,096,678	18,512	195,382	354,101	41,673,330
2012	11,724,189	7,486,792	3,317,331	2,567,600	11,446,417	2,912,471	2,459,276	1,596	174,149	293,279	42,383,100
2013	12,080,224	7,856,770	2,823,490	2,538,274	12,384,138	3,164,636	2,371,542	489,401	65,657	345,791	44,119,923
2014	12,791,444	7,884,830	2,289,722	3,231,091	13,115,271	3,147,989	2,652,615	6,006	89,941	474,234	45,683,143
2015	13,977,630	7,872,483	2,294,667	3,930,547	13,707,814	3,714,587	2,783,222	6,775	182,464	336,529	48,806,718
2016	15,008,874	7,720,496	2,374,953	5,459,891	13,952,101	4,806,597	3,008,304	255,022	260,077	311,886	53,158,201
2017	16,349,089	7,655,803	1,979,437	4,978,721	14,496,892	4,363,712	2,787,628	145,497	347,537	264,948	53,369,264
2018	16,747,025	8,052,694	2,544,772	7,010,108	15,200,778	4,313,718	2,653,695	1,140,494	650,183	514,920	58,828,387
2019	17,051,593	7,889,792	2,399,456	5,038,979	15,708,678	4,711,865	2,706,828	1,292,803	1,627,125	1,707,552	60,134,671

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

Fiscal Year	Tax Roll Year	Less:			Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
		Real Property	Personal Property	Real Property				
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%
2016	2015	9,418,840,654	208,455,823	(532,334,375)	9,094,962,102	1.7261	11,145,485,996	81.602%
2017	2016	10,256,329,248	216,738,181	(571,373,185)	9,901,694,244	1.7261	12,029,604,133	82.311%
2018	2017	10,450,567,929	223,735,802	(575,305,868)	10,098,997,863	1.7261	11,839,266,628	85.301%
2019	2018	10,669,786,837	251,121,004	(555,067,665)	10,365,840,176	1.7261	11,891,380,991	87.171%

Note: (1) Florida Law requires that all property be assessed at current fair market value.



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CITY OF AVENTURA, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$ 1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	City of Aventura			School District			Overlapping Rates		
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	Regional	South Florida Water Management District	Everglades Project
2010	2009	1.7261	0.0000	1.7261	7.6980	0.2970	7.9950	0.5346	0.0894	0.0000
2011	2010	1.7261	0.0000	1.7261	7.8640	0.3850	8.2490	0.5346	0.0894	0.0000
2012	2011	1.7261	0.0000	1.7261	7.7650	0.2400	8.0050	0.3739	0.0624	0.0000
2013	2012	1.7261	0.0000	1.7261	7.7650	0.2330	7.9980	0.3676	0.0613	0.0000
2014	2013	1.7261	0.0000	1.7261	7.6440	0.3330	7.9770	0.3523	0.0587	0.0000
2015	2014	1.7261	0.0000	1.7261	7.7750	0.1990	7.9740	0.1577	0.0548	0.1717
2016	2015	1.7261	0.0000	1.7261	7.4130	0.1990	7.6120	0.1459	0.0506	0.1586
2017	2016	1.7261	0.0000	1.7261	7.1380	0.1840	7.3220	0.1359	0.0471	0.1477
2018	2017	1.7261	0.0000	1.7261	6.7740	0.2200	6.9940	0.1275	0.0441	0.1384
2019	2018	1.7261	0.0000	1.7261	6.5040	0.2290	6.7330	0.1209	0.0417	0.1310

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	
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
0.0320	0.3871	4.6669	0.4500	2.4207	0.0086	0.2840	7.8302	0.5000	18.0554
0.0320	0.3627	4.6669	0.4000	2.4207	0.0075	0.2840	7.7791	0.5000	17.6899
0.0320	0.3420	4.6669	0.4000	2.4207	0.0075	0.2840	7.7791	0.4673	17.3085
0.0320	0.3256	4.6669	0.4644	2.4207	0.0000	0.2840	7.8360	0.4415	17.0622

