

City of Aventura

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022



The City of Excellence

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF AVENTURA, FLORIDA

FOR THE YEAR ENDED

SEPTEMBER 30, 2022



Prepared By
The Finance Department
Melissa Cruz, Finance Director
Brent Rogers, Controller

City of Aventura, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022

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INTRODUCTORY SECTION



City of Aventura

Government Center
19200 West Country Club Drive
Aventura, Florida 33180

May 19, 2023

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

HOWARD S. WEINBERG, ESQ.
MAYOR

COMMISSIONERS

AMIT BLOOM
RACHEL S. FRIEDLAND
BILLY JOEL
PAUL A. KRUSS
DR. LINDA MARKS
MICHAEL STERN

RONALD J. WASSON
CITY MANAGER

BRYAN PEGUES
ASST. CITY MANAGER

In accordance with Section 11.45(3)(a) (4), Florida Statutes, and Article I, Section 4.11 of the City of Aventura (the "City") Charter, we hereby submit the City's Annual Comprehensive Financial Report (the "ACFR") for the fiscal year ended September 30, 2022. The ACFR includes an Introductory, Financial, Statistical and Compliance section. The financial statements included in the ACFR 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 Keefe, McCullough & Co., LLP has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2022. 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.

Significant Factors Affecting the FY 2021/22 and FY 2022/23
Operations and Operating and Capital Budget

For the last three years, COVID-19 has caused major disruption in international and U.S. economies and markets. The pandemic had a significant impact on government agencies worldwide. City operations seemed to have returned to pre-COVID levels however, the negative impact of inflation and increased costs for labor and supplies continues.

Many of the additional expenditures that the City incurred during FY 2021/22 for PPE, vaccination and testing programs, premium pay, additional contractual services including sanitization services, legal fees and facility upgrades have been or are anticipated to be reimbursed from the U.S. Department of Treasury through the State and Local Fiscal Recovery Funds (“SLFRF”) as part of the American Rescue Plan Act. The U.S. Department of Treasury Coronavirus SLFRF allocated \$18,525,074 to the City. The intent of the funds is to aid and assist eligible governmental entities in recovery efforts resulting from the economic fallout of the COVID-19 pandemic. At the time this letter was written, the City Commission approved the spending plan for approximately \$16.8 million of the allocation. Projects such as park improvements, IT software and hardware upgrades (including a new ERP), premium pay, radio communication system upgrades and stormwater and seawall replacement were included in the spending plan.

With the rollout of the COVID-19 vaccine in FY 2020/21, things have returned to normal with residents heading back to the office and venturing out to visit retail establishments and restaurants and construction levels and community services programming are rebounding from the pandemic lull. The City’s revenues for the FY 2022/23 budget had been conservatively prepared under the assumption that our State Revenue Sharing categories have recovered from their COVID-19 lows.

We will continue to monitor this situation very closely and adjust both our budgeted revenues and expenditures, if necessary. All capital items and projects were thoroughly reviewed and prioritized to avoid utilizing any General Fund reserves in balancing the FY 2022/23 operating and capital budget.

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 40,000 residents and 2,500 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 employed 176 full-time equivalent positions at September 30, 2022 and provides high-quality public services including General Government, Police, Community Services and Public Works/Transportation to its residents and business community.

In FY 2021/22, 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, schools and businesses:

- Continued community outreach initiatives to engage the community in joint problem solving and crime prevention techniques.
- Continued to utilize innovative technology throughout the community and with our business partners to prevent, reduce and solve crime.
- Expanded communications with the public by utilizing social media, community outreach and the Police Department's Community Advisory Panel.
- Increased the police overtime and events budgets to meet the increased number of police department sponsored events.

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

- Continued to operate 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 and operates as an "A" rated high performing school.

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

- Had no increase in the tax rate for the 26th year in a row.
- Continued to focus on maintaining the City's infrastructure by providing nearly \$2.6 million in funding for park improvements and \$2.1 million for 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:

- Continue to fund the free Aventura Express Shuttle Bus system that serves nearly 10,000 riders a month and extend service to new developments.
- Continued to implement recommendations included in the Unfiled Master Plan for Pedestrian/Bicycle Connectivity.
- Maintained the Aventura B-Cycle bike share program.
- Launched the City's first on-demand ride sharing service in FY 2020/21 that serves nearly 10,000 riders a month. The City plans to expand on-demand services in FY 2022/23 through the addition of more vehicles.
- Continued to collaborate with state, county and local officials to address traffic issues.

Community Engagement, Parks, Programs and Special Events:

- Funded part-time seasonal Park Attendants in order to provide adequate coverage in the peak season and accommodate increased attendance at our park facilities.
- Continued the afterschool program at the Community Recreation Center for Aventura students that attend Aventura Waterways K-8.
- Continued the youth travel soccer and basketball programs that were established to respond to the increased demand for these community services which are offset by user fees.
- Continued the "Community Ride with the Police Department" Special Event which provide opportunities for the residents to interact with the Police.
- Provided funding to maintain the Aventura Arts & Cultural Center as a state-of-the-art venue and to support a wide variety of programming for all age groups.
- Continued to fund Family Movie Nights at Founders Park.
- Hosted the Community Recreation Center showcase and Valentine's Day "Spreading the Love" event.
- Provided adequate funding to maintain our parks and recreational facilities at a high level.
- Continued to employ the use of the Youth Council.

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 throughout the City 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.
- Provide 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 CALEA 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 8th 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.

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. We continue to use in car video systems, automatic license plate readers, city-wide TVMS capability and a host of other technological hardware and software to maintain the high level of service to our community. We are very proud of our community service efforts and all of the accomplishments of our Police Explorers Unit. The APD is continually looking for solutions and innovations to truly make us the "City of Excellence".

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 19 years. The School is budgeted to serve 1,032 students in the 2022/23 school year.

Since its opening on August 25, 2003, the Aventura City of Excellence 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 1,020 to 1,032 students beginning with the 2016/17 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 800 9th through 12th grade students enrolled in its fourth year. The 53,418 square-foot school and the 10,250 square-foot gymnasium are 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 nearly 100 schools in five (5) states serving more than 75,000 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. Students 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 located on the intracoastal. Its 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 is currently in its 12th season of operation. The AACC has become the cultural heart of the City as thousands have enjoyed a wide range of shows and events 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, Federal Forfeiture Fund, the Law Enforcement Trust Fund and the Don Soffer Aventura High School Foundation Fund. A separate budget document for the Aventura City of Excellence Fund and the Don Soffer Aventura High School Fund is adopted by the City in May of each year, based on an annual operational fiscal year ending as of June 30th. 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 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 2.956 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. A Brightline train station being constructed at the doorstep of the Aventura Mall is set to open in the coming year as well as a footbridge from the station to the Aventura Mall. It will provide a significant positive boom for the local economy.

In September 2022, the Commission adopted the budget for the fiscal year beginning October 1, 2022 with the same tax rate as the prior year of 1.726. This is the 2nd lowest rate in the County, making it the City's 27th 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 2022/23, 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 was increased by \$100,000 due to an anticipated increase in workload demands covered by this category.
- Funding increased compared to the prior to ensure that adequate coverage is provided at our parks during the peak season and to accommodate increased attendance as we move to being open 7 days a week, as well as to enhance City communications and internal support.
- Recreational programming funding and expenditures increased due to an increase in the current year activity as the recovery from the pandemic continues.
- The City will incur an 6% increase in health insurance premiums over the prior year.
- Fuel costs for the Police and Public Works Departments increased by \$159,000 or 63.27% to support the rising gas prices.
- In the coming year, the City and the Dade County Police Benevolent Association were in the middle of collective bargaining sessions to negotiate a new Collective Bargaining Agreement ("CBA") which will become effective October 1, 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 2021/22:

- ✓ Peace Park Restrooms
- ✓ Country Club Drive roadway curbing/drainage improvements
- ✓ Roof replacement at the Aventura Arts and Cultural Center ("AACC")
- ✓ Exterior painting of the AACC
- ✓ Roof replacement over the gymnasium at the Community Recreation Center ("CRC")
- ✓ Curbing improvements on NE 190th Street
- ✓ Upgraded the alarm systems in the CRC and ACES
- ✓ Resealed the parking garage
- ✓

In addition, the following major capital improvements were in process at the end of FY 2021/22:

- NE 34th Avenue drainage improvements, milling and paving
- AACC exterior sealing

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, 2022, 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 2022/23, 10% of the General Fund revenue approximates \$4.4 million, while at September 30, 2022 unassigned fund balance approximated \$25.8 million.

Pay-As-You-Go Financing

Although the City Charter makes no reference to limitations in establishing debt (i.e., debt limit), 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

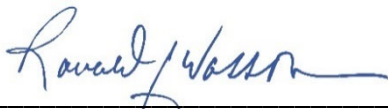
The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Aventura for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the 26th consecutive 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 annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

For the first time in the City’s history, the GFOA of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Aventura for its Popular Annual Financial Report for the fiscal year ended September 30, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Aventura has received a Popular Award for the last year ended September 30th. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

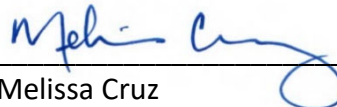
In addition, the GFOA presented a Distinguished Budget Presentation Award to the City of Aventura for its annual budget for the fiscal year beginning October 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Earning all three awards from the GFOA establishes the City of Aventura as a Triple Crown Winner. Only 17 cities in the state of Florida obtained this extraordinary designation.

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.



Ronald J. Wasson
City Manager



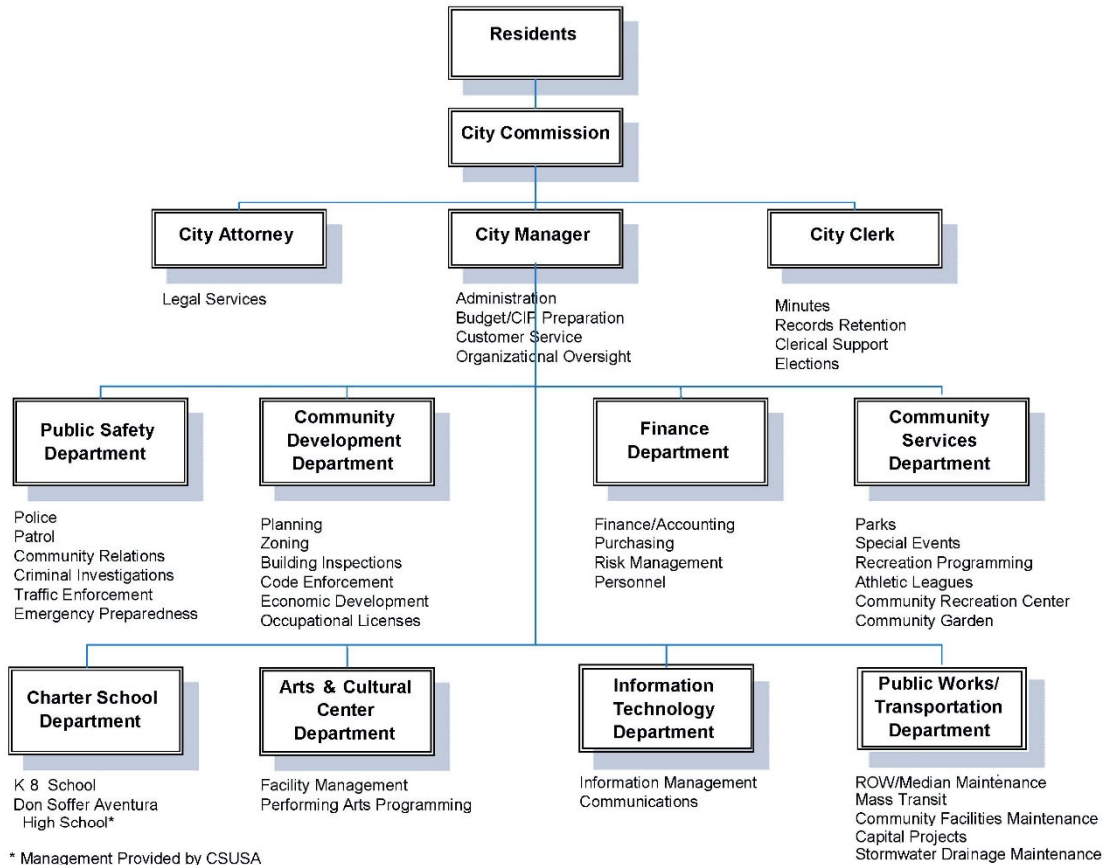
Melissa Cruz
Finance Director

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

| <u>Title</u> | <u>Name</u> |
|--|--|
| Mayor | Howard Weinberg |
| Vice Mayor | Billy Joel |
| Commissioner | Amit Bloom |
| Commissioner | Rachel S. Friedland |
| Commissioner | Paul A. Kruss |
| Commissioner | Dr. Linda Marks |
| Commissioner | Michael Stern |
| City Manager | Ronald J. Wasson |
| City Attorney | Weiss Serota Helfman Cole & Bierman, P.L. |
| Community Development Director | Keven Klopp |
| Information Technology Director | Karen J. Lanke |
| Assistant City Manager | Bryan Pegues |
| Finance Director | Melissa Cruz |
| 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 | Michael Bentollila |
| Don Soffer Aventura High School Principal | Geoff McKee |
| Aventura City of Excellence School Principal | Anthony Tyrkala |
| City Auditor | Keefe McCullough & Co., 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aventura, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, which represent 96 percent, 97 percent, and 96 percent, respectively, of the assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information as of September 30, 2022 and the respective changes in financial position for the year then ended. Those statements were audited by another auditor whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the City of Aventura Police Officer's Retirement Plan Pension Trust Fund are based solely on the reports of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-14, the budgetary schedules on pages 59-64 and the schedules related to pensions and other post-employment benefits on pages 65-68, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

City of Aventura, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2023, 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 solely 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 the effectiveness of the City’s 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 City’s internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 19, 2023

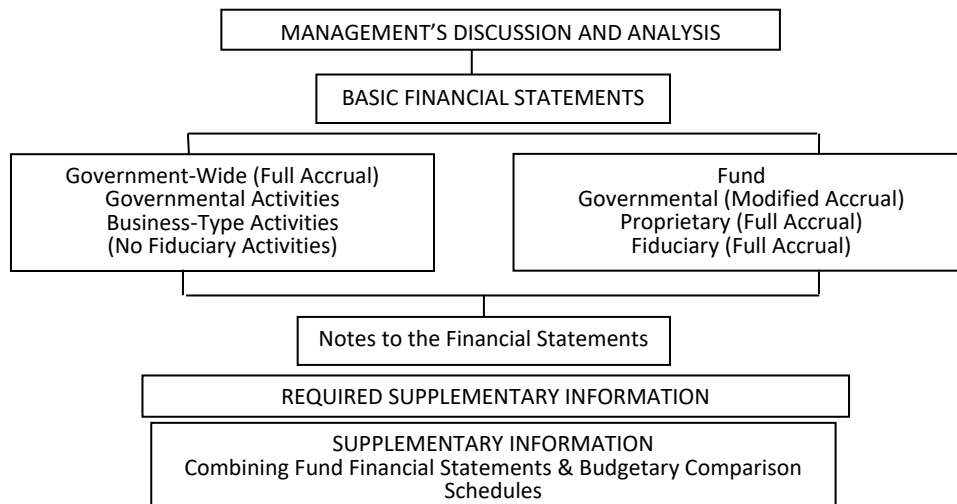
As the City of Aventura’s (the “City”) management, we offer the City’s financial statement readers this narrative overview and analysis of the City’s financial activities for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented herein in conjunction with the Letter of Transmittal, which can be found on pages i through viii 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 \$138.1 million (net position). Of this amount, approximately \$38.3 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 approximately \$5.0 million over the course of this year’s operations. The net position of governmental activities increased by approximately \$4.5 million while the net position of business type activities increased by approximately \$0.5 million.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of approximately \$53.7 million, an increase of approximately \$2.1 million in comparison with the prior year. Approximately 42% of this amount (\$22.6 million) is available for spending at the government’s discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of nonspendable, committed, assigned and unassigned components of fund balance) for the General Fund was \$46.9 million, or approximately 96% of total General Fund expenditures (inclusive of transfers out). Of this balance, \$5.0 million has been committed to the City’s disaster recovery fund, \$14.8 million has been committed to future capital projects, \$0.4 million has been assigned for encumbrances, \$0.3 million has been assigned to Don Soffer Aventura High School operations. \$0.7 million is classified as nonspendable and \$25.8 million is classified as unassigned.

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 supplementary information that presents combining and individual fund financial statements and budgetary comparison schedules.



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 assets 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 assets 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 assets 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 assets 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 assets that applies to a future period(s).

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.

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 statements 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 changes in net pension liability and related ratios, schedule of contributions, and schedule of investment returns, as well as a schedule of changes in total 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 (as applicable) 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.

Government-Wide Financial Analysis

The table below presents a summary of net position as of 2022 and 2021, derived from the government-wide Statement of Net Position:

| | Net Position (in thousands) | | | | | |
|--------------------------------------|-----------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets: | | | | | | |
| Current and other assets | \$ 80,072 | \$ 69,084 | \$ 1,406 | \$ 673 | \$ 81,478 | \$ 69,757 |
| Capital assets | <u>98,344</u> | <u>100,089</u> | <u>9,672</u> | <u>9,711</u> | <u>108,016</u> | <u>109,800</u> |
| Total assets | <u>178,416</u> | <u>169,173</u> | <u>11,078</u> | <u>10,384</u> | <u>189,494</u> | <u>179,557</u> |
| Total deferred outflows of resources | <u>5,968</u> | <u>6,734</u> | <u>-</u> | <u>-</u> | <u>5,968</u> | <u>6,734</u> |
| Liabilities: | | | | | | |
| Long-term liabilities | 22,671 | 30,581 | - | - | 22,671 | 30,581 |
| Other liabilities | <u>27,674</u> | <u>19,981</u> | <u>212</u> | <u>49</u> | <u>27,886</u> | <u>20,030</u> |
| Total liabilities | <u>50,345</u> | <u>50,562</u> | <u>212</u> | <u>49</u> | <u>50,557</u> | <u>50,611</u> |
| Total deferred inflows of resources | <u>6,854</u> | <u>2,639</u> | <u>-</u> | <u>-</u> | <u>6,854</u> | <u>2,639</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 81,608 | 81,619 | 9,672 | 9,711 | 91,280 | 91,330 |
| Restricted | 8,507 | 8,012 | - | - | 8,507 | 8,012 |
| Unrestricted | <u>37,070</u> | <u>33,075</u> | <u>1,194</u> | <u>624</u> | <u>38,264</u> | <u>33,699</u> |
| Total net position | <u>\$ 127,185</u> | <u>\$ 122,706</u> | <u>\$ 10,866</u> | <u>\$ 10,335</u> | <u>\$ 138,051</u> | <u>\$ 133,041</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 \$138.1 million.

The largest component of the City's net position is net investment in capital assets and is 66.1% 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 27.7% of total net position. Restricted net position represents 6.2% of total net position and contains resources that are subject to external restrictions on how they can be used.

Capital assets decreased approximately \$1.8 million and net investment in capital assets decreased by approximately \$0.05 million, primarily due to the net effect of new capital/infrastructure projects, increase in accumulated depreciation, disposal of equipment and decrease in related debt. The decrease in net investment in capital assets is due to depreciation outpacing current year additions and reductions in debt. Current and other assets increased by approximately \$11.7 million and other liabilities increased by \$7.9 million primarily due to the receipt of \$9.2 million of American Rescue Plan funds that are not yet recognized as revenue. Unrestricted net position in the governmental activities increased by approximately \$4.6 million.