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

		2019		2010	
		Percentage		Percentage	
		Taxable Assessed Value	Rank	Taxable Assessed Value	Rank
Aventura Mall Venture Lessor	Shopping Center	\$ 503,312,942	1	\$ 391,052,842	1
Miami Beach Healthcare Group, LTD	Hospital & Health Care Facility	150,487,328	2	166,293,623	2
Renaissance Aventura LLC	Office Building	79,127,000	3	-	-
TB Isle Resort, LP	Golf Course, Hotel & Marina	70,348,149	4	82,498,018	4
Florida Power & Light Company	Electrical Utility Company	55,715,982	5	-	-
NNN Aventura Harbour Centre, LLC	Mixed Use Zones & Offices	55,580,545	6	61,000,000	6
Summit Properties Partnership, LP	Rental Apartment Complex	52,080,000	7	61,081,983	5
Promventure Limited Partnership	Shopping Center	47,500,000	8	46,117,251	9
SCG Atlas Aventura LLC	Multi-Family	42,640,000	9	-	-
OTP Capital LLC	Office Building	39,694,160	10	-	-
Peninsula II Dev., Inc.	Condominium Developer	-	-	103,965,620	3
Champion Retail Inc.	Retail Outlet, Hotel, Warehouse or Storage	-	-	41,384,771	10
Bruce Strohm and D. Neithercut TRS	Rental Apartment Complex	-	-	58,000,000	7
D. Soffer and B. Redich TRS	Commercial Developer	-	-	54,258,098	8
		<u>\$ 1,096,486,106</u>		<u>\$ 1,065,652,206</u>	
			<u>10.58%</u>		<u>13.21%</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	Delinquent Tax Collection	Total Tax Collection	Percentage of Total Tax
			Property Tax Discount			Collections to Net Tax Levy			Collection to Property Tax Levy
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	13,572,764	97.58%	404,866	13,977,630	96.47%
2016	2015	15,698,814	627,953	15,070,861	14,932,035	99.08%	76,808	15,008,843	95.60%
2017	2016	17,091,314	683,653	16,407,661	15,905,409	96.94%	443,680	16,349,089	95.66%
2018	2017	17,431,880	697,275	16,734,605	16,211,763	96.88%	535,262	16,747,025	96.07%
2019	2018	17,892,477	715,699	17,176,778	16,413,368	95.56%	638,225	17,051,593	95.30%

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				
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
2016	-	22,015,000	-	-	-	22,015,000	*	585.33
2017	-	20,165,000	-	-	-	20,165,000	*	534.97
2018	-	25,335,000	-	-	-	25,335,000	*	672.12
2019	-	23,215,000	-	-	-	23,215,000	*	614.32

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)
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
2016	22,015,000	380,498	21,634,502	9,094,962,102	0.24%	575.22
2017	20,165,000	408,361	19,756,639	9,901,694,244	0.20%	524.13
2018	25,335,000	478,742	24,856,258	10,098,997,863	0.25%	659.42
2019	23,215,000	536,588	22,678,412	10,365,840,176	0.22%	600.12

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, 2019

<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)	\$ 4,605,100,226	3.632%	\$ 167,257,240
Miami-Dade County School Board (2)	<u>3,188,281,000</u>	3.632%	<u>115,798,366</u>
Subtotal overlapping debt	<u>7,793,381,226</u>		<u>283,055,606</u>
Direct debt:			
City of Aventura	<u>23,215,000</u>	100.000%	<u>23,215,000</u>
Subtotal direct debt	<u>23,215,000</u>		<u>23,215,000</u>
Total direct and overlapping debt	<u>\$ 7,816,596,226</u>		<u>\$ 306,270,606</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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 806,383,495	\$ 724,460,661	\$ 729,063,432	\$ 750,123,902	\$ 778,643,240	\$ 839,431,113	\$ 909,496,210	\$ 990,169,424	\$ 1,009,899,786	\$ 1,036,584,018
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 806,383,495</u>	<u>\$ 724,460,661</u>	<u>\$ 729,063,432</u>	<u>\$ 750,123,902</u>	<u>\$ 778,643,240</u>	<u>\$ 839,431,113</u>	<u>\$ 909,496,210</u>	<u>\$ 990,169,424</u>	<u>\$ 1,009,899,786</u>	<u>\$ 1,036,584,018</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed valuation of taxable real and personal property	\$ 10,365,840,176
Bonded debt limit - 10% above (1)	\$ 1,036,584,018
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 23,215,000
Less: debt to be repaid from specified revenue sources:	
Covenant to budget and appropriate	<u>(23,215,000)</u>
Total net debt applicable to limit	-
Legal Debt Margin (1)	<u>\$ 1,036,584,018</u>