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 decreased by approximately \$0.1 million as the assessed value of our taxable property decreased over the prior year coupled with no change in our ad valorem millage rate. Most of the City's operations are fully resumed after being suspended due to the impact from the COVID-19 pandemic, restoring lost revenue. The City experienced a \$3.0 million increase in building permit fees due to the resumption of construction activity. State Shared Revenues primarily related to sales tax increased by \$1.7 million and fines related to the Intersection Safety Program increased by \$1.1 million. Operating grants and contribution increased by \$3.3 million due to expanded enrollment in the Don Soffer Aventura High School and revenue from the State and Local Fiscal Recovery Funds. Franchise fees increased by \$0.8 million, primarily due to a new electricity agreement with Florida Power & Light. Investment revenues decreased by \$1.0 million due to decrease in market values. Miscellaneous revenues from after school activities and field trips increased by \$0.4 million, as a result of the School's reopening after the pandemic.

The table below presents a summary of changes in net position for the years ended September 30, 2022 and 2021, as derived from the government-wide Statement of Activities:

| | Changes in Net Position (in thousands) | | | | | |
|--|--|-------------------|-----------------------------|------------------|-------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues and transfers: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 13,956 | \$ 8,495 | \$ 1,332 | \$ 1,376 | \$ 15,288 | \$ 9,871 |
| Operating grants and contributions | 17,543 | 13,121 | - | - | 17,543 | 13,121 |
| Capital grants and contributions | 1,500 | 1,623 | 458 | - | 1,958 | 1,623 |
| General revenues: | | | | | | |
| Property taxes | 17,216 | 17,347 | - | - | 17,216 | 17,347 |
| Utility and other locally levied taxes | 10,139 | 9,604 | - | - | 10,139 | 9,604 |
| Franchise fees | 5,139 | 4,381 | - | - | 5,139 | 4,381 |
| Intergovernmental revenues | 8,113 | 6,365 | - | - | 8,113 | 6,365 |
| Investment income (loss) | (921) | 76 | (7) | - | (928) | 76 |
| Other revenues | 619 | 300 | - | (83) | 619 | 217 |
| Total revenues and transfers | <u>73,304</u> | <u>61,312</u> | <u>1,783</u> | <u>1,293</u> | <u>75,087</u> | <u>62,605</u> |
| Expenses: | | | | | | |
| General government | 7,429 | 6,531 | - | - | 7,429 | 6,531 |
| Public safety | 28,261 | 26,135 | - | - | 28,261 | 26,135 |
| Community services | 26,492 | 21,582 | - | - | 26,492 | 21,582 |
| Public works | 5,996 | 5,491 | - | - | 5,996 | 5,491 |
| Interest and fiscal charges | 647 | 705 | - | - | 647 | 705 |
| Stormwater utility | - | - | 1,252 | 1,071 | 1,252 | 1,071 |
| Total expenses | <u>68,825</u> | <u>60,444</u> | <u>1,252</u> | <u>1,071</u> | <u>70,077</u> | <u>61,515</u> |
| Change in net position | 4,479 | 868 | 531 | 222 | 5,010 | 1,090 |
| Net position, beginning of year | <u>122,706</u> | <u>121,817</u> | <u>10,335</u> | <u>10,113</u> | <u>133,041</u> | <u>131,930</u> |
| Restatement | - | 21 | - | - | - | 21 |
| Net position, end of year | <u>\$ 127,185</u> | <u>\$ 122,706</u> | <u>\$ 10,866</u> | <u>\$ 10,335</u> | <u>\$ 138,051</u> | <u>\$ 133,041</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.

The General Fund is the City's chief operating fund and at end of the current fiscal year its total fund balance approximated \$46.9 million. The City's approved fund balance policy requires a hurricane/emergency reserve of \$5.0 million. In addition, the Commission annually approves a portion of fund balance to be reserved for future capital projects. 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 \$25.8 million or 54.9% of the General Fund total fund balance. This amount represents approximately 52.5% 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 \$1.5 million. During the current fiscal year revenues increased by \$6.1 million and expenditures inclusive of transfers out increased by \$8.5 million, respectively. Many state-shared revenues rebounded from the prior year, including state revenue sharing and half-cent sales tax. These revenues increased by \$1.0 million and \$0.7 million, respectively. The City entered into new franchise agreement with the electricity provider, resulting in an additional \$0.6 million. The biggest increase in revenues was a result of increased building activity, which increased permit fees by \$3.0 million.

The America Rescue Plan Act Fund is used to account for Coronavirus State and Local Fiscal Recovery Funds awarded to the City under the American Rescue Plan Act of 2021.

The Aventura City of Excellence School Fund is used to record the operations of the Aventura City of Excellence School ("ACES"). The School's fund balance decreased by \$1.9 million. Revenues increased by 0.7 million, and expenditures increased by approximately \$1.6 million. The increase in costs is due to increased spending to address negative impacts of the pandemic. The expenditures will be reimbursed in the future through the ESSER Grant funding.

The Don Soffer Aventura High School Fund is used to record the operations of the Don Soffer Aventura High School. This is the fourth year of operations for this Fund. The student population is being phased in over four years, with full enrollment expected in fiscal year 2022/23. The revenues and expenditures increased by approximately \$2.1 million and \$1.8 million, respectively.

The Transportation and Street Maintenance Fund is used to record the operations of transportation enhancements, street maintenance and construction costs, which are designated by State Statute and/or County Transit System Surtax Ordinance. The activities in this fund vary from year to year based on the projects planned. This year, the fund balance increased by \$0.6 million. Revenues increased by approximately \$1.0 million and expenditures increased by approximately \$0.4 million.

The Aventura Charter High School Construction Fund is used to account for the costs to build the new Don Soffer Aventura High School. The costs were 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 \$17.5 million. In the current year, there were no costs and the final donation of \$0.5 million was received.

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

Proprietary fund

The proprietary fund is used to record the operations of the stormwater-related activities and experienced an increase in net position of \$0.5 million over the prior year. The fund received grant revenue of approximately \$0.5 million, for costs incurred in the prior year. Expenses remained comparable to the prior year.

General Fund Budgetary Highlights

During the year, the original budget was amended to reflect an additional \$9.7 million in new revenues and expenditures. Revenues and expenditures were increased by approximately as follows:

- \$0.8 million expenditures related to the automatic reappropriation of capital-related encumbrances for capital projects that were in process at the end of fiscal year 2022.
- \$2.0 million to subsidize the Don Soffer Aventura High School's operating cost.
- \$2.1 million related to the increase in building permit and planning review activity which was offset by additional revenue in their respective categories.
- \$1.0 million related to the increased demand for recreational services, as the City's programing returned to normal and rebounded to at or above the pre-COVID levels.
- \$1.5 million related to the addition of new employees and overtime, the addition of social media services and legal costs.
- \$1.1 million for repairs to the roofs at the Community Recreational Center and the Arts and Cultural Center, and repairs were made to the parking garage.
- \$1.2 million related to unexpected increases in utilities and other operating costs, due to inflation and rising labor/ supply costs.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in the net increase to fund balance of approximately \$1.5 million. As explained earlier, much of the fund balance will continue to be utilized in future years to fund various capital needs. Licenses and Permits revenue exceeded the revised budget by \$2.0 million, due to the resumption of building activity after a pause due to the COVID-19 pandemic.

Capital Assets

As of September 30, 2022 and 2021, the City had \$108.0 million and \$109.8, respectively, invested in a variety of capital assets, as reflected in the following schedule:

| | Capital assets (in thousands, net of depreciation) | | | | | |
|------------------------------------|--|------------|--------------------------|----------|------------|------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 25,645 | \$ 25,645 | \$ - | \$ - | \$ 25,645 | \$ 25,645 |
| Buildings | 40,395 | 41,664 | - | - | 40,395 | 41,664 |
| Improvements other than buildings | 8,970 | 9,620 | - | - | 8,970 | 9,620 |
| Furniture, machinery and equipment | 4,619 | 4,552 | - | - | 4,619 | 4,552 |
| Infrastructure | 18,431 | 18,218 | 9,564 | 9,351 | 27,995 | 27,569 |
| Construction in progress | 284 | 390 | 108 | 360 | 392 | 750 |
| Total | \$ 98,344 | \$ 100,089 | \$ 9,672 | \$ 9,711 | \$ 108,016 | \$ 109,800 |

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

Debt Administration

As of year-end, the City had \$16.9 million in debt outstanding compared to the \$18.7 million last year, a \$1.8 million decrease. All debt is secured only by a covenant to budget and appropriate.

| | Bonded Debt and Notes Payable (in thousands) | | | | | |
|----------------------|--|-----------|--------------------------|------|-----------|-----------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | | | | |
| Non-Ad Valorem bonds | \$ 16,880 | \$ 18,725 | \$ - | \$ - | \$ 16,880 | \$ 18,725 |

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 business 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.

The budget does not include any significant expansion or additional area of service except for the continued start-up costs associated with the 4th year of operations of the Don Soffer Aventura High School and an expansion of the operations of the On-Demand Transportation Services. The City implemented a social media communications program to better interact with its residences. Once again, our strong fiscal policies and prudent budgeting have assisted in the maintenance of all existing service levels and avoiding raising the tax rate for the 27th year in a row.

Strong fiscal policies and prudent budgeting have enabled the City to maintain the second lowest tax rate within the County while at the same time provide high-quality services to our residents. The City experienced an 8.7% increase in property values over the prior year while the new construction assessed values rose by approximately \$66.0 million over the same time. This is the first year in the last five years that we have seen an increase in the City’s existing property values. For next fiscal year the City expects property values to remain flat or increase by a small percentage.

The FY 2022/23 budget totals \$64.5 million or 5.2% more than the previous year. Capital Outlay expenditures are budgeted at \$1.9 million, a decrease of \$1.0 million as compared to the prior year. In the coming year, funding has been planned and provided for park improvements, road resurfacing projects, police vehicles 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 \$4,031,669 or 10.0% as compared to the previous year. The budget maintains our current level for all City services except the following areas:

- City Manager Department increased by \$633,333 as a result of adding two employees and contracting with a social media firm.
- Police Department Salaries increase by \$946,153 as a result of salary increase and an increase in projected overtime and pension costs.
- The Community Development Department budget increased by \$598,341 primarily in anticipation of the resumption of building activity to pre-pandemic levels.

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

- The Community Services Department budget increased by \$718,787 primarily related to costs associated with higher demand for recreational programs, as they rebound from the negative COVID-19 impacts and return to at or above pre-pandemic levels.
- The remaining increase in the budget was spread across the remaining departments and the Non-Departmental, with the exception of the Information Technology Department. The decrease in the Information Technology department was a result of reclassifying an employee and certain services to the City Manager Department.

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
Statement of Net Position
September 30, 2022

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|-----------------------|
| Assets: | | | |
| Cash, cash equivalents and investments | \$ 74,060,777 | \$ 1,047,803 | \$ 75,108,580 |
| Receivables, net of allowance for uncollectibles | 1,734,744 | - | 1,734,744 |
| Due from other governments | 3,346,614 | 358,753 | 3,705,367 |
| Prepays and other assets | 688,849 | - | 688,849 |
| Inventories | 28,523 | - | 28,523 |
| Internal balances | 212,738 | - | 212,738 |
| Capital assets: | | | |
| Nondepreciable | 25,928,158 | 107,858 | 26,036,016 |
| Depreciable, net of accumulated depreciation | 72,416,064 | 9,563,780 | 81,979,844 |
| Total assets | <u>178,416,467</u> | <u>11,078,194</u> | <u>189,494,661</u> |
| Deferred outflows of resources: | | | |
| Deferred outflows relating to pensions | 4,461,622 | - | 4,461,622 |
| Deferred outflows relating to other post employment benefits (OPEB) | 1,290,710 | - | 1,290,710 |
| Deferred charge on refunding | 215,937 | - | 215,937 |
| Total deferred outflows of resources | <u>5,968,269</u> | <u>-</u> | <u>5,968,269</u> |
| Liabilities: | | | |
| Accounts payable | 2,247,956 | 212,308 | 2,460,264 |
| Accrued liabilities | 4,112,224 | - | 4,112,224 |
| Due to other governments | 24,009 | - | 24,009 |
| Unearned revenues | 17,903,572 | - | 17,903,572 |
| Accrued interest payable | 52,160 | - | 52,160 |
| Due within one year: | | | |
| Compensated absences payable | 1,434,115 | - | 1,434,115 |
| Bonds payable | 1,900,000 | - | 1,900,000 |
| Due in more than one year: | | | |
| Compensated absences payable | 2,663,357 | - | 2,663,357 |
| Bonds payable | 14,980,000 | - | 14,980,000 |
| Net pension liability | 2,867,014 | - | 2,867,014 |
| Other post employment benefits (OPEB) liability | 2,161,160 | - | 2,161,160 |
| Total liabilities | <u>50,345,567</u> | <u>212,308</u> | <u>50,557,875</u> |
| Deferred inflows of resources: | | | |
| Deferred inflows relating to pensions | 6,228,328 | - | 6,228,328 |
| Deferred inflows relating to other post employment benefits (OPEB) | 625,442 | - | 625,442 |
| Total deferred inflows of resources | <u>6,853,770</u> | <u>-</u> | <u>6,853,770</u> |
| Net position: | | | |
| Net investment in capital assets | 81,608,195 | 9,671,638 | 91,279,833 |
| Restricted for: | | | |
| Public works/transportation | 6,625,387 | - | 6,625,387 |
| Public safety/law enforcement | 771,437 | - | 771,437 |
| Capital projects | 775,388 | - | 775,388 |
| Debt service | 335,118 | - | 335,118 |
| Unrestricted | 37,069,874 | 1,194,248 | 38,264,122 |
| Total net position | <u>\$ 127,185,399</u> | <u>\$ 10,865,886</u> | <u>\$ 138,051,285</u> |

* Charter Schools are presented as of June 30, 2022.

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

**City of Aventura, Florida
Statement of Activities
For the Year Ended September 30, 2022**

| Functions/Programs: | Program Revenues | | | Net Revenue (Expense) and Change in Net Position | | | |
|--|------------------|-------------------------|--|---|----------------------------|-----------------------------|----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 7,429,382 | \$ - | \$ 49,556 | \$ - | \$ (7,379,826) | \$ - | \$ (7,379,826) |
| Public safety | 28,260,645 | 11,289,058 | 1,850,664 | - | (15,120,923) | - | (15,120,923) |
| Community services | 26,491,889 | 2,294,725 | 15,630,470 | 1,499,951 | (7,066,743) | - | (7,066,743) |
| Public works | 5,995,815 | 371,747 | 12,676 | - | (5,611,392) | - | (5,611,392) |
| Interest and fiscal charges | 647,028 | - | - | - | (647,028) | - | (647,028) |
| Total governmental activities | 68,824,759 | 13,955,530 | 17,543,366 | 1,499,951 | (35,825,912) | - | (35,825,912) |
| Business-type activities: | | | | | | | |
| Stormwater utility | 1,252,380 | 1,331,986 | - | 458,194 | - | 537,800 | 537,800 |
| Total primary government | \$ 70,077,139 | \$ 15,287,516 | \$ 17,543,366 | \$ 1,958,145 | (35,825,912) | 537,800 | (35,288,112) |
| General revenue: | | | | | | | |
| Ad valorem taxes | | | | | 17,216,330 | - | 17,216,330 |
| Utility service and other locally levied taxes | | | | | 10,139,401 | - | 10,139,401 |
| Franchise fees | | | | | 5,138,500 | - | 5,138,500 |
| Intergovernmental, unrestricted | | | | | 8,113,189 | - | 8,113,189 |
| Investment income (loss) | | | | | (921,297) | (6,774) | (928,071) |
| Miscellaneous | | | | | 618,897 | - | 618,897 |
| Total general revenues | | | | | 40,305,020 | (6,774) | 40,298,246 |
| Change in net position | | | | | 4,479,108 | 531,026 | 5,010,134 |
| Net position, beginning | | | | | 122,706,291 | 10,334,860 | 133,041,151 |
| Net position, ending | | | | | \$ 127,185,399 | \$ 10,865,886 | \$ 138,051,285 |

* Charter Schools are presented for the year ended June 30, 2022.

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

City of Aventura, Florida
Balance Sheet - Governmental Funds
September 30, 2022

| | Major Funds | | | | | | | Total Governmental Funds |
|--|----------------------|-------------------------------|---|--|--|--|-----------------------------|--------------------------|
| | General Fund | American Rescue Plan Act Fund | Aventura City of Excellence School Fund * | Don Soffer Aventura High School Fund * | Transportation and Street Maintenance Fund | Aventura Charter High School Construction Fund | Nonmajor Governmental Funds | |
| Assets: | | | | | | | | |
| Cash and cash equivalents and investments | \$ 48,304,760 | \$ 16,904,181 | \$ 400 | \$ 255,318 | \$ 6,528,305 | \$ 18,523 | \$ 2,049,290 | \$ 74,060,777 |
| Accounts receivable, net | 1,734,691 | - | - | 53 | - | - | - | 1,734,744 |
| Due from other funds | 463,576 | - | - | 212,738 | - | - | - | 676,314 |
| Due from other governments | 917,803 | - | 1,781,775 | 312,046 | 327,594 | - | 7,396 | 3,346,614 |
| Inventories | 28,523 | - | - | - | - | - | - | 28,523 |
| Prepaid items and other assets | 665,519 | - | 9,465 | 13,865 | - | - | - | 688,849 |
| Total assets | \$ 52,114,872 | \$ 16,904,181 | \$ 1,791,640 | \$ 794,020 | \$ 6,855,899 | \$ 18,523 | \$ 2,056,686 | \$ 80,535,821 |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 1,255,933 | \$ 251,070 | \$ 519,988 | \$ 73,441 | \$ 90,512 | \$ - | \$ 57,012 | \$ 2,247,956 |
| Accrued liabilities | 2,911,319 | - | 669,983 | 394,668 | - | - | 136,254 | 4,112,224 |
| Due to other funds | - | - | 463,576 | - | - | - | - | 463,576 |
| Due to other governments | 24,009 | - | - | - | - | - | - | 24,009 |
| Unearned revenues | 983,547 | 16,780,025 | - | - | 140,000 | - | - | 17,903,572 |
| Total liabilities | 5,174,808 | 17,031,095 | 1,653,547 | 468,109 | 230,512 | - | 193,266 | 24,751,337 |
| Deferred inflows of resources: | | | | | | | | |
| Unavailable revenues | - | - | 1,722,315 | 312,046 | - | - | - | 2,034,361 |
| Total deferred inflows of resources | - | - | 1,722,315 | 312,046 | - | - | - | 2,034,361 |
| Fund balances: | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Inventories | 28,523 | - | - | - | - | - | - | 28,523 |
| Prepaid items and other assets | 665,519 | - | 9,465 | 13,865 | - | - | - | 688,849 |
| Restricted for: | | | | | | | | |
| Public works/transportation | - | - | - | - | 6,625,387 | - | - | 6,625,387 |
| Public safety/law enforcement | - | - | - | - | - | - | 771,437 | 771,437 |
| Capital projects | - | - | - | - | - | 18,523 | 756,865 | 775,388 |
| Debt service | - | - | - | - | - | - | 335,118 | 335,118 |
| Committed for: | | | | | | | | |
| Capital reserves | 14,772,304 | - | - | - | - | - | - | 14,772,304 |
| Hurricane/emergency and disaster recovery operating reserves | 5,000,000 | - | - | - | - | - | - | 5,000,000 |
| Assigned for: | | | | | | | | |
| Charter school operations | 256,338 | - | - | - | - | - | - | 256,338 |
| Encumbrances | 434,716 | 1,494,773 | - | - | - | - | - | 1,929,489 |
| Unassigned (deficit) | 25,782,664 | (1,621,687) | (1,593,687) | - | - | - | - | 22,567,290 |
| Total fund balances (deficit) | 46,940,064 | (126,914) | (1,584,222) | 13,865 | 6,625,387 | 18,523 | 1,863,420 | 53,750,123 |
| Total liabilities, deferred inflows of resources, and fund balances (deficit) | \$ 52,114,872 | \$ 16,904,181 | \$ 1,791,640 | \$ 794,020 | \$ 6,855,899 | \$ 18,523 | \$ 2,056,686 | \$ 80,535,821 |

* As of June 30, 2022.