Note: (1) the City Charter allows revenue 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)
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	6.6%
2013	37,725	1,516,696	40,204	6.1%
2014	37,262	1,560,644	41,883	5.4%
2015	37,473	*	*	5.5%
2016	37,611	*	*	5.1%
2017	37,694	*	*	4.5%
2018	37,694	*	*	3.8%
2019	37,790	*	*	3.3%

Data sources:

- (1) Years are as of April 1 of each year per the University of Florida Bureau of Economic and 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						
	2019				2010		
<u>Occupational Groups</u>	<u>SOC Code</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Office and administrative support	43-0000	457,040	1	17.64%	211,440	1	21.54%
Sales and related	41-0000	336,400	2	12.99%	124,590	2	12.69%
Food preparation and serving related	35-0000	257,310	3	9.93%	78,800	3	8.03%
Transportation and material moving	53-0000	180,710	4	6.98%	67,960	4	6.92%
Healthcare practitioners and technical	29-0000	157,290	5	6.07%	55,940	7	5.70%
Business and financial operations	13-0000	141,540	6	5.46%	51,320	5	5.23%
Management	11-0000	127,260	7	4.91%	30,010	13	3.06%
Education, training and library	25-0000	121,540	8	4.69%	51,830	6	5.28%
Installation, maintenance and repair	49-0000	106,080	9	4.10%	36,100	9	3.68%
Construction and extraction	47-0000	99,610	10	3.85%	32,320	10	3.29%
Building and grounds cleaning and maintenance	37-0000	94,990	11	3.67%	36,390	11	3.71%
Protective service	33-0000	84,070	12	3.25%	38,580	12	3.93%
Production	51-0000	81,370	13	3.14%	35,920	8	3.66%
Healthcare support	31-0000	73,940	14	2.85%	27,380	15	2.79%
Personal care and service	39-0000	70,270	15	2.71%	28,320	14	2.89%
Computer and mathematical	15-0000	55,680	16	2.15%	16,510	16	1.68%
Legal	23-0000	36,690	17	1.42%	12,950	18	1.32%
Arts, design, entertainment, sports and media	27-0000	33,930	18	1.31%	14,430	17	1.47%
Community and social service	21-0000	32,690	19	1.26%	12,240	19	1.25%
Architecture and engineering	17-0000	26,230	20	1.01%	10,520	20	1.07%
Life, physical and social science	19-0000	11,620	21	0.45%	5,220	21	0.53%
Farming, fishing and forestry	45-0000	4,000	22	0.15%	2,800	22	0.29%
Total		<u>2,590,260</u>		<u>100.00%</u>	<u>981,570</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 2018. Estimates do not include self-employed workers.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function:										
General government	20	19	19	18	22	22	22	22	22	21
Public safety:										
Sworn	83	83	83	83	83	83	83	82	85	89
Civilians	37	37	38	38	37	38	39	39	36	37
Community services	16	15	14	14	14	14	14	10	8	16
Public works/transportation ⁽¹⁾	-	-	-	-	-	-	-	6	7	7
Community development	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>6</u>
 Total	 <u>164</u>	 <u>162</u>	 <u>162</u>	 <u>161</u>	 <u>164</u>	 <u>165</u>	 <u>166</u>	 <u>167</u>	 <u>166</u>	 <u>175</u>

Source: Various City departments.

⁽¹⁾ Prior to October 1, 2016 this function was previously combined with Community services.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function:										
Public safety:										
Part 1 Crimes reported*	2,193	2,400	2,298	2,353	2,210	2,273	2,126	2,091	2,334	2,082
Arrests	2,203	2,137	2,258	2,015	1,937	1,705	1,560	1,232	1,326	1,209
Traffic citations	20,814	19,114	18,707	16,940	18,690	15,911	19,596	13,343	10,277	8,976
Parking citations issued	3,375	2,886	2,120	1,847	1,498	1,295	618	889	795	1,174
Calls for service	31,169	30,470	29,276	29,123	28,682	16,816	15,688	15,248	17,934	16,515
Accidents	1,878	1,437	1,102	2,046	2,134	2,144	2,071	2,162	2,042	1,923
Community development:										
Building permits issued	4,130	4,465	4,615	5,141	5,244	5,352	4,959	4,560	6,330	5,063
Building inspections conducted	6,963	7,903	7,963	8,954	10,438	12,538	12,055	11,257	14,236	15,803
Code notice of violations issued	134	153	135	187	139	146	109	150	119	76
City business tax receipts issued	2,884	2,776	2,580	2,712	2,383	2,504	2,625	2,438	2,704	819
Community services:										
Recreation center memberships	1,238	1,242	1,101	1,088	1,125	1,100	1,132	1,093	1,021	984
Special event attendance	24,017	24,849	24,957	27,188	31,715	32,648	35,895	39,587	36,376	35,215
Shuttle bus ridership	241,273	260,325	271,645	284,876	279,943	270,082	274,223	274,532	300,858	300,123
Charter school enrollment										
Aventura City of Excellence										
School (K-8)	932	972	984	996	1,008	1,020	1,020	1,020	1,020	1,020
Don Soffer Aventura										
High School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	200