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

City of Aventura, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2022

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

| | | |
|--|----|------------|
| Total fund balances - governmental funds | \$ | 53,750,123 |
|--|----|------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

| | | | |
|-------------------------------|----|---------------------|------------|
| Governmental capital assets | \$ | 182,117,264 | |
| Less accumulated depreciation | | <u>(83,773,042)</u> | 98,344,222 |

| | |
|--|-----------|
| Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. | 2,034,361 |
|--|-----------|

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

| | | | |
|---|----|----------------|--------------|
| Bonds payable | \$ | (16,880,000) | |
| Other post employment benefits (OPEB) liability | | (2,161,160) | |
| Net pension liability | | (2,867,014) | |
| Compensated absences | | (4,097,472) | |
| Accrued interest payable | | (52,160) | |
| Deferred charge on refunding | | <u>215,937</u> | (25,841,869) |

Certain funds related to pension and other post employment benefits (OPEB) liabilities; are not reported in the governmental funds:

| | | | |
|---|----|------------------|--------------------|
| Deferred outflows relating to pensions | \$ | 4,461,622 | |
| Deferred inflows relating to pensions | | (6,228,328) | |
| Deferred outflows relating to other post employment benefits (OPEB) | | 1,290,710 | |
| Deferred inflows relating to other post employment benefits (OPEB) | | <u>(625,442)</u> | <u>(1,101,438)</u> |

| | | |
|---|----|---------------------------|
| Net position of governmental activities | \$ | <u><u>127,185,399</u></u> |
|---|----|---------------------------|

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

City of Aventura, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

| | Major Funds | | | | | | | Total Governmental Funds |
|---|----------------------|--|---|---|--|--|-----------------------------------|--------------------------------|
| | General Fund | American Rescue Plan Act Fund | Aventura City of Excellence School Fund * | Don Soffer Aventura High School Fund * | Transportation and Street Maintenance Fund | Aventura Charter High School Construction Fund | Nonmajor Governmental Funds | |
| Revenues: | | | | | | | | |
| Ad valorem taxes | \$ 17,216,330 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,216,330 |
| Utility service and other locally levied taxes | 10,252,496 | - | - | - | - | - | - | 10,252,496 |
| Franchise fees | 5,138,500 | - | - | - | - | - | - | 5,138,500 |
| Licenses, permits and impact fees | 5,762,103 | - | - | - | 335,594 | - | 57,760 | 6,155,457 |
| Intergovernmental revenues | 5,195,271 | 1,745,049 | 9,071,491 | 6,018,170 | 3,055,905 | 500,000 | 79,751 | 25,665,637 |
| Charges for services | 4,146,452 | - | 269,187 | 26,958 | 36,153 | - | - | 4,478,750 |
| Fines and forfeitures | 3,306,841 | - | - | - | - | - | 14,482 | 3,321,323 |
| Investment income (loss) | (705,795) | (124,737) | (3,168) | - | (76,645) | - | (10,952) | (921,297) |
| Miscellaneous | 51,051 | - | 579,431 | 163,481 | - | - | 29,260 | 823,223 |
| Total revenues | 50,363,249 | 1,620,312 | 9,916,941 | 6,208,609 | 3,351,007 | 500,000 | 170,301 | 72,130,419 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 6,527,381 | 144,008 | - | - | - | - | 49,295 | 6,720,684 |
| Public safety | 27,652,569 | - | - | - | - | - | 76,873 | 27,729,442 |
| Community services | 4,500,792 | 8,893 | 11,329,256 | 6,110,146 | - | - | - | 21,949,087 |
| Public works | 3,539,349 | - | - | - | 2,309,275 | - | - | 5,848,624 |
| Capital outlay | 2,038,743 | 1,594,325 | 268,245 | 642,613 | 481,931 | - | 184,522 | 5,210,379 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | 1,845,000 | 1,845,000 |
| Interest | - | - | - | - | - | - | 612,437 | 612,437 |
| Total expenditures | 44,258,834 | 1,747,226 | 11,597,501 | 6,752,759 | 2,791,206 | - | 2,768,127 | 69,915,653 |
| Excess (deficiency) of revenues over expenditures | 6,104,415 | (126,914) | (1,680,560) | (544,150) | 559,801 | 500,000 | (2,597,826) | 2,214,766 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | 256,338 | - | 150,000 | 2,536,423 | - | - | 2,494,655 | 5,437,416 |
| Transfers out | (4,887,078) | - | (444,000) | - | - | - | (256,338) | (5,587,416) |
| Total other financing sources (uses) | (4,630,740) | - | (294,000) | 2,536,423 | - | - | 2,238,317 | (150,000) |
| Net change in fund balances | 1,473,675 | (126,914) | (1,974,560) | 1,992,273 | 559,801 | 500,000 | (359,509) | 2,064,766 |
| Fund balances (deficit), beginning | 45,466,389 | - | 390,338 | (1,978,408) | 6,065,586 | (481,477) | 2,222,929 | 51,685,357 |
| Fund balances (deficit), end of year | \$ 46,940,064 | \$ (126,914) | \$ (1,584,222) | \$ 13,865 | \$ 6,625,387 | \$ 18,523 | \$ 1,863,420 | \$ 53,750,123 |

* For the year ended June 30, 2022.

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

City of Aventura, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|--|----|-----------|
| Net change in fund balances - total governmental funds | \$ | 2,064,766 |
|--|----|-----------|

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

| | | | |
|---|----|--------------------|-------------|
| Expenditure for capital assets | \$ | 3,860,474 | |
| Less: net book value of retirements and transfers | | (25,066) | |
| Less: current year depreciation | | <u>(5,579,767)</u> | (1,744,359) |

| | |
|--|-----------|
| Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently recognized in the governmental fund financial statements as they become available. The difference is recorded as a reconciling item. | 1,348,514 |
|--|-----------|

| | |
|--|-----------|
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 1,845,000 |
|--|-----------|

Some expenses reported in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in governmental funds:

| | | | |
|---|----|--------------|-----------|
| Change in other post employment benefits (OPEB) liability | \$ | (23,782) | |
| Change in net pension liability | | 6,027,974 | |
| Change in compensated absences | | 8,162 | |
| Amortization of deferred charges | | (39,161) | |
| Change in accrued interest payable | | <u>4,570</u> | 5,977,763 |

Certain changes related to pension and other post employment benefits (OPEB) liabilities are not reported in the net change in the governmental funds:

| | | | |
|---|----|---------------|--------------------|
| Change in deferred outflows relating to pensions | \$ | (487,074) | |
| Change in deferred inflows relating to pensions | | (4,239,992) | |
| Change in prepaid pension contributions | | (71,437) | |
| Change in deferred outflows relating to other post employment benefits (OPEB) | | (239,788) | |
| Change in deferred inflows relating to other post employment benefits (OPEB) | | <u>25,715</u> | <u>(5,012,576)</u> |

| | | |
|---|----|-------------------------|
| Change in net position of governmental activities | \$ | <u><u>4,479,108</u></u> |
|---|----|-------------------------|

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

City of Aventura, Florida
Statement of Net Position
Proprietary Fund
September 30, 2022

| | Stormwater Utility Fund |
|--|--|
| | <u> </u> |
| Assets: | |
| Current assets: | |
| Cash, cash equivalents and investments | \$ 1,047,803 |
| Due from other governments | <u>358,753</u> |
| Total current assets | <u>1,406,556</u> |
| Noncurrent assets: | |
| Capital assets not being depreciated | 107,858 |
| Capital assets being depreciated, net | <u>9,563,780</u> |
| Total noncurrent assets | <u>9,671,638</u> |
| Total assets | <u>11,078,194</u> |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | <u>212,308</u> |
| Total liabilities | <u>212,308</u> |
| Net position: | |
| Net investment in capital assets | 9,593,733 |
| Unrestricted | <u>1,272,153</u> |
| Total net position | \$ <u><u>10,865,886</u></u> |

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

City of Aventura, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2022

| | Stormwater Utility Fund |
|--|--|
| Operating revenues: | |
| Charges for services | \$ <u>1,331,986</u> |
| Operating expenses: | |
| Cost of sales and services | 754,764 |
| Depreciation expense | <u>497,616</u> |
| Total operating expenses | <u>1,252,380</u> |
| Operating income (loss) | <u>79,606</u> |
| Nonoperating revenues (expenses): | |
| Capital grants and contributions | 458,194 |
| Investment income (loss) | <u>(6,774)</u> |
| Total nonoperating revenues (expenses) | <u>451,420</u> |
| Change in net position | <u>531,026</u> |
| Net position, beginning of year | <u>10,334,860</u> |
| Net position, end of year | \$ <u><u>10,865,886</u></u> |

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

City of Aventura, Florida
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2022

| | |
|--|----------------------------|
| Cash flows from operating activities: | |
| Cash received from customers, users and others | \$ 1,200,892 |
| Cash paid to suppliers | <u>(591,537)</u> |
| Net cash provided by (used in) operating activities | <u>609,355</u> |
| Cash flows from capital and related financing activities: | |
| Capital grants and contributions | 458,194 |
| Acquisition and construction of capital assets | <u>(458,255)</u> |
| Net cash provided by (used in) capital and related financing activities | <u>(61)</u> |
| Cash flows from investing activities: | |
| Investment income (loss) | <u>(6,774)</u> |
| Net cash provided by (used in) investing activities | <u>(6,774)</u> |
| Net increase (decrease) in cash, cash equivalents and investments | 602,520 |
| Cash, cash equivalents and investments, beginning of year | <u>445,283</u> |
| Cash, cash equivalents and investments, end of year | <u><u>\$ 1,047,803</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | |
| Operating income (loss) | \$ <u>79,606</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | |
| Depreciation expense | 497,617 |
| Changes in assets and liabilities: | |
| (Increase) decrease in due from other governments | (131,094) |
| Increase (decrease) in accounts payable | <u>163,226</u> |
| Total adjustments | <u>529,749</u> |
| Net cash provided by (used in) operating activities | <u><u>\$ 609,355</u></u> |

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

City of Aventura, Florida
Statement of Net Position
Fiduciary Fund - Police Officers' Retirement Plan
September 30, 2022

Assets:

Investments, at fair value:

| | |
|-----------------------------|------------------|
| Equity securities | \$ 32,178,197 |
| Government securities | 5,553,881 |
| Corporate bonds | 3,754,927 |
| Hedge funds | 4,180,197 |
| Self-directed DROP accounts | 3,069,815 |
| Money market funds | 4,265,912 |
| Real estate fund | 2,807,507 |
| Alternative mutual fund | 1,530,118 |
| Fixed income mutual funds | <u>1,046,187</u> |

| | |
|-------------------|-------------------|
| Total investments | <u>58,386,741</u> |
|-------------------|-------------------|

Receivables:

| | |
|---|------------|
| Accrued investment income | 137,287 |
| Accounts receivable - sale of investments | 15,222 |
| Employer receivable | <u>181</u> |

| | |
|-------------------|----------------|
| Total receivables | <u>152,690</u> |
|-------------------|----------------|

| | |
|--------------|----------------|
| Other assets | <u>122,347</u> |
|--------------|----------------|

| | |
|--------------|-------------------|
| Total assets | <u>58,661,778</u> |
|--------------|-------------------|

Liabilities:

| | |
|--|---------------|
| Accounts payable - purchase of investments | <u>55,917</u> |
|--|---------------|

| | |
|-------------------|---------------|
| Total liabilities | <u>55,917</u> |
|-------------------|---------------|

Net Position:

| | |
|--|------------------|
| Net position restricted for defined benefits | 55,536,046 |
| Net position restricted for drop benefits | <u>3,069,815</u> |

| | |
|--------------------|----------------------|
| Total net position | <u>\$ 58,605,861</u> |
|--------------------|----------------------|

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

City of Aventura, Florida
Statement of Changes in Net Position
Fiduciary Fund - Police Officers' Retirement Plan
For the Year Ended September 30, 2022

Additions:

Contributions:

| | |
|---------------------|----------------|
| City | \$ 1,849,234 |
| Employees | 879,603 |
| Florida chapter 185 | <u>471,692</u> |

| | |
|---------------------|------------------|
| Total contributions | <u>3,200,529</u> |
|---------------------|------------------|

Investment income (loss):

| | |
|--|------------------|
| Net appreciation (depreciation) in fair value of investments | (12,296,559) |
| Interest and dividend income | <u>1,232,174</u> |

| | |
|-------------------------|--------------|
| Total investment income | (11,064,385) |
|-------------------------|--------------|

| | |
|---------------------------|----------------|
| Less: investment expenses | <u>392,344</u> |
|---------------------------|----------------|

| | |
|------------------------------|---------------------|
| Net investment income (loss) | <u>(11,456,729)</u> |
|------------------------------|---------------------|

| | |
|--------------|---------------|
| Other income | <u>10,230</u> |
|--------------|---------------|

| | |
|-----------------|--------------------|
| Total additions | <u>(8,245,970)</u> |
|-----------------|--------------------|

Deductions:

| | |
|------------------------------------|----------------|
| Benefits paid directly to retirees | 1,303,528 |
| DROP distributions | 505,410 |
| Administrative expenses | <u>150,348</u> |

| | |
|------------------|------------------|
| Total deductions | <u>1,959,286</u> |
|------------------|------------------|

| | |
|------------------------|--------------|
| Change in net position | (10,205,256) |
|------------------------|--------------|

| | |
|--|-------------------|
| Net Position, beginning of year | <u>68,811,117</u> |
|--|-------------------|

| | |
|----------------------------------|-----------------------------|
| Net Position, end of year | <u><u>\$ 58,605,861</u></u> |
|----------------------------------|-----------------------------|

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



NOTES TO BASIC FINANCIAL STATEMENTS

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 Annual Comprehensive Financial Report (the "ACFR") 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 financial 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.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending, given that they do not function as an internal part of the primary government. Currently, the City has no discretely presented component units.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same as, substantially the same as, or appointed by the City Commission and the component unit provides services (financial benefit) entirely to the City. During the year, the City dissolved its one blended component unit: Don Soffer Aventura High School Foundation, Inc. (Note 15).

In June 2019, the City Commission approved Resolution No. 2019-29, which approved the articles of incorporation for the creation of the Don Soffer Aventura High School Foundation, Inc. (the "Foundation"). The Foundation was created as a Florida not for profit 501(c)(3) corporation which may seek and find contributions for the improvement and operation of the Don Soffer Aventura High School Fund (a special revenue fund of the City). The Foundation is governed by a Board of Directors, that are approved by the City Commission. Separate financial statements of the blended component unit are not issued.

Note 1 - Summary of Significant Accounting Policies (continued)

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 funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category for the governmental and enterprise, combined, or funds that management deems of public importance) for the determination of major funds. The nonmajor funds are combined and presented in a single column in the fund financial statements.

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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 owns and operates two charter schools: Aventura City of Excellence School and Don Soffer Aventura High School. These schools are presented as major special revenue funds, as noted below, and have a fiscal year of July 1st through June 30th. The Charter Schools are required to legally adopt budgets and are also required to issue separately audited special purpose financial statements.

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.

American Rescue Plan Act Fund

This special revenue fund is used to account for funds awarded to the City under the American Rescue Plan Act of 2021.

Aventura City of Excellence 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.

Transportation and Street Maintenance Fund

This special revenue fund is used to account for revenues and expenditures, which by State Statute and/or County Transit System Surtax Ordinance are designated for transportation enhancements, street maintenance and construction costs.

Note 1 – Summary of Significant Accounting Policies (continued)

Aventura Charter High School Construction Fund

This capital projects fund was established to account for the funding sources and uses related 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, construction, and maintenance of the City's stormwater drainage 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, 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.

In general, 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 represent 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 estimated fair value except for the City's investment in the Florida PRIME which is recorded/valued at the amortized cost method.

The pension plan's investments are reported at estimated fair value.

Note 1 - Summary of Significant Accounting Policies (continued)

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, or differences created between governmental funds due to timing of year end reporting, are reported in the government-wide financial statements as “internal balances.”

The City recognizes receivables in its various funds based on the accounting basis required for the fund. Allowances are provided for possible uncollectible amounts.

3. Prepaid expenses/expenditures - Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.
4. Inventories - Inventories held for resale are reported at the lower of cost (first-in, first-out) or market. Inventories of supplies are reported at cost. These amounts are typically reported as nonspendable in governmental fund financial statements. Inventory (supplies) 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 are reported at acquisition 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 years |
| Improvements other than buildings | 20 - 30 years |
| Infrastructure | 20 - 40 years |
| Furniture, machinery and equipment | 3-20 years |

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 assets 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 charge on refunding that qualify for reporting in this category on the government-wide statement of net position.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has pension and OPEB related amounts that qualify for reporting in this category on the government-wide statement of net position.

Unavailable revenues, on the fund financial statements, consist of intergovernmental revenues. 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 type 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. Bond issue costs are expensed at issuance. Bonds payable are reported net of the applicable premiums and discounts, if applicable.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, and principal payments, are reported as debt service expenditures.

9. Net position - Net position in the government-wide and proprietary funds is 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; and deferred inflows and outflows of resources related to debt; and excluding unexpended proceeds.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Flow assumption: 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.

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. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Note 1 - Summary of Significant Accounting Policies (continued)

Flow assumption: The City considers 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. Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Encumbrances are recorded at the time a purchase order or other commitment is entered into. Encumbrances outstanding at year-end represent the estimated amount of expenditures which would result if unperformed purchase orders and other commitments at year-end are completed. Encumbrances lapse at year-end; however, the City generally intends to honor purchase orders and other commitments in process. As a result, encumbrances outstanding at year-end are re-appropriated, at the City Manager's discretion, in the next fiscal year.

13. Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
14. Subsequent events - Subsequent events are evaluated by management through May 19, 2023 the date the financial statements were available for issuance.

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, 2022 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, 2022.

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 fair value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the Federal Depository Insurance Corporation or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

Note 3 - Deposits and Investments (continued)

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, 2022, the City's investment in the Florida PRIME was that of \$ 40,427,843. 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, 2022, 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' Retirement Pension Plan and its debt issuance where there are other existing policies or indentures in effect for the investment of related funds.

The City's policy for investments other than pension plan and debt issuance is summarized herein. The Finance Director is designated as investment officer of the City and is responsible for investment decisions and the day-to-day administration of the cash management program. 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.

Note 3 - Deposits and Investments (continued)

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 investment policy statement in effect for fiscal year ended September 30, 2022 was last amended on August 25, 2021.

At September 30, 2022, the City had \$ 2,000,000 of cash in escrow held by an agent, related to certain traffic improvements and other construction projects.

As of September 30, 2022, the City's cash, cash equivalents and investments consisted of the following:

| | |
|---|----------------------|
| Cash, cash equivalents and investments: | |
| State Board of Administration - | |
| SBA, Florida PRIME | \$ 40,427,843 |
| Government bonds | 12,167,470 |
| Corporate bonds | 5,618,927 |
| Deposits with financial institutions and others | 5,817,369 |
| Government mortgage backed securities | 3,035,171 |
| Government agencies | 2,675,618 |
| Deposits held in escrow | 2,000,000 |
| Municipal/provincial bonds | 1,309,440 |
| Asset backed securities | 1,154,322 |
| Government issued commercial mortgage backed securities | 602,420 |
| International bonds | <u>300,000</u> |
| Total cash, cash equivalents and investments | <u>\$ 75,108,580</u> |
| Fiduciary fund investments: | |
| Equity securities | \$ 32,178,197 |
| Government securities | 5,553,881 |
| Corporate bonds | 3,754,927 |
| Hedge funds | 4,180,197 |
| Self-directed DROP accounts | 3,069,815 |
| Money market funds | 4,265,912 |
| Real estate fund | 2,807,507 |
| Alternative mutual fund | 1,530,118 |
| Fixed income mutual funds | <u>1,046,187</u> |
| Total fiduciary investments | <u>\$ 58,386,741</u> |

Interest Rate Risk

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

Note 3 - Deposits and Investments (continued)

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.

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

| Investment Type | 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 | \$ 40,427,843 | \$ 40,427,843 | \$ - | \$ - | \$ - |
| Government bonds | 12,167,470 | 2,741,854 | 9,082,573 | 343,043 | - |
| Corporate bonds | 5,618,927 | 915,240 | 4,703,687 | - | - |
| Government mortgage backed securities | 3,035,171 | 9,157 | 585,695 | 1,581,062 | 859,257 |
| Government agencies | 2,675,618 | 488,006 | 2,187,612 | - | - |
| Municipal/provincial bonds | 1,309,440 | 299,941 | 1,009,499 | - | - |
| Asset backed securities | 1,154,322 | - | 1,154,322 | - | - |
| Government issued commercial mortgage backed securities | 602,420 | 418,603 | 183,817 | - | - |
| International bonds | 300,000 | 300,000 | - | - | - |
| Subtotal - City Investments | 67,291,211 | 45,600,644 | 18,907,205 | 1,924,105 | 859,257 |
| Fiduciary Fund Investments: | | | | | |
| Corporate bonds | 3,754,927 | 445,748 | 2,159,993 | 1,016,262 | 132,924 |
| U.S. treasuries | 4,855,992 | 243,729 | 3,634,316 | 741,144 | 236,803 |
| U.S. agencies | 697,889 | - | 325,362 | 275,813 | 96,714 |
| Fixed income funds | 1,046,187 | 35,782 | 15,753 | 122,899 | 871,753 |
| Subtotal - Fiduciary Fund | 10,354,995 | 725,259 | 6,135,424 | 2,156,118 | 1,338,194 |
| Total Investments | \$ 77,646,206 | \$ 46,325,903 | \$ 25,042,629 | \$ 4,080,223 | \$ 2,197,451 |

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2022, is 21 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2022, is 72 days.

The City's portfolio weighted average effective duration (years) is 1.73.

Note 3 - Deposits and Investments (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally-recognized rating organization. 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:

| Rating | Fair Value |
|-----------------------------|-----------------------------|
| City Investments: | |
| A | \$ 2,322,291 |
| A- | 1,511,974 |
| A+ | 1,592,001 |
| AA | 351,115 |
| AA- | 331,678 |
| AA+ | 18,647,493 |
| AAA | 1,575,256 |
| AAAm | 40,427,843 |
| Not Rated | 531,560 |
| | <u>67,291,211</u> |
| | \$ <u><u>67,291,211</u></u> |
| Fiduciary Fund Investments: | |
| AAA | \$ 1,067,751 |
| AA+ | 525,518 |
| AA | 184,716 |
| AA- | 257,994 |
| A+ | 908,405 |
| A | 938,381 |
| A- | 763,190 |
| BBB+ | 184,749 |
| BBB | 53,610 |
| BB | 1,615 |
| B | 72 |
| Unrated | 5,468,994 |
| | <u>10,354,995</u> |
| | \$ <u><u>10,354,995</u></u> |

Note 3 - Deposits and Investments (continued)

Concentration Risk

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 investment pools, or other pooled investments are excluded from this requirement. At September 30, 2022, the City did not have any concentrations of investments required to be disclosed herein.

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 a money market fund and also in a hedge fund.

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 instruments 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 \$ 7,778,883. The investment policy limits the foreign investments to no more than 15% of the Plan's investment balance. As of year-end, the foreign investments were approximately 13.3% 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; and Level 3 inputs are significant unobservable inputs.

Note 4 - Fair Value Measurements (continued)

The City has the following recurring fair value measurements as of September 30, 2022:

| | 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) |
| City Investments: | | | | |
| Government bonds | \$ 12,167,470 | \$ - | \$ 12,167,470 | \$ - |
| Corporate bonds | 5,618,927 | - | 5,618,927 | - |
| Government mortgage backed securities | 3,035,171 | - | 3,035,171 | - |
| Government agencies | 2,675,618 | - | 2,675,618 | - |
| Municipal/provincial bonds | 1,309,440 | - | 1,309,440 | - |
| Asset backed securities | 1,154,322 | - | 1,154,322 | - |
| Government issued commercial mortgage backed securities | 602,420 | - | 602,420 | - |
| International bonds | 300,000 | - | 300,000 | - |
| Total investments measured at fair value | 26,863,368 | - | 26,863,368 | - |
| Investments measured at amortized cost: | | | | |
| Florida PRIME (exempt) | 40,427,843 | - | - | - |
| Subtotal - City Investments | 67,291,211 | - | 26,863,368 | - |
| Fiduciary Fund Investments: | | | | |
| Equity securities: | | | | |
| Common stocks | 30,517,987 | 30,517,987 | - | - |
| Equity mutual funds | 1,660,210 | 1,660,210 | - | - |
| Total equity securities | 32,178,197 | 32,178,197 | - | - |
| Debt securities: | | | | |
| Corporate bonds | 3,754,927 | - | 3,754,927 | - |
| U.S. treasury securities | 4,855,992 | 4,460,883 | 395,109 | - |
| U.S. agency securities | 697,889 | - | 697,889 | - |
| Fixed income mutual funds | 1,046,187 | 1,046,187 | - | - |
| Total debt securities | 10,354,995 | 5,507,070 | 4,847,925 | - |
| Alternative mutual fund | 1,530,118 | 1,530,118 | - | - |
| Self-directed DROP accounts | 3,069,815 | - | 3,069,815 | - |
| Total investments measured at fair value | 47,133,125 | 39,215,385 | 7,917,740 | - |
| Investments measured at the Net Asset Value (NAV)(a) | | | | |
| Hedge funds | 4,180,197 | | | |
| Real estate fund | 2,807,507 | | | |
| Total investments measured at the NAV | 6,987,704 | | | |
| Money market funds (exempt) | 4,265,912 | | | |
| Subtotal - Fiduciary Fund Investments | 58,386,741 | | | |
| Total Investments | \$ 125,677,952 | | | |

(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.

Note 4 - Fair Value Measurements (continued)

City Investments

The City's fixed income securities of \$ 26,863,368 classified in Level 2 of the fair value hierarchy are valued using a market standard pricing technique. Pricing service providers synthesize multiple market inputs to value securities based on the securities' relationship to benchmark quoted prices; the price is derived from altered or indirectly observable prices to result in a fair value measure.

Fiduciary Fund Investments

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.
- Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
- Hedge funds: Valued 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 fund: 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.
- Money market funds: Valued at the floating net asset value of shares held by the Plan at year end.

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) | \$ 33,304 | \$ - | Quarterly | 90 Days |
| Hedge Fund (1) | 33,333 | - | Quarterly | 90 Days |
| Hedge Fund (2) | 4,113,560 | - | Daily | 1 Business Day |
| Real estate fund (3) | <u>2,807,507</u> | <u>-</u> | Quarterly | 65 Days |
| Total investments measured at the NAV | <u>\$ 6,987,704</u> | <u>\$ -</u> | | |

Note 4 - Fair Value Measurements (continued)

- (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 common stocks of infrastructure companies and other permitted investments. The fund seeks to achieve maximum total return by investing globally in publicly traded infrastructure companies. Infrastructure companies operate in sectors that include, but are not limited to, utilities, transportation, pipelines and telecommunications, and other applicable businesses as defined by those included in the FTSE Global Core Infrastructure 50/50 Index. The investment is valued at NAV and is redeemable on a daily basis pertaining that it is a business day.
- (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.

Note 5 - Receivables

Receivables as of September 30, 2022 for the City’s individual major funds and non-major funds in the aggregate consist of the following:

| | General Fund | Aventura City of Excellence School Fund * | Don Soffer Aventura High School Fund * | Transportation and Street Maintenance Fund | Stormwater Fund | Nonmajor Governmental Funds | Total |
|---------------------------|---------------------|---|---|--|--------------------|-----------------------------------|---------------------|
| Receivables: | | | | | | | |
| Intergovernmental | \$ 917,803 | \$ 1,781,775 | \$ 312,046 | \$ 327,594 | \$ 358,753 | \$ 7,396 | \$ 3,705,367 |
| Franchise and utility | 1,497,762 | - | - | - | - | - | 1,497,762 |
| Police services | 236,929 | - | - | - | - | - | 236,929 |
| Vendors and miscellaneous | - | - | 53 | - | - | - | 53 |
| Net total receivables | <u>\$ 2,652,494</u> | <u>\$ 1,781,775</u> | <u>\$ 312,099</u> | <u>\$ 327,594</u> | <u>\$ 358,753</u> | <u>\$ 7,396</u> | <u>\$ 5,440,111</u> |

* As of June 30, 2022.

Note 6 - Interfund Balances and Transfers

Interfund receivables and payables at September 30, 2022 were as follows:

| Due To: | Due From: Aventura City of Excellence School Fund | Internal Balance | Total |
|---|---|-----------------------|-----------------------|
| Don Soffer Aventura High School Fund | \$ - | 212,738 | 212,738 |
| General Fund | <u>463,576</u> | <u>-</u> | <u>463,576</u> |
| Total | \$ <u>463,576</u> | <u>212,738</u> | <u>676,314</u> |

* An internal balance of \$ 212,738 remains because the Don Soffer Aventura High School Fund and the Aventura City of Excellence School Fund are being reported at June 30, 2022.

Interfund transfers during the year ended September 30, 2022 were as follows:

| | Transfers In | Transfers Out |
|--|----------------------------|----------------------------|
| General Fund | \$ 256,338 | \$ 4,887,078 |
| Aventura City of Excellence School Fund | 150,000 | 444,000 |
| Don Soffer Aventura High School Fund | 2,536,423 | - |
| Nonmajor Governmental Funds | <u>2,494,655</u> | <u>256,338</u> |
| | \$ <u>5,437,416</u> | \$ <u>5,587,416</u> |

* An internal balance of \$ 150,000 remains because the Don Soffer Aventura High School Fund and the Aventura City of Excellence School Fund are being reported for the year ended June 30, 2022.

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 transfers to the Aventura City of Excellence School Fund and the Don Soffer Aventura High School Fund from the General Fund are being used to support the operations of both schools, from revenues generated through the intersection safety camera program. The remaining transfers represent transfers to meet debt service requirements of the Debt Service Funds and to close the Don Soffer Aventura High School Foundation Fund.

City of Aventura, Florida
Notes to Basic Financial Statements
September 30, 2022

Note 7 - Capital Assets

Capital assets activity for the year ended September 30, 2022 was as follows:

| | Balance September 30, 2021 | Additions and Transfers | Retirements and Transfers | Balance September 30, 2022 |
|---|----------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 25,644,586 | \$ - | \$ - | \$ 25,644,586 |
| Construction in progress | 389,627 | 861,353 | (967,408) | 283,572 |
| Total capital assets, not being depreciated | <u>26,034,213</u> | <u>861,353</u> | <u>(967,408)</u> | <u>25,928,158</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 65,810,354 | 783,596 | - | 66,593,950 |
| Improvements other than buildings | 17,617,142 | 44,490 | - | 17,661,632 |
| Infrastructure | 45,747,023 | 1,675,621 | - | 47,422,644 |
| Furniture, machinery and equipment | 23,226,408 | 1,462,822 | (178,350) | 24,510,880 |
| Total capital assets, being depreciated | <u>152,400,927</u> | <u>3,966,529</u> | <u>(178,350)</u> | <u>156,189,106</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 24,145,844 | 2,053,404 | - | 26,199,248 |
| Improvements other than buildings | 7,997,195 | 693,671 | - | 8,690,866 |
| Infrastructure | 27,529,021 | 1,462,555 | - | 28,991,576 |
| Furniture, machinery and equipment | 18,674,499 | 1,370,137 | (153,284) | 19,891,352 |
| Total accumulated depreciation | <u>78,346,559</u> | <u>5,579,767</u> | <u>(153,284)</u> | <u>83,773,042</u> |
| Total capital assets, being depreciated, net | <u>74,054,368</u> | <u>(1,613,238)</u> | <u>(25,066)</u> | <u>72,416,064</u> |
| Governmental activities capital assets, net | <u>\$ 100,088,581</u> | <u>\$ (751,885)</u> | <u>\$ (992,474)</u> | <u>\$ 98,344,222</u> |
| Business-type activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Construction in progress | \$ 359,794 | \$ 458,256 | \$ (710,192) | \$ 107,858 |
| Total capital assets, not being depreciated | <u>359,794</u> | <u>458,256</u> | <u>(710,192)</u> | <u>107,858</u> |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 14,875,360 | 710,192 | - | 15,585,552 |
| Less accumulated depreciation | <u>5,524,155</u> | <u>497,617</u> | <u>-</u> | <u>6,021,772</u> |
| Total capital assets, being depreciated, net | <u>9,351,205</u> | <u>212,575</u> | <u>-</u> | <u>9,563,780</u> |
| Business-type activities capital assets, net | <u>\$ 9,710,999</u> | <u>\$ 670,831</u> | <u>\$ (710,192)</u> | <u>\$ 9,671,638</u> |

Note 7 - Capital Assets (continued)

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

| | |
|---------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 764,080 |
| Public safety | 854,497 |
| Community services | 3,582,799 |
| Public works | <u>378,391</u> |
| | <u>\$ 5,579,767</u> |
| Business-type activities: | |
| Stormwater utility | <u>\$ 497,617</u> |

Note 8 - Long -Term Liabilities of Governmental Activities

Changes in Governmental Activities long-term liabilities during the year ended September 30, 2022 were as follows:

| | Balance September 30, 2021 | Additions | Reductions | Balance September 30, 2022 | Due Within One Year |
|--------------------------------|----------------------------------|---------------------|-----------------------|----------------------------------|------------------------|
| Governmental activities: | | | | | |
| Revenue bonds | \$ 18,725,000 | \$ - | \$ (1,845,000) | \$ 16,880,000 | \$ 1,900,000 |
| Other long-term liabilities: | | | | | |
| Compensated absences payable | 4,105,634 | 1,874,637 | (1,882,799) | 4,097,472 | 1,434,115 |
| Net pension liability | 8,894,988 | | (6,027,974) | 2,867,014 | - |
| Other post-employment benefits | <u>2,137,378</u> | <u>23,782</u> | | <u>2,161,160</u> | <u>-</u> |
| | <u>\$ 33,863,000</u> | <u>\$ 1,898,419</u> | <u>\$ (9,755,773)</u> | <u>\$ 26,005,646</u> | <u>\$ 3,334,115</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, 2022 were comprised of the following:

| | |
|--|--------------|
| 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%, subject to taxability event, and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. | \$ 4,795,000 |
| 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%, subject to taxability event, and are payable semi-annually on October 1 and April 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. | 2,595,000 |

Note 8 - Long -Term Liabilities of Governmental Activities (continued)

| | |
|---|----------------------|
| 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%, subject to taxability event, and are payable semi-annually on February 1 and August 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. | 3,520,000 |
| Series 2018 Revenue Bonds, principal is due annually over 20 years in various amounts through August 2038. The bonds bear interest at 3.68%, subject to taxability event, and are payable semi-annually on February 1 and August 1 of each year. The bonds are collateralized by available Non-Ad Valorem revenues. | <u>5,970,000</u> |
| | \$ <u>16,880,000</u> |

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 financial provisions as follows: (1) a default rate equal to the maximum rate permitted by law, and a 3% fee on delinquent payments if not made within fifteen days after the due date; 2) events of default such as failure to make payment, violation of any covenant contained in the agreements, bankruptcy, or insolvency; and 3) anti-dilution requirements where the aggregate adjusted net revenues will equal or exceed 300% of the maximum annual debt service, and the maximum annual debt service will not exceed 20% of adjusted net revenues, as defined in the debt agreements.

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.

Note 8 - Long -Term Liabilities of Governmental Activities (continued)

The indenture contains financial provisions as follows: (1) a default rate equal to Prime plus 3% and a 3% fee on delinquent payments if not made within fifteen days after the due date; 2) events of default such as failure to make payment, violation of any covenant contained in the agreements, bankruptcy, or insolvency; and 3) anti-dilution requirements where the aggregate adjusted net revenues will equal or exceed 300% of the maximum annual debt service, and the maximum annual debt service will not exceed 20% of adjusted net revenues, as defined in the debt agreements.

Series 2018 Revenue Bonds

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

The indentures contain financial provisions as follows: (1) a default rate equal to the current interest rate on the bonds plus 2%, after 5 days of any due date; and 2) events of default such as failure to make payment, violation of any covenant contained in the agreements, bankruptcy, or insolvency.

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

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ 1,900,000 | \$ 535,782 | \$ 2,435,782 |
| 2024 | 1,965,000 | 476,851 | 2,441,851 |
| 2025 | 2,025,000 | 415,984 | 2,440,984 |
| 2026 | 2,080,000 | 353,289 | 2,433,289 |
| 2027 | 2,145,000 | 288,673 | 2,433,673 |
| 2028 - 2032 | 4,110,000 | 757,900 | 4,867,900 |
| 2033 - 2037 | 2,170,000 | 314,547 | 2,484,547 |
| 2038 | 485,000 | 13,340 | 498,340 |
| | <u>\$ 16,880,000</u> | <u>\$ 3,156,366</u> | <u>\$ 20,036,366</u> |

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

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, if any, will not have a material adverse effect on the financial statements of the City. Management also believes that any possible adverse effect of litigation against the City will be covered by insurance.

Note 9 - Commitments and Contingencies (continued)

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 two contracts 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; and for the Don Soffer Aventura High School to provide the residents of the City of Aventura a high school education choice. The contracts for the Aventura City of Excellence School and the Don Soffer Aventura High School expire on June 30, 2033 and June 30, 2034, respectively. Both contracts provide for a five-year renewal option by mutual agreement of both parties.

The City previously entered into an agreement with Charter School USA, Inc. ("CSUSA") to provide administrative and educational services for Aventura City of Excellence School. The agreement expires on June 30, 2023, with a five-year renewal option by mutual agreement of both parties.

The City also entered into a separate management agreement with CSUSA to provide those services necessary to organize, manage, staff, operate and maintain the Don Soffer Aventura High School. The term of the agreement is consistent with the existing Charter, expiring June 30, 2034, with automatic renewals through a term consistent with the then current Charter provided performance standards are satisfied.

Other Agreements

The City has a nonexclusive agreement through November 2024 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 gross 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.

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.

Note 9 - Commitments and Contingencies (continued)

Construction Agreements

The City has entered into various agreements in reference to the construction and maintenance of the City’s streets and other infrastructure projects. At year-end, outstanding construction commitments amounted to approximately \$ 284,000.

Encumbrances

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

| | | |
|----------------------|----|-------------------------|
| General Fund | \$ | 434,716 |
| Stormwater Fund | | 110,986 |
| American Rescue Plan | | <u>1,494,773</u> |
| | \$ | <u><u>2,040,475</u></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.

Note 11 - Post-Employment Benefits other than Pensions (OPEB)

Plan Description

The City’s defined benefit OPEB plan provides benefits to all eligible 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, except as discussed below. 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.

Note 11 - Post-Employment Benefits other than Pensions (OPEB) (continued)

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. Generally, the City provides no funding for any portion of the premiums after retirement. Pursuant to City Resolution 2006-64, department directors who retire at age 55 or later with at least 10 years of full-time service are not required to pay a premium for medical or dental coverage for themselves prior to age 65. The retiree is responsible for any spouse or dependent coverage. For these individuals, there is an explicit subsidy where the City provides for the retiree’s coverage.

As of September 30, 2020, the latest actuarial valuation, health care and dental plan participants consisted of:

| | |
|---------------------------|-------------------|
| Active Plan participants | 163 |
| Retiree Plan participants | <u>4</u> |
| | <u><u>167</u></u> |

Total OPEB Liability

The City's total OPEB liability of \$ 2,161,160 was measured as of September 30, 2021 (measurement date) and was determined by an actuarial valuation as of September 30, 2020.