Source: Various City departments.

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

N/A: Information is not applicable as the Don Soffer Aventura High School opened in August 2019.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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:										
Public recreation areas	6	6	6	6	6	6	6	7	7	7
Public recreation acreage	30.50	30.50	30.50	30.50	30.50	30.50	30.50	32.00	32.00	32.00
Baseball/softball diamonds	2	2	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	3	3	3	3	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	712	712	712	742	800	800	824	937	937	937
Miles of roads	13.80	13.80	13.80	13.80	13.80	13.80	13.80	13.80	13.80	14.00
Charter schools:										
Aventura City of Excellence School (K-8)	1	1	1	1	1	1	1	1	1	1
Don Soffer Aventura High School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Transit routes/minibuses (2)										
Permanent	5	5	5	5	5	5	5	6	6	6
Seasonal	-	-	-	-	-	-	1	-	-	-

Notes: (1) Owned and operated by Miami-Dade County, Florida.

(2) Operated under contractual agreement.

N/A: Information not available.

COMPLIANCE SECTION



**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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 5, 2020. Our report includes a reference to other auditors who audited the City of Aventura Police Officers' Retirement Plan, 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 City'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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 5, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR IT'S MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Miami Springs, Florida

Report on Compliance for It's Major Federal Program

We have audited the City of Aventura (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2019. The City's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the City 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.



CABALLERO FIERMAN
LLERENA + GARCIA LLP

accountants | advisors

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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 5, 2020

CITY OF AVENTURA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Grant ID Number</i>	<i>Expenditures</i>
Child Nutrition Cluster-Cluster			
United States Department of Agriculture Pass-Through Florida Department of Education National School Lunch Program	10.555		72,001
<i>Total United States Department of Agriculture</i>			<u>72,001</u>
Total Child Nutrition Cluster-Cluster			<u>72,001</u>
Other Programs			
United States Department of Homeland Security Pass-Through Florida Division of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4337-DR-FL	659,660
<i>Total Department of Homeland Security</i>			<u>659,660</u>
United States Department of Justice Equitable Sharing Program	16.922		78,754
<i>Total United States Department of Justice</i>			<u>78,754</u>
Department of the Treasury Equitable Sharing Program	21.016		224,689
<i>Total Department of the Treasury</i>			<u>224,689</u>
Total Other Programs			<u>997,953</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,035,104</u></u>

CITY OF AVENTURA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the fiscal year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF AVENTURA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	<i>Unmodified Opinion</i>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiencies identified?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major federal awards:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiencies identified?	_____ Yes <u> X </u> None Reported
Type of auditors' report issued on compliance for major federal programs:	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes <u> X </u> No

Identification of major federal program:

<u>CFDA No.</u>	<u>Federal Program or Cluster</u>
97.036	Department of Homeland Security Federal Emergency Management Agency Public Assistance Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low risk auditee?	_____ Yes <u> X </u> No
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CITY OF AVENTURA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.



MANAGEMENT LETTER IN ACCORDANCE WITH 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, 2019, and have issued our report thereon dated March 5, 2020.

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 and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

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 Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 5, 2020, 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 financial audit report. There were no findings or recommendations made in the preceding 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 and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 to identify 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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. This assessment has been performed as of the fiscal year end.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 5, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
PURSUANT TO SECTION 218.415 FLORIDA STATUTES**

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 period of October 1, 2018 to September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 requirements of Section 218.415 Florida Statutes during the period of October 1, 2018 to September 30, 2019.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 5, 2020



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