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 September 30, 2020 actuarial valuation, the following assumptions were made:

Discount rate: 2.43% per annum; this rate is based on the September 30, 2020 S&P Municipal Bond 20-year High Grade Rate Index as published by S&P Dow Jones Indices.

Salary increases: 3.00% per year.

Inflation: 2.50% per year.

Marital status: Current spouse coverage is applied.

Note 11 - Post-Employment Benefits other than Pensions (OPEB) (continued)

Retirement rates:

General - 100% are assumed to retire by age 62 with 6 years of service, or with 30 years of service, regardless of age.

Police - 100% are assumed to retire by age 55 and 10 years of service or age 52 and 25 years of service.

Health care participation: - 5% participation assumed. 100% participation assumed for Directors eligible for explicit coverage to age 65, and 5% thereafter.

Healthcare care inflation: Increases in healthcare costs are assumed to be 7.00% for the 2020/21 fiscal year, 7.50% for the 2021/2022 fiscal year, grading down to the ultimate trend rate of 4.00% in the 2074-2075 fiscal year.

Medical Aging morbidity factors: Developed based on a study performed by Dale Yamamoto for the Society of Actuaries. Used to measure the annual increases in per capital claim costs for each age and relative cost by gender.

Health claims: Developed using active fully insured rates.

Dental claims: Developed using the active fully insured rates. Projected employee contributions are assumed to cover the entire cost of claims.

Funding method: Entry Age Cost Method (Level Percentage of Pay).

Mortality rates: Mortality rates are consistent with mortality rates mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. The rates are those outlined in Milliman’s July 1, 2019 FRS valuation report.

Changes: Since the prior measurement date, the discount rate was increased from 2.14% per annum to 2.43% per annum. Also, the mortality rates, the annual per capita claim costs, and the health care inflation rates were updated.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| Balance as of September 30, 2020, measurement date | \$ <u>2,137,378</u> |
| Change due to: | |
| Service cost | 99,574 |
| Expected interest growth | 47,421 |
| Benefit payments and refunds | (42,276) |
| Assumption changes | <u>(80,937)</u> |
| Net changes | <u>23,782</u> |
| Balance as of September 30, 2021, measurement date | \$ <u><u>2,161,160</u></u> |

Note 11 - Post-Employment Benefits other than Pensions (OPEB) (continued)

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 1.00% lower or 1.00% higher than the current discount rate:

| | 1% Decrease (1.43%) | Discount Rate (2.43%) | 1% Increase (3.43%) |
|--------------------|------------------------|--------------------------|------------------------|
| Net OPEB liability | \$ <u>2,458,652</u> | \$ <u>2,161,160</u> | \$ <u>1,910,985</u> |

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% 3.00% - 6.50% | Healthcare Cost Trend Rates 4.00% - 7.50% | Trend Rates Plus 1.00% 5.00% - 8.50% |
|--------------------|---|--|--|
| Net OPEB liability | \$ <u>1,866,272</u> | \$ <u>2,161,160</u> | \$ <u>2,522,321</u> |

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$ 284,802. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 510,078 | \$ 477,481 |
| Changes of assumptions | 733,685 | 147,961 |
| Employer contributions subsequent to the measurement date | <u>46,947</u> | <u>-</u> |
| Total | \$ <u>1,290,710</u> | \$ <u>625,442</u> |

The deferred outflows of resources relating from the employer contributions subsequent to the measurement date and prior to the employer's reporting period, in the amount of \$ 46,947, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year ending September 30, 2023.

Note 11 - Post-Employment Benefits other than Pensions (OPEB) (continued)

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

| <u>Year ended September 30,</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| 2023 | \$ 132,807 |
| 2024 | 132,807 |
| 2025 | 132,807 |
| 2026 | 132,807 |
| 2027 | 108,265 |
| Thereafter | <u>(21,172)</u> |
| | <u>\$ 618,321</u> |

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 18% 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 \$ 872,000 during the year.

Plan provisions and contribution requirements may be amended by the City Commission. In addition, the City provides to all full-time employees a deferred compensation plan under Section 457 of the Internal Revenue Code. Under this program, employees may voluntarily elect to defer a portion of their salary to future years; with no required contributions from the City. Both programs are administered by ICMA Retirement Corp. The City does not exercise any control or fiduciary responsibility over the Plans' assets. Therefore, the assets, liabilities and transactions are not included in the City's financial statements.

Note 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.

Note 13 - Defined Benefit Pension Plan (continued)

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).

Plan Membership as of September 30, 2022

| | |
|---|-------------------|
| Inactive Plan members or beneficiaries currently receiving benefits | 26 |
| Active Plan members | <u>76</u> |
| Total | <u><u>102</u></u> |

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

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

The City has issued audited stand-alone financial statements for the Plan, which may be obtained from the City's Finance Department.

Benefits - Normal retirement may be received upon attainment the earlier of age 55 with 10 years of credited service or upon completion of 25 years of credited service, regardless of age. For the first 40 years of service, the monthly benefit received will be 3% of final monthly compensation multiplied by the number of years of service, to a maximum of 80%. Years credited beyond 40 will be taken into account at 2% of final compensation per year. An early retirement benefit may be received upon attainment of age 45 with 10 years of credited service. The benefit may be received either on a deferred basis or an immediate basis. On an immediate basis, the benefit amount will be the normal retirement benefit reduced by 3% per year for each year by which the retirement date precedes the normal retirement date. On a deferred basis, the benefit amount will be the same as the normal retirement benefit except that the final compensation and credited service will be based upon the early retirement date.

Disability Retirement - Members who become disabled due to service-incurred injuries, which arise out of performance of service with the City, will receive a monthly benefit amount equal to the member's accrued benefit but not less than 42.00% 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 of service with the City, and who have completed at least 10 years of service, will receive a monthly benefit amount equal to 3% of final monthly compensation for each year of credited service, but not less than 30%.

Funding - Effective October 1, 2015, members were required to contribute 10.775% of the annual covered salary. During 2022, the City and State are required to contribute 28.431% of covered payroll. Consistent with the requirements of Sections 112.66 and 185.07 of the Florida Statutes, the City is required to contribute an amount necessary to maintain the Plan on an actuarially sound basis. Contribution requirements of the Plan members and the City are established and may be changed by an amendment of the City ordinance. The costs of administrating the Plan are paid out of contributions to the Plan.

Note 13 - Defined Benefit Pension Plan (continued)

Deferred Retirement Option Plan

Effective October 1, 2019, a deferred retirement option plan ("DROP") was created. A member is eligible to enter the DROP on the earlier of the first day that he/she is eligible for service retirement as defined by Ordinance 2019-12, section 36-26(b)(ii) or delayed retirement as defined in section 36-26(b)(iii) 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 \$ 3,069,815 as of September 30, 2022.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2021. 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, 2020 (and updated to September 30, 2021) using the following actuarial assumptions:

| | |
|---------------------------|-------|
| Inflation | 2.30% |
| Salary Increases | 5.00% |
| Discount rate | 7.25% |
| Investment rate of return | 7.25% |

Mortality Rate: PubS.H-2010 (Above Median) for both male and female employees, set forward and back for one year, as applicable.

Note 13 - Defined Benefit Pension Plan (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 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------|-------------------|--|
| Domestic Equity | 55.00% | 5.85% |
| International Equity | 10.00% | 4.71% |
| Fixed Income | 20.00% | 1.47% |
| Private Real Estate | 5.00% | 4.85% |
| Hedge Funds | 5.00% | 1.86% |
| MPL/Energy Infrastructure | 5.00% | 2.90% |
| | <u>100.00%</u> | |

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.

Changes in Net Pension Liability

| | Increase (Decrease) | | |
|---|--------------------------------|-----------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Pension (b) | Net Pension Liability (a)-(b) |
| Reporting period ending, September 30, 2021 | \$ 64,473,480 | \$ 55,578,492 | \$ 8,894,988 |
| Changes for the year: | | | |
| Service cost | 2,138,359 | - | 2,138,359 |
| Interest | 4,788,701 | - | 4,788,701 |
| Contributions - employer | - | 1,881,922 | (1,881,922) |
| Contributions - state | - | 382,744 | (382,744) |
| Contributions - employee | - | 924,555 | (924,555) |
| Contributions - buy back | 10,811 | 10,811 | - |
| Difference between actual and expected experience | 1,388,353 | - | 1,388,353 |
| Net investment income | - | 11,425,362 | (11,425,362) |
| Benefit payments, including refunds of employee contributor | (1,121,573) | (1,121,573) | - |
| Administrative expenses | - | (131,204) | 131,204 |
| Net change | <u>7,204,651</u> | <u>13,372,617</u> | <u>(6,167,966)</u> |
| Prior period adjustment | <u>-</u> | <u>(139,992)</u> | <u>139,992</u> |
| September 30, 2022 | <u>\$ 71,678,131</u> | <u>\$ 68,811,117</u> | <u>\$ 2,867,014</u> |

Note 13 - Defined Benefit Pension Plan (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate:

| | <u>1% Decrease (6.25%)</u> | <u>Discount Rate (7.25%)</u> | <u>1% Increase (8.25%)</u> |
|-------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Net pension liability (asset) | \$ <u>11,969,984</u> | \$ <u>2,867,014</u> | \$ <u>(4,598,026)</u> |

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

For the year ended September 30, 2022 the Sponsor will recognize a pension expense of \$ 1,020,018.

On September 30, 2022 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 1,769,436 | \$ 158,801 |
| Changes of assumptions | 371,260 | 957,615 |
| Net difference between projected and actual earnings on pension plan investments | - | 5,111,912 |
| Pension contributions subsequent to the measurement date | <u>2,320,926</u> | <u>-</u> |
| Totals | \$ <u>4,461,622</u> | \$ <u>6,228,328</u> |

The deferred outflows of resources resulting from the employer contributions to the Plan subsequent to the measurement date and prior to the employer's reporting period, in the amount of \$ 2,320,926, will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending September 30, 2023.

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

| <u>Year ended September 30,</u> | <u>Amount</u> |
|-------------------------------------|-----------------------|
| 2023 | \$ (701,774) |
| 2024 | (837,699) |
| 2025 | (1,358,733) |
| 2026 | <u>(1,189,426)</u> |
| | \$ <u>(4,087,632)</u> |

Note 14 - Deficits in Fund Balance

At June 30, 2022, the Aventura City of Excellence School (“ACES”) Fund had a deficit fund balance of \$1,584,222 and, at September 30, 2022, the American Rescue Plan Act (“ARPA”) Fund had a deficit fund balance of \$126,914. The City expects to fund the ACES deficit with its allocation from the Elementary and Secondary School Emergency Relief (ESSER) grant. The deficit is primarily the result of the ESSER grant reimbursement process which has been inefficient, lengthy and cumbersome as well as referendum advances to the school from the City. Subsequent to year end, the City received both ESSER grant funding and referendum settlement funding which exceed the deficit balance as of September 30, 2022. The ARPA deficit is due to interest losses on the grant funding due to poor market activity. Subsequent to year end, the City’s interest earnings have rebounded and the City expects to recoup all losses and report interest earnings which exceed the deficit balance as of September 30, 2022.

Note 15 – Don Soffer Aventura High School Foundation

On January 4, 2022, the City Commission passed Resolution 2022-07, dissolving the Don Soffer Aventura High School Foundation. At the time of dissolution there was \$256,338 remaining in a bank account, which was transferred to the City. The cash will remain in a restricted account, for the benefit of the Don Soffer Aventura High School. The City will spend the funds in accordance with the mission of the Foundation.



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 Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------|-------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 17,213,084 | \$ 17,213,084 | \$ 17,216,330 | \$ 3,246 |
| Utility service and other locally levied taxes | 9,105,000 | 9,855,000 | 10,252,496 | 397,496 |
| Licenses and permits; including franchise fees | 6,764,500 | 8,864,500 | 10,900,603 | 2,036,103 |
| Intergovernmental revenues | 3,282,676 | 5,033,676 | 5,195,271 | 161,595 |
| Charges for services | 2,880,346 | 3,946,346 | 4,146,452 | 200,106 |
| Fines and forfeitures | 1,782,500 | 2,974,320 | 3,306,841 | 332,521 |
| Investment income (loss) | 125,000 | 125,000 | (705,795) | (830,795) |
| Miscellaneous | 70,000 | 70,000 | 51,051 | (18,949) |
| Total revenues | 41,223,106 | 48,081,926 | 50,363,249 | 2,281,323 |
| Expenditures: | | | | |
| General government: | | | | |
| City commission | 154,709 | 183,169 | 176,438 | 6,731 |
| City manager | 764,675 | 1,252,675 | 1,189,999 | 62,676 |
| Legal | 317,000 | 390,000 | 383,803 | 6,197 |
| City clerk | 380,112 | 380,112 | 336,228 | 43,884 |
| Finance | 1,121,069 | 1,201,069 | 1,210,670 | (9,601) |
| Information technology | 1,154,235 | 1,154,235 | 1,106,965 | 47,270 |
| Nondepartmental | 1,545,125 | 2,172,125 | 2,123,278 | 48,847 |
| Total general government | 5,436,925 | 6,733,385 | 6,527,381 | 206,004 |
| Public safety: | | | | |
| Police | 22,057,990 | 22,918,350 | 22,652,697 | 265,653 |
| Community development | 3,107,347 | 5,207,347 | 4,999,872 | 207,475 |
| Total public safety | 25,165,337 | 28,125,697 | 27,652,569 | 473,128 |
| Community services: | | | | |
| Community services | 2,619,012 | 3,569,012 | 3,472,212 | 96,800 |
| Arts and cultural center | 886,788 | 1,136,788 | 1,028,580 | 108,208 |
| Total community services | 3,505,800 | 4,705,800 | 4,500,792 | 205,008 |
| Public works: | | | | |
| Public works | 3,350,686 | 3,690,686 | 3,539,349 | 151,337 |
| Total public works | 3,350,686 | 3,690,686 | 3,539,349 | 151,337 |
| Capital outlay | 15,682,379 | 17,589,883 | 2,038,743 | 15,551,140 |
| Total expenditures | 53,141,127 | 60,845,451 | 44,258,834 | 16,586,617 |
| Excess (deficiency) of revenues over expenditures | (11,918,021) | (12,763,525) | 6,104,415 | 18,867,940 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 256,338 | 256,338 |
| Transfers out | (2,350,655) | (4,329,063) | (4,887,078) | (558,015) |
| Appropriated fund balance | 14,268,676 | 17,092,588 | - | (17,092,588) |
| Total other financing sources (uses) | 11,918,021 | 12,763,525 | (4,630,740) | (17,394,265) |
| Net change in fund balance | \$ - | \$ - | \$ 1,473,675 | \$ 1,473,675 |

See notes to required supplementary information.

City of Aventura, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - American Rescue Plan Act Fund - Special Revenue Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenues | \$ - | \$ - | \$ 1,745,049 | \$ 1,745,049 |
| Investment income (loss) | - | - | (124,737) | (124,737) |
| Total revenues | - | - | 1,620,312 | 1,620,312 |
| Expenditures: | | | | |
| General government | - | 124,600 | 144,008 | (19,408) |
| Public safety | - | 24,000 | - | 24,000 |
| Community services | - | 50,000 | 8,893 | 41,107 |
| Capital outlay | - | 14,836,592 | 1,594,325 | 13,242,267 |
| Total expenditures | - | 15,035,192 | 1,747,226 | 13,287,966 |
| Excess (deficiency) of revenues over expenditures | - | (15,035,192) | (126,914) | 14,908,278 |
| Other financing sources (uses): | | | | |
| Appropriated fund balance | - | 15,075,300 | - | (15,075,300) |
| Total other financing sources (uses) | - | 15,075,300 | - | (15,075,300) |
| Net change in fund balance | \$ - | \$ 40,108 | \$ (126,914) | \$ (167,022) |

See notes to required supplementary information.

City of Aventura, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Aventura City of Excellence School Fund - Special Revenue Fund
For the Year Ended June 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 8,779,250 | \$ 10,552,137 | \$ 9,071,491 | \$ (1,480,646) |
| Charges for services | 690,000 | 690,000 | 269,187 | (420,813) |
| Investment income (loss) | 2,000 | 2,000 | (3,168) | (5,168) |
| Miscellaneous | 407,000 | 407,000 | 579,431 | 172,431 |
| Total revenues | <u>9,878,250</u> | <u>11,651,137</u> | <u>9,916,941</u> | <u>(1,734,196)</u> |
| Expenditures: | | | | |
| Community services | 9,946,099 | 11,408,986 | 11,329,256 | 79,730 |
| Capital outlay | 168,500 | 478,500 | 268,245 | 210,255 |
| Total expenditures | <u>10,114,599</u> | <u>11,887,486</u> | <u>11,597,501</u> | <u>289,985</u> |
| Excess (deficiency) of revenues over expenditures | <u>(236,349)</u> | <u>(236,349)</u> | <u>(1,680,560)</u> | <u>(1,444,211)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 150,000 | 150,000 | 150,000 | - |
| Transfers out | (444,000) | (444,000) | (444,000) | - |
| Appropriated fund balance | 530,349 | 530,349 | - | (530,349) |
| Total other financing sources (uses) | <u>236,349</u> | <u>236,349</u> | <u>(294,000)</u> | <u>(530,349)</u> |
| Net change in fund balance | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>(1,974,560)</u></u> | \$ <u><u>(1,974,560)</u></u> |

See notes to required supplementary information.

City of Aventura, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Don Soffer Aventura High School Fund - Special Revenue Fund
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 5,288,050 | \$ 5,288,050 | \$ 6,018,170 | \$ 730,120 |
| Charges for services | - | - | 26,958 | 26,958 |
| Miscellaneous income | - | - | 163,481 | 163,481 |
| Total revenues | 5,288,050 | 5,288,050 | 6,208,609 | 920,559 |
| Expenditures: | | | | |
| Community services | 5,663,694 | 5,663,694 | 6,110,146 | (446,452) |
| Capital outlay | 251,984 | 251,984 | 642,613 | (390,629) |
| Total expenditures | 5,915,678 | 5,915,678 | 6,752,759 | (837,081) |
| Excess (deficiency) of revenues over expenditures | (627,628) | (627,628) | (544,150) | 83,478 |
| Other financing sources (uses): | | | | |
| Transfers in | 627,628 | 627,628 | 2,536,423 | 1,908,795 |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | 627,628 | 627,628 | 2,536,423 | 1,908,795 |
| Net change in fund balance | \$ - | \$ - | \$ 1,992,273 | \$ 1,992,273 |

See notes to required supplementary information.

City of Aventura, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Transportation and Street Maintenance Fund - Special Revenue Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 1,991,000 | \$ 2,636,000 | \$ 3,055,905 | \$ 419,905 |
| Charges for services | 40,000 | 40,000 | 36,153 | (3,847) |
| Licenses, permits and impact fees | - | - | 335,594 | 335,594 |
| Investment income (loss) | 3,000 | 3,000 | (76,645) | (79,645) |
| Total revenues | <u>2,034,000</u> | <u>2,679,000</u> | <u>3,351,007</u> | <u>672,007</u> |
| Expenditures: | | | | |
| Public works | 2,083,244 | 2,428,244 | 2,309,275 | 118,969 |
| Capital outlay | 298,710 | 598,710 | 481,931 | 116,779 |
| Total expenditures | <u>2,381,954</u> | <u>3,026,954</u> | <u>2,791,206</u> | <u>235,748</u> |
| Excess (deficiency) of revenues over expenditures | <u>(347,954)</u> | <u>(347,954)</u> | <u>559,801</u> | <u>907,755</u> |
| Other financing sources (uses): | | | | |
| Appropriated fund balance | <u>347,954</u> | <u>347,954</u> | <u>-</u> | <u>(347,954)</u> |
| Total other financing sources (uses) | <u>347,954</u> | <u>347,954</u> | <u>-</u> | <u>(347,954)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 559,801</u> | <u>\$ 559,801</u> |

See notes to required supplementary information.

Note 1 - Budgets and Budgetary Accounting

An annual appropriated budget is adopted for all government funds with the exception of the Federal Forfeiture Fund, the Law Enforcement Trust Fund and the Don Soffer Aventura High School Foundation 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 \$ 7.7 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.

A separate budget document for the Aventura City of Excellence School Fund and the Don Soffer Aventura High School Fund is adopted by the City on May of each year, based on an annual operational fiscal year ending as of June 30th.

City of Aventura, Florida
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)
Police Officer's Retirement Plan
Last Ten Fiscal Years (1)

| Reporting period ending: | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Measurement date: | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
| Total pension liability: | | | | | | | | | |
| Service cost | \$ 1,968,670 | \$ 2,138,359 | \$ 1,993,808 | \$ 2,107,436 | \$ 1,960,406 | \$ 1,946,501 | \$ 1,810,699 | \$ 1,896,180 | \$ 1,732,252 |
| Interest | 5,273,819 | 4,788,701 | 4,421,716 | 4,033,828 | 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 | 2,073,045 | 1,388,353 | 1,097,921 | - | (794,007) | - | (1,226,574) | (1,326,392) | - |
| Changes of assumptions | - | - | (1,596,026) | - | 1,856,302 | - | 1,534,188 | - | - |
| Contributions - buy back | - | 10,811 | 10,039 | 121,590 | - | - | - | - | - |
| Benefits payments, including refunds of employee contributions | (1,808,938) | (1,121,573) | (898,707) | (699,399) | (691,515) | (514,739) | (588,554) | (394,472) | (409,084) |
| Net change in total pension liability | 7,506,596 | 7,204,651 | 5,028,751 | 5,563,455 | 7,132,249 | 4,711,278 | 4,461,695 | 5,700,742 | 3,561,297 |
| Total pension liability - beginning | 71,678,131 | 64,473,480 | 59,444,729 | 53,881,274 | 46,749,025 | 42,037,747 | 37,576,052 | 31,875,310 | 28,314,013 |
| Total pension liability - ending (a) | \$ 79,184,727 | \$ 71,678,131 | \$ 64,473,480 | \$ 59,444,729 | \$ 53,881,274 | \$ 46,749,025 | \$ 42,037,747 | \$ 37,576,052 | \$ 31,875,310 |
| Plan fiduciary net position: | | | | | | | | | |
| Contributions - employer | \$ 1,849,234 | \$ 1,881,922 | \$ 1,603,198 | \$ 1,551,880 | \$ 1,589,440 | \$ 1,497,898 | \$ 1,302,614 | \$ 1,550,643 | \$ 1,548,543 |
| Contributions - state | 471,692 | 382,744 | 561,953 | 474,040 | 435,103 | 338,364 | 342,209 | 310,354 | 318,440 |
| Contributions - employee | 879,603 | 924,555 | 902,513 | 943,658 | 956,612 | 941,916 | 863,769 | 541,792 | 541,099 |
| Contributions - buy back | - | 10,811 | 10,039 | 121,590 | - | - | - | - | - |
| Net investment income (loss) | (11,446,124) | 11,425,362 | 4,011,254 | 837,503 | 3,511,042 | 4,262,504 | 2,158,517 | (614,811) | 2,199,131 |
| Benefit payments, including refunds of employee contributions | (1,808,938) | (1,121,573) | (898,707) | (699,399) | (691,515) | (514,739) | (588,554) | (394,472) | (409,084) |
| Administrative expense | (150,723) | (131,204) | (87,902) | (84,711) | (71,805) | (74,636) | (66,033) | (66,115) | (55,898) |
| Net change in plan fiduciary net position | (10,205,256) | 13,372,617 | 6,102,348 | 3,144,561 | 5,728,877 | 6,451,307 | 4,012,522 | 1,327,391 | 4,142,231 |
| Plan fiduciary net position - beginning | 68,811,117 | 55,578,492 | 49,476,144 | 46,331,583 | 40,602,706 | 34,151,399 | 30,138,877 | 28,811,486 | 24,669,255 |
| Prior period adjustment | - | (139,992) | - | - | - | - | - | - | - |
| Plan fiduciary net position - ending (b) | \$ 58,605,861 | \$ 68,811,117 | \$ 55,578,492 | \$ 49,476,144 | \$ 46,331,583 | \$ 40,602,706 | \$ 34,151,399 | \$ 30,138,877 | \$ 28,811,486 |
| Net pension liability - ending (a) - (b) | \$ 20,578,866 | \$ 2,867,014 | \$ 8,894,988 | \$ 9,968,585 | \$ 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 | 74.01% | 96.00% | 86.20% | 83.23% | 85.99% | 86.85% | 81.24% | 80.21% | 90.39% |
| Covered payroll | \$ 8,163,365 | \$ 8,580,555 | \$ 8,375,995 | \$ 8,668,447 | \$ 8,878,068 | \$ 8,741,677 | \$ 8,129,475 | \$ 8,047,155 | \$ 7,986,695 |
| Net pension liability as a percentage of covered payroll | 252.09% | 33.41% | 106.20% | 115.00% | 85.04% | 70.31% | 97.01% | 92.42% | 38.36% |

Note: (1) This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City of Aventura should present information for those years for which information is available.

City of Aventura, Florida
Required Supplementary Information
Schedule of Contributions (Unaudited)
Police Officer's Retirement Plan
Last Ten Fiscal Years

| <u>Fiscal Year Ended September 30,</u> | <u>Actuarially Determined Contribution</u> | <u>Actual Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Actual Contribution as a % of Covered Payroll</u> |
|--|--|--------------------------------|---|----------------------------|--|
| 2022 | \$ 2,320,926 | \$ 2,320,926 | \$ - | \$ 8,163,365 | 28.43% |
| 2021 | \$ 2,264,666 | \$ 2,264,666 | \$ - | \$ 8,580,555 | 26.39% |
| 2020 | \$ 2,210,676 | \$ 2,165,151 | \$ 45,525 | \$ 8,375,995 | 25.85% |
| 2019 | \$ 1,924,394 | \$ 2,025,920 | \$ (101,526) | \$ 8,668,447 | 23.37% |
| 2018 | \$ 1,951,222 | \$ 2,024,543 | \$ (73,321) | \$ 8,878,068 | 22.80% |
| 2017 | \$ 1,826,049 | \$ 1,836,262 | \$ (10,213) | \$ 8,741,677 | 21.01% |
| 2016 | \$ 1,698,166 | \$ 1,644,823 | \$ 53,343 | \$ 8,129,475 | 20.23% |
| 2015 | \$ 1,830,896 | \$ 1,860,998 | \$ (30,102) | \$ 8,047,155 | 23.13% |
| 2014 | \$ 1,828,554 | \$ 1,866,983 | \$ (38,429) | \$ 7,986,695 | 23.38% |
| 2013 | \$ 1,959,557 | \$ 1,959,557 | \$ - | \$ 7,810,732 | 25.09% |
| 2012 | \$ 1,923,697 | \$ 1,923,697 | \$ - | \$ 7,663,687 | 25.10% |

Notes to Schedule:

| | |
|-----------------------------|---|
| Valuation date | 10/1/2020 |
| Mortality rate: | <p><i>Healthy Active Lives:</i> Female: PubS.H-2010 (Above median) for employees, set forward one year. Male: PubS.H-2010 (Above median) for employees, set forward one year.</p> <p><i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disables Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018.</p> <p><i>Healthy Retiree Lives:</i> Female: PubS.H-2010 for healthy retirees, set forward one year. Male: PubS.H (Below median) for healthy retirees, set forward one year.</p> |
| Interest rate: | 7.25% |
| Salary Increases: | 5.00% |
| Inflation: | 2.30% |
| Actuarial cost method: | Entry age normal actuarial cost method |
| Actuarial valuation method: | 5 year smoothed market |

City of Aventura, Florida
Required Supplementary Information
Schedule of Investment Returns (Unaudited)
Police Officer's Retirement Plan
Last Ten Fiscal Years

| Fiscal Year Ended September 30, | Annual money-weighted rate of return, net of investment expenses |
|--|---|
| 2022 | (16.54) % |
| 2021 | 20.55 % |
| 2020 | 8.02 % |
| 2019 | 1.68 % |
| 2018 | 8.60 % |
| 2017 | 11.97 % |
| 2016 | 7.00 % |
| 2015 | (1.83) % |
| 2014 | 8.87 % |
| 2013 | 11.44 % |
| 2012 | 16.20 % |

City of Aventura, Florida
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Other Post-Employment Benefits (Unaudited)
Last Ten Fiscal Years ⁽¹⁾

| Reporting period ending: | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Measurement date: | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> |
| Total OPEB Liability: | | | | | |
| Service cost | \$ 99,574 | \$ 112,309 | \$ 109,038 | \$ 65,680 | \$ 33,459 |
| Expected interest growth | 47,421 | 87,298 | 45,557 | 27,175 | 23,363 |
| Demographic experience | 0 | (636,641) | 288,869 | 611,405 | - |
| Benefit payments and refunds | (42,276) | (88,651) | (80,592) | (72,858) | (7,496) |
| Assumption changes | <u>(80,937)</u> | <u>292,938</u> | <u>803,820</u> | <u>(144,961)</u> | <u>-</u> |
| Net change in total OPEB liability | 23,782 | (232,747) | 1,166,692 | 486,441 | 49,326 |
| Total OPEB liability-beginning | <u>2,137,378</u> | <u>2,370,125</u> | <u>1,203,433</u> | <u>716,992</u> | <u>667,666</u> |
| Total OPEB liability-ending | \$ <u>2,161,160</u> | \$ <u>2,137,378</u> | \$ <u>2,370,125</u> | \$ <u>1,203,433</u> | \$ <u>716,992</u> |
| Covered-employee payroll | \$ 16,988,435 | \$ 16,493,626 | \$ 16,008,236 | \$ 15,746,445 | \$ 12,595,559 |
| Total OPEB liability as a percentage of covered-employee payroll | 12.72% | 12.96% | 14.81% | 7.64% | 5.69% |

Note: (1) This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the City of Aventura should present information for those years for which information is available.

Plan Assets: No assets are accumulated in a trust, or equivalent arrangement, that meets the criteria of GASB Codification P52.101 to pay related benefits for the OPEB plan.



SUPPLEMENTARY INFORMATION





COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

**City of Aventura, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022**

| | Special Revenue Funds | | | | | | Debt Service Funds | | | | Capital Projects Fund | |
|--|-----------------------|------------------|-------------------|-------------------------|----------------------------|--|--------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------|-----------------------------------|
| | Police Education Fund | | 911 Fund | Federal Forfeiture Fund | Law Enforcement Trust Fund | Don Soffer Aventura High School Foundation | Series 2010 & 2011 Debt Service Fund | Series 2012 (A) Debt Service Fund | Series 2012 (B) Debt Service Fund | Series 2018 Debt Service Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
| | | | | | | | | | | | | |
| Assets: | | | | | | | | | | | | |
| Cash, cash equivalents and investments | \$ 10,025 | \$ 70,512 | \$ 546,823 | \$ 150,645 | \$ - | \$ - | \$ 129,481 | \$ 4 | \$ 334,857 | \$ - | \$ 806,943 | \$ 2,049,290 |
| Due from other governments | 366 | 7,030 | - | - | - | - | - | - | - | - | - | 7,396 |
| Total assets | \$ 10,391 | \$ 77,542 | \$ 546,823 | \$ 150,645 | \$ - | \$ - | \$ 129,481 | \$ 4 | \$ 334,857 | \$ - | \$ 806,943 | \$ 2,056,686 |
| Liabilities: | | | | | | | | | | | | |
| Accounts payable | \$ - | \$ 6,934 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,078 | \$ 57,012 |
| Accrued liabilities | - | 7,030 | - | - | - | - | 129,224 | - | - | - | - | 136,254 |
| Total liabilities | - | 13,964 | - | - | - | - | 129,224 | - | - | - | 50,078 | 193,266 |
| Fund Balances: | | | | | | | | | | | | |
| Restricted for: | | | | | | | | | | | | |
| Public safety/law enforcement | 10,391 | 63,578 | 546,823 | 150,645 | - | - | - | - | - | - | - | 771,437 |
| Capital projects | - | - | - | - | - | - | - | - | - | - | 756,865 | 756,865 |
| Debt service | - | - | - | - | - | - | 257 | 4 | 334,857 | - | - | 335,118 |
| Assigned for: | | | | | | | | | | | | |
| Charter school operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | 10,391 | 63,578 | 546,823 | 150,645 | - | - | 257 | 4 | 334,857 | - | 756,865 | 1,863,420 |
| Total liabilities and fund balances | \$ 10,391 | \$ 77,542 | \$ 546,823 | \$ 150,645 | \$ - | \$ - | \$ 129,481 | \$ 4 | \$ 334,857 | \$ - | \$ 806,943 | \$ 2,056,686 |

City of Aventura, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

| | Special Revenue Funds | | | | | | Debt Service Funds | | | | Capital Projects Fund |
|---|-----------------------|-----------|-------------------------|----------------------------|--|--------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------|-----------------------------------|
| | Police Education Fund | 911 Fund | Federal Forfeiture Fund | Law Enforcement Trust Fund | Don Soffera Adventura High School Foundation | Series 2010 & 2011 Debt Service Fund | Series 2012 (A) Debt Service Fund | Series 2012 (B) Debt Service Fund | Series 2018 Debt Service Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
| Revenues: | | | | | | | | | | | |
| Intergovernmental | \$ - | \$ 79,751 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 79,751 |
| Fines and forfeitures | 5,485 | - | - | 8,997 | - | - | - | - | - | - | 14,482 |
| Licenses, permits and impact fees | - | - | - | - | - | - | - | - | - | 57,760 | 57,760 |
| Investment income (loss) | (215) | (892) | - | - | - | 1 | 1 | - | - | (9,847) | (10,952) |
| Miscellaneous | - | - | - | - | 29,260 | - | - | - | - | - | 29,260 |
| Total revenues | 5,270 | 78,859 | - | 8,997 | 29,260 | 1 | 1 | - | - | 47,913 | 170,301 |
| Expenditures: | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| General government | - | - | - | - | 49,295 | - | - | - | - | - | 49,295 |
| Public safety | 3,180 | 59,355 | 5,084 | 9,254 | - | - | - | - | - | - | 76,873 |
| Capital outlay | - | - | 100,574 | - | - | - | - | - | - | 83,948 | 184,522 |
| Debt service: | | | | | | | | | | | |
| Principal | - | - | - | - | - | 915,000 | 311,916 | 348,084 | 270,000 | - | 1,845,000 |
| Interest | - | - | - | - | - | 274,446 | 52,053 | 58,698 | 227,240 | - | 612,437 |
| Total expenditures | 3,180 | 59,355 | 105,658 | 9,254 | 49,295 | 1,189,446 | 363,969 | 406,782 | 497,240 | 83,948 | 2,768,127 |
| Excess (deficiency) of revenues over expenditures | 2,090 | 19,504 | (105,658) | (257) | (20,035) | (1,189,445) | (363,968) | (406,782) | (497,240) | (36,035) | (2,597,826) |
| Other financing sources (uses) | | | | | | | | | | | |
| Transfers out | - | - | - | - | (256,338) | - | - | - | - | - | (256,338) |
| Transfers in | - | - | - | - | - | 1,189,446 | 363,969 | 444,000 | 497,240 | - | 2,494,655 |
| Total other financing sources (uses) | - | - | - | - | (256,338) | 1,189,446 | 363,969 | 444,000 | 497,240 | - | 2,238,317 |
| Net change in fund balances | 2,090 | 19,504 | (105,658) | (257) | (276,373) | 1 | 1 | 37,218 | - | (36,035) | (359,509) |
| Fund balances, beginning | 8,301 | 44,074 | 652,481 | 150,902 | 276,373 | 256 | 3 | 297,639 | - | 792,900 | 2,222,929 |
| Fund balances, ending | \$ 10,391 | \$ 63,578 | \$ 546,823 | \$ 150,645 | \$ - | \$ 257 | \$ 4 | \$ 334,857 | \$ - | \$ 756,865 | \$ 1,863,420 |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Police Education Fund - Special Revenue Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------------|--------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 5,500 | \$ 5,500 | \$ 5,485 | \$ (15) |
| Investment income (loss) | - | - | (215) | (215) |
| Total revenues | <u>5,500</u> | <u>5,500</u> | <u>5,270</u> | <u>(230)</u> |
| Expenditures: | | | | |
| Public safety | <u>5,500</u> | <u>5,500</u> | <u>3,180</u> | <u>2,320</u> |
| Total expenditures | <u>5,500</u> | <u>5,500</u> | <u>3,180</u> | <u>2,320</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,090</u> | <u>\$ 2,090</u> |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
911 Fund - Special Revenue Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 86,800 | \$ 86,800 | \$ 79,751 | \$ (7,049) |
| Investment income (loss) | - | - | (892) | (892) |
| Total revenues | 86,800 | 86,800 | 78,859 | (7,941) |
| Expenditures: | | | | |
| Public safety | 97,210 | 97,210 | 59,355 | 37,855 |
| Capital outlay | 9,590 | 9,590 | - | 9,590 |
| Total expenditures | 106,800 | 106,800 | 59,355 | 47,445 |
| Excess (deficiency) of revenues over expenditures | (20,000) | (20,000) | 19,504 | 39,504 |
| Other financing sources (uses): | | | | |
| Appropriated fund balance | 20,000 | 20,000 | - | (20,000) |
| Total other financing sources (uses) | 20,000 | 20,000 | - | (20,000) |
| Net change in fund balance | \$ - | \$ - | \$ 19,504 | \$ 19,504 |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Series 2010 & 2011 - Debt Service Fund
For the Year Ended September 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 1 | \$ 1 |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 915,000 | 915,000 | 915,000 | - |
| Interest | 274,446 | 274,446 | 274,446 | - |
| Total expenditures | 1,189,446 | 1,189,446 | 1,189,446 | - |
| Excess (deficiency) of revenues over expenditures | (1,189,446) | (1,189,446) | (1,189,445) | 1 |
| Other financing sources (uses): | | | | |
| Transfers in | 1,189,446 | 1,189,446 | 1,189,446 | - |
| Total other financing sources (uses) | 1,189,446 | 1,189,446 | 1,189,446 | - |
| Net change in fund balance | \$ - | \$ - | \$ 1 | \$ 1 |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Series 2012 (A) - Debt Service Fund
For the Year Ended September 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 1 | \$ 1 |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 311,916 | 311,916 | 311,916 | - |
| Interest | 52,053 | 52,053 | 52,053 | - |
| Total expenditures | 363,969 | 363,969 | 363,969 | - |
| Excess (deficiency) of revenues over expenditures | (363,969) | (363,969) | (363,968) | 1 |
| Other financing sources (uses): | | | | |
| Transfers in | 363,969 | 363,969 | 363,969 | - |
| Total other financing sources (uses) | 363,969 | 363,969 | 363,969 | - |
| Net change in fund balance | \$ - | \$ - | \$ 1 | \$ 1 |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Series 2012 (B) - Debt Service Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 348,084 | 348,084 | 348,084 | - |
| Interest | 58,698 | 58,698 | 58,698 | - |
| Total expenditures | 406,782 | 406,782 | 406,782 | - |
| Excess (deficiency) of revenues over expenditures | (406,782) | (406,782) | (406,782) | - |
| Other financing sources (uses): | | | | |
| Transfers in | 406,782 | 406,782 | 444,000 | 37,218 |
| Total other financing sources (uses) | 406,782 | 406,782 | 444,000 | 37,218 |
| Net change in fund balance | \$ - | \$ - | \$ 37,218 | \$ 37,218 |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Series 2018 - Debt Service Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|--|
| | Original | Final | | |
| Revenues: | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 270,000 | 270,000 | 270,000 | - |
| Interest | 227,240 | 227,240 | 227,240 | - |
| Total expenditures | 497,240 | 497,240 | 497,240 | - |
| Excess (deficiency) of revenues over expenditures | (497,240) | (497,240) | (497,240) | - |
| Other financing sources (uses): | | | | |
| Transfers in | 497,240 | 497,240 | 497,240 | - |
| Total other financing sources (uses) | 497,240 | 497,240 | 497,240 | - |
| Net change in fund balance | \$ - | \$ - | \$ - | \$ - |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Projects Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses, permits and impact fees | \$ - | \$ - | \$ 57,760 | \$ 57,760 |
| Investment income (loss) | - | - | (9,847) | (9,847) |
| Total revenues | - | - | 47,913 | 47,913 |
| Expenditures: | | | | |
| Capital outlay | 870,907 | 870,907 | 83,948 | 786,959 |
| Total expenditures | 870,907 | 870,907 | 83,948 | 786,959 |
| Excess (deficiency) of revenues over expenditures | (870,907) | (870,907) | (36,035) | 834,872 |
| Other financing sources (uses): | | | | |
| Appropriated fund balance | 870,907 | 870,907 | - | (870,907) |
| Total other financing sources (uses) | 870,907 | 870,907 | - | (870,907) |
| Net change in fund balances | \$ - | \$ - | \$ (36,035) | \$ (36,035) |

City of Aventura, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Aventura Charter High School Construction Fund - Capital Projects Fund
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenues | \$ - | \$ - | \$ 500,000 | \$ 500,000 |
| Total revenues | - | - | 500,000 | 500,000 |
| Expenditures: | | | | |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | - | - | 500,000 | 500,000 |
| Net change in fund balances | \$ - | \$ - | \$ 500,000 | \$ 500,000 |



STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

| | <u>Page</u> |
|---|--------------|
| Financial Trends | 79-85 |
| <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> | |
| Revenue Capacity | 86-89 |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 90-93 |
| <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> | |
| Demographic and Economic Information | 94-95 |
| <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> | |
| Operating Information | 96-98 |
| <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> | |

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

**City of Aventura, Florida
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 63,727,119 | \$ 69,229,415 | \$ 68,719,115 | \$ 69,973,180 | \$ 69,676,810 | \$ 56,363,585 | \$ 83,298,863 | \$ 83,259,653 | \$ 81,618,679 | \$ 81,608,195 |
| Restricted | 2,910,452 | 3,778,520 | 3,271,471 | 3,856,017 | 5,084,902 | 17,073,477 | 8,300,569 | 7,873,676 | 8,012,142 | 8,507,330 |
| Unrestricted | 36,690,649 | 36,726,441 | 38,897,287 | 37,512,481 | 40,147,287 | 45,458,005 | 31,633,822 | 30,683,450 | 33,075,470 | 37,069,874 |
| Total governmental activities, net position | \$ 103,328,220 | \$ 109,734,376 | \$ 110,887,873 | \$ 111,341,678 | \$ 114,908,999 | \$ 118,895,067 | \$ 123,233,254 | \$ 121,816,779 | \$ 122,706,291 | \$ 127,185,399 |
| Business-Type Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 6,829,449 | \$ 6,532,125 | \$ 6,775,365 | \$ 6,809,456 | \$ 8,464,648 | \$ 8,942,582 | \$ 8,959,654 | \$ 9,302,065 | \$ 9,710,999 | \$ 9,671,638 |
| Unrestricted | 1,703,713 | 2,056,616 | 2,549,418 | 2,265,033 | 912,350 | 314,906 | 516,304 | 810,750 | 623,861 | 1,194,248 |
| Total business-type activities, net position | \$ 8,533,162 | \$ 8,588,741 | \$ 9,324,783 | \$ 9,074,489 | \$ 9,376,998 | \$ 9,257,488 | \$ 9,475,958 | \$ 10,112,815 | \$ 10,334,860 | \$ 10,865,886 |
| Primary Government: | | | | | | | | | | |
| Net investment in capital assets | \$ 70,556,568 | \$ 75,761,540 | \$ 75,494,480 | \$ 76,782,636 | \$ 78,141,458 | \$ 65,306,167 | \$ 92,258,517 | \$ 92,561,718 | \$ 91,329,678 | \$ 91,279,833 |
| Restricted | 2,910,452 | 3,778,520 | 3,271,471 | 3,856,017 | 5,084,902 | 17,073,477 | 8,300,569 | 7,873,676 | 8,012,142 | 8,507,330 |
| Unrestricted | 38,394,362 | 38,783,057 | 41,446,705 | 39,777,514 | 41,059,637 | 45,772,911 | 32,150,126 | 31,494,200 | 33,699,331 | 38,264,122 |
| Total primary government, net position | \$ 111,861,382 | \$ 118,323,117 | \$ 120,212,656 | \$ 120,416,167 | \$ 124,285,997 | \$ 128,152,555 | \$ 132,709,212 | \$ 131,929,594 | \$ 133,041,151 | \$ 138,051,285 |

**City of Aventura, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 5,116,689 | \$ 5,340,426 | \$ 5,472,458 | \$ 5,435,311 | \$ 6,152,071 | \$ 6,852,644 | \$ 6,499,306 | \$ 6,623,623 | \$ 6,530,759 | \$ 7,429,382 |
| Public safety | 19,776,833 | 21,178,335 | 21,260,568 | 28,476,913 | 22,977,305 | 26,270,646 | 28,048,176 | 25,293,219 | 26,134,934 | 28,260,645 |
| Community services | 16,006,410 | 16,927,314 | 18,108,075 | 18,537,066 | 13,906,239 | 13,883,644 | 14,522,255 | 20,174,129 | 21,581,551 | 26,491,889 |
| Public works | - | - | - | - | 5,972,296 | 6,808,327 | 6,594,647 | 5,078,284 | 5,490,916 | 5,995,815 |
| Interest and fiscal charges | 976,609 | 904,834 | 811,973 | 780,591 | 691,208 | 823,128 | 915,785 | 839,016 | 705,175 | 647,028 |
| Total governmental activities | 41,876,541 | 44,350,909 | 45,653,074 | 53,229,881 | 49,699,119 | 54,638,389 | 56,580,169 | 58,008,271 | 60,443,335 | 68,824,759 |
| Business-type activities: | | | | | | | | | | |
| Stormwater utility | 872,010 | 805,636 | 693,864 | 1,165,564 | 990,716 | 1,479,473 | 1,135,236 | 1,067,621 | 1,071,324 | 1,252,380 |
| Total business-type activities | 872,010 | 805,636 | 693,864 | 1,165,564 | 990,716 | 1,479,473 | 1,135,236 | 1,067,621 | 1,071,324 | 1,252,380 |
| Total primary government expenses | \$ 42,748,551 | \$ 45,156,545 | \$ 46,346,938 | \$ 54,395,445 | \$ 50,689,835 | \$ 56,117,862 | \$ 57,715,405 | \$ 59,075,892 | \$ 61,514,659 | \$ 70,077,139 |
| Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | \$ 5,276,699 | \$ 6,369,993 | \$ 6,839,027 | \$ 9,155,350 | \$ 8,438,187 | \$ 10,703,033 | \$ 9,013,897 | \$ 9,956,969 | \$ 7,257,567 | \$ 11,289,058 |
| Public safety | - | - | - | - | - | - | - | - | 50,451 | 371,747 |
| Public works | 1,704,529 | 1,633,233 | 1,828,016 | 1,940,708 | 2,008,547 | 2,168,119 | 2,415,250 | 1,560,808 | 1,187,005 | 2,294,725 |
| Community services | 7,323,841 | 7,841,160 | 8,261,217 | 10,330,075 | 8,951,723 | 9,859,151 | 9,494,299 | 11,058,743 | 13,121,152 | 17,543,366 |
| Operating grants and contributions | 723,997 | 4,428,098 | 1,253,396 | 475,022 | 237,244 | 288,174 | 1,270,000 | 994,779 | 1,623,343 | 1,499,951 |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities program revenues | 15,029,066 | 20,272,484 | 18,181,656 | 21,901,155 | 19,635,701 | 23,018,477 | 22,193,446 | 19,571,299 | 23,239,518 | 32,998,847 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | 846,921 | 857,558 | 926,278 | 904,116 | 1,283,915 | 1,253,514 | 1,347,009 | 1,442,333 | 1,376,473 | 1,331,986 |
| Stormwater utility | - | - | - | - | - | - | - | 252,106 | - | 458,194 |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities program revenues | 846,921 | 857,558 | 926,278 | 904,116 | 1,283,915 | 1,253,514 | 1,347,009 | 1,694,439 | 1,376,473 | 1,790,180 |
| Total primary government program revenues | \$ 15,875,987 | \$ 21,130,042 | \$ 19,107,934 | \$ 22,805,271 | \$ 20,919,616 | \$ 24,271,991 | \$ 23,540,455 | \$ 21,265,738 | \$ 24,615,991 | \$ 34,789,027 |

**City of Aventura, Florida
Changes in Net Position
Last Ten Fiscal Years
(continued)
(Accrual Basis of Accounting)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Revenue/Expense: | | | | | | | | | | |
| Governmental activities | \$ (26,847,475) | \$ (24,078,425) | \$ (27,471,418) | \$ (31,328,726) | \$ (30,063,418) | \$ (31,619,912) | \$ (34,386,723) | \$ (38,436,972) | \$ (37,203,817) | \$ (35,825,912) |
| Business-type activities | (25,089) | 51,922 | 232,414 | (261,448) | 293,199 | (225,959) | 211,773 | 626,818 | 305,149 | 537,800 |
| Total primary government, net expense | \$ (26,872,564) | \$ (24,026,503) | \$ (27,239,004) | \$ (31,590,174) | \$ (29,770,219) | \$ (31,845,871) | \$ (34,174,950) | \$ (37,810,154) | \$ (36,898,668) | \$ (35,288,112) |
| General Revenue and Transfers: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Ad valorem taxes | \$ 12,080,224 | \$ 12,791,444 | \$ 13,977,630 | \$ 15,008,874 | \$ 16,349,089 | \$ 16,747,025 | \$ 17,051,593 | \$ 17,557,171 | \$ 17,346,855 | \$ 17,216,330 |
| Utility service taxes and other | 7,551,899 | 7,933,535 | 7,872,483 | 7,720,496 | 7,655,803 | 8,052,694 | 9,158,398 | 9,435,432 | 9,604,135 | 10,139,401 |
| Franchise fees | 2,823,490 | 2,289,721 | 2,294,667 | 2,365,853 | 1,979,437 | 2,544,772 | 2,399,456 | 2,201,619 | 4,381,329 | 5,138,500 |
| Intergovernmental revenue - unrestricted | 5,238,710 | 5,767,456 | 5,960,760 | 6,157,110 | 7,141,485 | 6,632,917 | 6,413,594 | 5,336,308 | 6,364,811 | 8,113,189 |
| Impact fees | 655,743 | 77,607 | 6,775 | 255,022 | 145,498 | 1,140,494 | 1,292,803 | 598,318 | - | - |
| Investment income (loss) | 65,726 | 89,941 | 182,464 | 260,113 | 347,537 | 650,183 | 1,627,125 | 1,432,822 | 75,749 | (921,297) |
| Miscellaneous revenues | 597,916 | 1,534,877 | 377,908 | 15,063 | 11,890 | 28,560 | 781,941 | 459,534 | 299,850 | 618,897 |
| Net transfers ⁺ | - | - | - | - | - | - | - | (67,841) | - | - |
| Total governmental activities | 29,013,708 | 30,484,581 | 30,672,687 | 31,782,531 | 33,630,739 | 35,796,645 | 38,724,910 | 36,953,363 | 38,072,729 | 40,305,020 |
| Business-type activities: | | | | | | | | | | |
| Intergovernmental - (unrestricted) | - | - | 496,293 | - | - | 100,000 | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | (83,813) | - |
| Investment income (loss) | 2,436 | 3,657 | 7,335 | 11,154 | 9,310 | 6,449 | 6,697 | 10,039 | 709 | (6,774) |
| Total business-type activities | 2,436 | 3,657 | 503,628 | 11,154 | 9,310 | 106,449 | 6,697 | 10,039 | (83,104) | (6,774) |
| Total primary government | \$ 29,016,144 | \$ 30,488,238 | \$ 31,176,315 | \$ 31,793,685 | \$ 33,640,049 | \$ 35,903,094 | \$ 38,731,607 | \$ 36,963,402 | \$ 37,989,625 | \$ 40,298,246 |
| Change in Net Position: | | | | | | | | | | |
| Governmental activities | \$ 2,166,233 | \$ 6,406,156 | \$ 3,201,269 | \$ 453,805 | \$ 3,567,321 | \$ 4,176,733 | \$ 4,338,187 | \$ (1,483,609) | \$ 868,912 | \$ 4,479,108 |
| Business-type activities | (22,653) | 55,579 | 736,042 | (250,294) | 302,509 | (119,510) | 218,470 | 636,857 | 222,045 | 531,026 |
| Total primary government | \$ 2,143,580 | \$ 6,461,735 | \$ 3,937,311 | \$ 203,511 | \$ 3,869,830 | \$ 4,057,223 | \$ 4,556,657 | \$ (846,752) | \$ 1,090,957 | \$ 5,010,134 |

Note: (1) Effective 2020, the Charter Schools of the City are presented as of and for the year ended June 30th.

City of Aventura, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| <u>Fiscal Year</u> | <u>Tax Roll Year</u> | <u>Ad Valorem Taxes</u> | <u>Utility Service Taxes</u> | <u>Franchise Fees</u> | <u>Total</u> |
|--------------------|----------------------|-------------------------|------------------------------|-----------------------|---------------|
| 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 | 15,008,874 | 7,720,496 | 2,365,853 | 25,095,223 |
| 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 | 9,158,398 | 2,399,456 | 28,609,447 |
| 2020 | 2019 | 17,557,171 | 9,435,432 | 2,201,619 | 29,194,222 |
| 2021 | 2020 | 17,346,855 | 9,604,135 | 4,381,329 | 31,332,319 |
| 2022 | 2021 | 17,216,330 | 10,139,401 | 5,138,500 | 32,494,231 |

**City of Aventura, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ 285,056 | \$ 358,893 | \$ 448,765 | \$ 416,956 | \$ 496,322 | \$ 537,563 | \$ 630,695 | \$ 351,524 | \$ 696,872 | \$ 694,042 |
| Committed | 19,773,488 | 21,378,324 | 21,405,561 | 21,575,911 | 21,895,756 | 19,772,304 | 19,772,304 | 19,772,304 | 19,772,304 | 19,772,304 |
| Assigned | 1,995,152 | 789,486 | 313,426 | 898,495 | 1,541,402 | 559,263 | 399,087 | 361,257 | 841,192 | 691,054 |
| Unassigned | 14,459,667 | 13,582,754 | 16,912,171 | 19,724,328 | 21,290,153 | 15,541,095 | 20,350,488 | 21,148,403 | 24,156,021 | 25,782,664 |
| Total General Fund | \$ 36,513,363 | \$ 36,109,457 | \$ 39,079,923 | \$ 42,615,690 | \$ 45,223,633 | \$ 36,410,225 | \$ 41,152,574 | \$ 41,633,488 | \$ 45,466,389 | \$ 46,940,064 |
| All other governmental funds: | | | | | | | | | | |
| Nonspendable | \$ - | \$ 9,466 | \$ 9,466 | \$ 11,961 | \$ 11,961 | \$ 11,961 | \$ 9,466 | \$ 9,465 | \$ 23,019 | \$ 23,330 |
| Committed | - | - | - | - | - | - | 1,779,618 | - | - | - |
| Restricted | 2,910,452 | 3,778,520 | 3,271,471 | 4,286,433 | 5,084,902 | 17,073,477 | 8,300,569 | 7,873,676 | 8,012,142 | 8,507,330 |
| Assigned | 2,153,301 | 2,999,094 | 4,376,429 | 3,877,756 | 2,648,408 | 3,361,029 | 15,784 | 2,028,124 | 657,245 | 1,494,773 |
| Unassigned | - | - | - | - | - | - | (1,350,803) | (2,319,884) | (2,473,438) | (3,215,374) |
| Total all other governmental funds | \$ 5,063,753 | \$ 6,787,080 | \$ 7,657,366 | \$ 8,176,150 | \$ 7,745,271 | \$ 20,446,467 | \$ 8,754,634 | \$ 7,591,381 | \$ 6,218,968 | \$ 6,810,059 |

**City of Aventura, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Ad valorem taxes | \$ 12,080,224 | \$ 12,791,444 | \$ 13,977,630 | \$ 15,008,874 | \$ 16,349,089 | \$ 16,747,025 | \$ 17,051,593 | \$ 17,557,171 | \$ 17,346,855 | \$ 17,216,330 |
| Utility service and other | 7,856,769 | 7,884,830 | 7,872,483 | 7,720,496 | 7,655,803 | 8,052,694 | 9,158,398 | 9,230,401 | 9,696,071 | 10,252,496 |
| Franchise fees | 2,823,490 | 2,289,722 | 2,294,667 | 2,374,953 | 1,979,437 | 2,544,772 | 2,399,456 | 2,011,619 | 4,381,329 | 5,138,500 |
| Licenses, permits and impact fees | 3,145,450 | 3,237,097 | 3,937,322 | 5,714,913 | 5,124,218 | 8,150,602 | 5,485,397 | 2,818,872 | 2,872,946 | 6,155,457 |
| Intergovernmental revenues | 12,432,705 | 13,115,271 | 13,707,814 | 13,952,101 | 14,496,892 | 15,200,778 | 17,293,273 | 17,319,096 | 20,517,005 | 25,665,637 |
| Charges for services | 2,997,916 | 3,147,989 | 3,721,362 | 5,061,619 | 4,363,712 | 4,313,718 | 4,711,865 | 3,562,199 | 3,486,725 | 4,478,750 |
| Fines and forfeitures | 2,371,544 | 2,652,615 | 2,783,222 | 3,008,304 | 2,787,628 | 2,653,695 | 2,706,828 | 1,734,024 | 2,135,352 | 3,321,323 |
| Investment income (loss) | 65,726 | 89,941 | 182,464 | 260,077 | 347,537 | 650,183 | 1,627,125 | 1,432,822 | 75,749 | (921,297) |
| Miscellaneous | 380,446 | 474,234 | 336,529 | 311,886 | 264,948 | 514,920 | 437,552 | 690,764 | 339,400 | 823,223 |
| Total revenues | 44,154,270 | 45,683,143 | 48,813,493 | 53,413,223 | 53,369,264 | 58,828,387 | 60,871,487 | 56,546,968 | 60,851,432 | 72,130,419 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 4,437,525 | 4,536,983 | 4,631,847 | 4,786,053 | 5,303,756 | 5,839,354 | 5,529,600 | 5,835,984 | 5,664,264 | 6,720,684 |
| Public safety | 18,820,627 | 19,682,937 | 20,151,306 | 22,019,805 | 22,835,279 | 24,752,571 | 24,528,213 | 23,831,441 | 24,828,526 | 27,729,442 |
| Community services | 12,727,047 | 13,654,908 | 13,878,863 | 14,898,678 | 11,445,973 | 11,893,206 | 12,767,001 | 14,837,524 | 17,297,056 | 21,949,087 |
| Public works | - | - | 0 | 0 | 4,421,461 | 4,733,897 | 4,783,972 | 4,877,664 | 5,230,744 | 5,848,624 |
| Capital outlay | 8,158,627 | 5,074,822 | 3,804,602 | 5,125,295 | 4,653,942 | 12,150,289 | 17,247,114 | 4,339,903 | 2,935,519 | 5,210,379 |
| Debt service: | | | | | | | | | | |
| Principal | 1,590,000 | 1,675,000 | 1,735,000 | 1,790,000 | 1,850,000 | 1,930,000 | 2,120,000 | 2,705,000 | 1,785,000 | 1,845,000 |
| Interest | 948,769 | 867,979 | 811,973 | 753,904 | 693,679 | 769,842 | 867,530 | 801,084 | 670,435 | 612,437 |
| Total expenditures | 46,682,595 | 45,492,629 | 45,013,591 | 49,373,735 | 51,204,090 | 62,069,159 | 67,843,430 | 57,228,600 | 58,411,544 | 69,915,653 |
| Excess (deficiency) of revenues over expenditures | (2,528,325) | 190,514 | 3,799,902 | 4,039,488 | 2,165,174 | (3,240,772) | (6,971,943) | (681,632) | 2,439,888 | 2,214,766 |
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of debt | - | - | - | - | - | 7,100,000 | - | - | - | - |
| Sale of general capital assets | - | 1,128,907 | 40,850 | 15,063 | 11,890 | 28,560 | 22,459 | - | - | - |
| Transfers in | 2,657,882 | 2,773,685 | 2,666,334 | 2,644,908 | 2,644,502 | 9,273,335 | 3,478,942 | 3,743,353 | 2,744,214 | 5,437,416 |
| Transfers out | (2,657,882) | (2,773,685) | (2,666,334) | (2,644,908) | (2,644,502) | (9,273,335) | (3,478,942) | (3,810,994) | (2,744,214) | (5,587,416) |
| Total other financing sources (uses) | - | 1,128,907 | 40,850 | 15,063 | 11,890 | 7,128,560 | 22,459 | (67,641) | - | (150,000) |
| Net change in fund balances | \$ (2,528,325) | \$ 1,319,421 | \$ 3,840,752 | \$ 4,054,551 | \$ 2,177,064 | \$ 3,887,788 | \$ (6,949,484) | \$ (749,273) | \$ 2,439,888 | \$ 2,064,766 |
| Debt service as a percentage of noncapital expenditures | 6.54% | 6.17% | 6.01% | 5.63% | 5.46% | 4.67% | 5.84% | 6.41% | 4.37% | 3.72% |

**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 and Other | Franchise Fees | Licenses, Permits and Impact Fees | Inter-Governmental Revenues | Charges for Services | Fines and Forfeitures | Investment Income (Loss) | Miscellaneous | Total |
|--------------------|-------------------------|--------------------------------|-----------------------|--|------------------------------------|-----------------------------|------------------------------|---------------------------------|----------------------|---------------|
| 2013 | \$ 12,080,224 | \$ 7,856,769 | \$ 2,823,490 | \$ 3,145,450 | \$ 12,432,705 | \$ 2,997,916 | \$ 2,371,544 | \$ 65,726 | \$ 380,446 | \$ 44,154,270 |
| 2014 | 12,791,444 | 7,884,830 | 2,289,722 | 3,237,097 | 13,115,271 | 3,147,989 | 2,652,615 | 89,941 | 474,234 | 45,683,143 |
| 2015 | 13,977,630 | 7,872,483 | 2,294,667 | 3,937,322 | 13,707,814 | 3,721,362 | 2,783,222 | 182,464 | 336,529 | 48,813,493 |
| 2016 | 15,008,874 | 7,720,496 | 2,374,953 | 5,714,913 | 13,952,101 | 5,061,619 | 3,008,304 | 260,077 | 311,886 | 53,413,223 |
| 2017 | 16,349,089 | 7,655,803 | 1,979,437 | 5,124,218 | 14,496,892 | 4,363,712 | 2,787,628 | 347,537 | 264,948 | 53,369,264 |
| 2018 | 16,747,025 | 8,052,694 | 2,544,772 | 8,150,602 | 15,200,778 | 4,313,718 | 2,653,695 | 650,183 | 514,920 | 58,828,387 |
| 2019 | 17,051,593 | 9,158,398 | 2,399,456 | 5,485,397 | 17,293,273 | 4,711,865 | 2,706,828 | 1,627,125 | 437,552 | 60,871,487 |
| 2020 | 17,557,171 | 9,230,401 | 2,201,619 | 2,818,872 | 17,319,096 | 3,562,199 | 1,734,024 | 1,432,822 | 690,764 | 56,546,968 |
| 2021 | 17,346,855 | 9,696,071 | 4,381,329 | 2,872,946 | 20,517,005 | 3,486,725 | 2,135,352 | 75,749 | 339,400 | 60,851,432 |
| 2022 | 17,216,330 | 10,252,496 | 5,138,500 | 6,155,457 | 25,665,637 | 4,478,750 | 3,321,323 | (921,297) | 823,223 | 72,130,419 |

**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 | | | | |
| 2013 | 2012 | \$ 7,832,825,557 | \$ 216,503,467 | \$ 7,501,239,017 | 1.7261 | \$ 8,489,607,871 | 88.358% |
| 2014 | 2013 | 8,109,509,199 | 211,480,897 | 7,786,432,398 | 1.7261 | 9,019,164,457 | 86.332% |
| 2015 | 2014 | 8,734,453,409 | 198,681,857 | 8,394,311,130 | 1.7261 | 10,144,322,013 | 82.749% |
| 2016 | 2015 | 9,418,840,654 | 208,455,823 | 9,094,962,102 | 1.7261 | 11,145,485,996 | 81.602% |
| 2017 | 2016 | 10,256,329,248 | 216,738,181 | 9,901,694,244 | 1.7261 | 12,029,604,133 | 82.311% |
| 2018 | 2017 | 10,450,567,929 | 223,735,802 | 10,098,997,863 | 1.7261 | 11,839,266,628 | 85.301% |
| 2019 | 2018 | 10,669,786,837 | 251,121,004 | 10,365,840,176 | 1.7261 | 11,891,380,991 | 87.171% |
| 2020 | 2019 | 11,012,770,618 | 286,759,608 | 10,740,186,632 | 1.7261 | 12,261,439,432 | 87.593% |
| 2021 | 2020 | 10,835,195,692 | 309,145,157 | 10,550,216,874 | 1.7261 | 11,824,717,397 | 89.222% |
| 2022 | 2021 | 10,775,110,254 | 301,043,151 | 10,451,356,658 | 1.7261 | 11,644,779,674 | 89.751% |

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

**City of Aventura, Florida
Property Tax Rates
Direct and Overlapping Governments
(Per \$ 1,000 of Taxable Value)
Last Ten Fiscal Years**

| Fiscal Year | Tax Roll Year | City of Aventura | | | | School District | | | | South | | | | Regional | | | | Miami-Dade County | | | | Other | |
|-------------|---------------|-------------------|----------------------|--------------------|--------|-------------------|----------------------|----------------------|--------|----------------------------------|--------------------|------------------|--------------------------------------|------------------------|-------------------|----------------------|-----------------|-------------------|---------|----------------------|------------------|------------------------------------|--|
| | | Operating Millage | Debt Service Millage | Total City Millage | Total | Operating Millage | Debt Service Millage | Total School Millage | Total | Florida Water Management Millage | Everglades Project | Okeechobee Basin | Florida Inland Navigational District | Total Regional Millage | Operating Millage | Debt Service Millage | Fire and Rescue | Fire Debt | Library | Total County Millage | Children's Trust | Total Direct and Overlapping Rates | |
| 2013 | 2012 | 1.7261 | 0.0000 | 1.7261 | 7.7650 | 0.2330 | 7.9980 | 0.3676 | 0.0613 | 0.0000 | 0.0345 | 0.4634 | 4.7035 | 0.2850 | 0.0131 | 2.4496 | 0.0131 | 0.1725 | 7.6237 | 0.5000 | 18.3112 | | |
| 2014 | 2013 | 1.7261 | 0.0000 | 1.7261 | 7.6440 | 0.3330 | 7.9770 | 0.3523 | 0.0587 | 0.0000 | 0.0345 | 0.4455 | 4.7035 | 0.4220 | 0.0127 | 2.4496 | 0.0127 | 0.1725 | 7.7603 | 0.5000 | 18.4089 | | |
| 2015 | 2014 | 1.7261 | 0.0000 | 1.7261 | 7.7750 | 0.1990 | 7.9740 | 0.1577 | 0.0548 | 0.1717 | 0.0345 | 0.4187 | 4.6669 | 0.4500 | 0.0114 | 2.4207 | 0.0114 | 0.2840 | 7.8330 | 0.5000 | 18.4518 | | |
| 2016 | 2015 | 1.7261 | 0.0000 | 1.7261 | 7.4130 | 0.1990 | 7.6120 | 0.1459 | 0.0506 | 0.1586 | 0.0320 | 0.3871 | 4.6669 | 0.4500 | 0.0086 | 2.4207 | 0.0086 | 0.2840 | 7.8302 | 0.5000 | 18.0554 | | |
| 2017 | 2016 | 1.7261 | 0.0000 | 1.7261 | 7.1380 | 0.1840 | 7.3220 | 0.1359 | 0.0471 | 0.1477 | 0.0320 | 0.3627 | 4.6669 | 0.4000 | 0.0075 | 2.4207 | 0.0075 | 0.2840 | 7.7791 | 0.5000 | 17.6899 | | |
| 2018 | 2017 | 1.7261 | 0.0000 | 1.7261 | 6.7740 | 0.2200 | 6.9940 | 0.1275 | 0.0441 | 0.1384 | 0.0320 | 0.3420 | 4.6669 | 0.4000 | 0.0075 | 2.4207 | 0.0075 | 0.2840 | 7.7791 | 0.4673 | 17.3085 | | |
| 2019 | 2018 | 1.7261 | 0.0000 | 1.7261 | 6.5040 | 0.2290 | 6.7330 | 0.1209 | 0.0417 | 0.1310 | 0.0320 | 0.3256 | 4.6669 | 0.4644 | 0.0000 | 2.4207 | 0.0000 | 0.2840 | 7.8360 | 0.4415 | 17.0622 | | |
| 2020 | 2019 | 1.7261 | 0.0000 | 1.7261 | 7.0250 | 0.1230 | 7.1480 | 0.1152 | 0.0397 | 0.1246 | 0.0320 | 0.3115 | 4.6669 | 0.4780 | 0.0000 | 2.4207 | 0.0000 | 0.2840 | 7.8496 | 0.4680 | 17.5032 | | |
| 2021 | 2020 | 1.7261 | 0.0000 | 1.7261 | 6.9360 | 0.1930 | 7.1290 | 0.1103 | 0.0380 | 0.1192 | 0.0320 | 0.2995 | 4.6669 | 0.4780 | 0.0000 | 2.4207 | 0.0000 | 0.2840 | 7.8496 | 0.4507 | 17.4549 | | |
| 2022 | 2021 | 1.7261 | 0.0000 | 1.7261 | 6.8290 | 0.1800 | 7.0090 | 0.1061 | 0.0365 | 0.1146 | 0.0320 | 0.2892 | 4.6669 | 0.5075 | 0.0000 | 2.4207 | 0.0000 | 0.2840 | 7.8791 | 0.5000 | 17.4034 | | |

Source: Miami-Dade County Appraiser's Office.

**City of Aventura, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago**

| | Fiscal Year | | | | | | | | | |
|------------------------------------|--------------------------------------|-------------------------|------------------------|---------------|-----------------------------------|------------------------|---------------|-----------------------------------|------------------------------|-----------------------------------|
| | 2022 | | | | | 2013 | | | | |
| | Taxpayer | Type of Use | Taxable Assessed Value | Rank | Percentage Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage Taxable Assessed Value | Total Taxable Assessed Value | Percentage Taxable Assessed Value |
| Aventura Mall Venture Lessor | Shopping Center | \$ 793,995,202 | 1 | 7.60% | \$ 435,582,841 | 1 | 5.81% | | | |
| TB Isle Resort LP | Golf Course, Hotel & Marina | 172,429,284 | 2 | 1.65% | 144,283,828 | 2 | 1.92% | | | |
| Miami Beach Healthcare Group, LTD | Hospital & Health Care Facility | 153,791,188 | 3 | 1.47% | 69,481,443 | 4 | 0.93% | | | |
| Renaissance Aventura, LLC | Office Building | 104,400,000 | 4 | 1.00% | - | - | - | | | |
| Florida Power & Light Co. | Electrical Utility Company | 76,004,319 | 5 | 0.73% | 44,927,625 | 7 | 0.60% | | | |
| Aventura Harbour Borrower, LLC | Office Building | 74,100,000 | 6 | 0.71% | - | - | - | | | |
| Promventure Limited Partnership | Shopping Center | 69,744,631 | 7 | 0.67% | - | - | - | | | |
| Summit Properties Partnership, LP | Rental Apartment Complex | 61,600,000 | 8 | 0.59% | 50,600,000 | 6 | 0.67% | | | |
| Equity One Florida Portfolio | Shopping Center | 57,599,324 | 9 | 0.55% | - | - | - | | | |
| SCG Atlas Aventura, LLC | Multi-Family | 55,708,400 | 10 | 0.53% | - | - | - | | | |
| CC-Aventura Inc. | Independent/Assisted Living Facility | - | - | - | 81,350,000 | 3 | 1.08% | | | |
| D. Soffer and B. Redich TRS | Commercial Developer | - | - | - | 55,895,107 | 5 | 0.75% | | | |
| Bruce Strohm and D. Neithercut TRS | Rental Apartment Complex | - | - | - | 43,300,000 | 8 | 0.58% | | | |
| NNN Aventura Harbour Centre, LLC | Mixed Use Zones & Offices | - | - | - | 40,940,000 | 9 | 0.55% | | | |
| Lincoln Aventura, LLC | Rental Apartment Complex | - | - | - | 38,700,000 | 10 | 0.52% | | | |
| Totals | | \$ 1,619,372,348 | | 15.49% | \$ 1,005,060,844 | | 13.40% | | | |

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) Property Tax Discount | | Net Tax Levy | Current Tax Collection | Percentage of Current Tax Collections to Net Tax Levy | | (2) Delinquent Tax Collection | | Total Tax Collection | Percentage of Total Tax Collection to Property Tax Levy | |
|-------------|---------------|-------------------|---------------------------|-----------------------|---------------|------------------------|---|-----------------------------|-------------------------------|----------------------|----------------------|---|---------------------------------|
| | | | Property Tax Levy | Property Tax Discount | | | Current Tax Collection | Collections to Net Tax Levy | Delinquent Tax Collection | Total Tax Collection | | Total Tax Collection | Collection to Property Tax Levy |
| 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 | 14,932,036 | 99.08% | 76,838 | 15,008,874 | 95.61% | | | | |
| 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% | | | | |
| 2020 | 2019 | 18,538,636 | 741,545 | 17,797,091 | 16,771,344 | 94.24% | 785,827 | 17,557,171 | 94.71% | | | | |
| 2021 | 2020 | 18,210,729 | 728,429 | 17,482,300 | 16,827,280 | 96.25% | 519,575 | 17,346,855 | 95.26% | | | | |
| 2022 | 2021 | 18,040,087 | 721,603 | 17,318,484 | 16,771,383 | 96.84% | 444,947 | 17,216,330 | 95.43% | | | | |

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 | | | | |
| 2013 | \$ - | 27,215,000 | \$ - | \$ - | \$ - | \$ 27,215,000 | 1.79% | \$ 721.40 |
| 2014 | - | 25,540,000 | - | - | - | 25,540,000 | 1.64% | 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 |
| 2020 | - | 20,510,000 | - | - | - | 20,510,000 | * | 539.30 |
| 2021 | - | 18,725,000 | - | - | - | 18,725,000 | * | 463.82 |
| 2022 | - | 16,880,000 | - | - | - | 16,880,000 | * | 419.46 |

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) |
|--------------------|--------------------------|--|------------------------|---|---|---------------------------------------|
| 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 | 536,587 | 22,678,413 | 10,365,840,176 | 0.22% | 600.12 |
| 2020 | 20,510,000 | 258,892 | 20,251,108 | 10,740,186,632 | 0.19% | 532.49 |
| 2021 | 18,725,000 | 297,898 | 18,427,102 | 10,550,216,874 | 0.17% | 456.44 |
| 2022 | 16,880,000 | 335,118 | 16,544,882 | 10,451,356,658 | 0.16% | 411.13 |

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

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

City of Aventura, Florida
Direct and Overlapping Governmental Activity Debt
September 30, 2022

| <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) | \$ 4,909,722,883 | 2.900% | \$ 142,381,964 |
| Miami-Dade County School Board (2) | <u>2,988,205,000</u> | 2.900% | <u>86,657,945</u> |
| Subtotal overlapping debt | <u>7,897,927,883</u> | | <u>229,039,909</u> |
| Direct debt: | | | |
| City of Aventura | <u>16,880,000</u> | 100.000% | <u>16,880,000</u> |
| Subtotal direct debt | <u>16,880,000</u> | | <u>16,880,000</u> |
| Total direct and overlapping debt | <u>\$ 7,914,807,883</u> | | <u>\$ 245,919,909</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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|---------|------------------|
| Debt limit | \$ 750,123,902 | \$ 778,643,240 | \$ 839,431,113 | \$ 909,496,210 | \$ 990,169,424 | \$ 1,009,899,786 | \$ 1,036,584,018 | \$ 1,074,018,663 | \$ 0 | \$ 1,045,135,666 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | \$ 750,123,902 | \$ 778,643,240 | \$ 839,431,113 | \$ 909,496,210 | \$ 990,169,424 | \$ 1,009,899,786 | \$ 1,036,584,018 | \$ 1,074,018,663 | \$ 0 | \$ 1,045,135,666 |
| 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% | #DIV/0! | 0.00% |

Legal Debt Margin Calculation for Fiscal Year 2021

| | |
|--|-------------------|
| Assessed valuation of taxable real and personal property | \$ 10,451,356,658 |
| Bonded debt limit - 10% above (1) | \$ 1,045,135,666 |
| Amount of debt applicable to debt limit: | |
| Total bonded debt | \$ 16,880,000 |
| Less: debt to be repaid from specified revenue sources: | |
| Covenant to budget and appropriate | (16,880,000) |
| Total net debt applicable to limit | - |
| Legal Debt Margin (1) | \$ 11,496,492,324 |

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) |
|--------------------|-----------------------|---|---------------------------------------|------------------------------|
| 2013 | 37,725 | \$ 1,516,695 | \$ 40,204 | 6.0% |
| 2014 | 37,262 | 1,560,644 | 41,883 | 5.4% |
| 2015 | 37,473 | * | * | 5.8% |
| 2016 | 37,611 | * | * | 5.5% |
| 2017 | 37,694 | * | * | 4.3% |
| 2018 | 37,694 | * | * | 3.4% |
| 2019 | 37,790 | * | * | 2.5% |
| 2020 | 38,031 | * | * | 7.0% |
| 2021 | 40,371 | * | * | 5.3% |
| 2022 | 40,242 | 2,268,079 | 56,361 | 0.9% |

Data sources:

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

**City of Aventura, Florida
Occupational Employment by Group - Miami-Dade County, Florida
Current Year and Nine Years Ago**

| <u>Occupational Groups</u> | <u>SOC Code</u> | <u>2022</u> | | | <u>2013</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 | 377,530 | 1 | 15.42% | 197,250 | 1 | 19.72% |
| Sales and related | 41-0000 | 288,540 | 2 | 11.79% | 142,470 | 2 | 14.26% |
| Transportation and material moving | 53-0000 | 213,470 | 3 | 8.72% | 70,560 | 4 | 7.06% |
| Food preparation and serving related | 35-0000 | 208,490 | 4 | 8.52% | 93,050 | 3 | 9.31% |
| Healthcare practitioners and technical | 29-0000 | 161,780 | 6 | 6.61% | 63,640 | 5 | 6.37% |
| Business and financial operations | 13-0000 | 165,880 | 5 | 6.78% | 53,330 | 6 | 5.34% |
| Management | 11-0000 | 153,250 | 7 | 6.26% | 32,520 | 12 | 3.25% |
| Education, training and library | 25-0000 | 109,740 | 8 | 4.48% | 51,200 | 7 | 5.12% |
| Installation, maintenance and repair | 49-0000 | 106,570 | 9 | 4.35% | 36,710 | 9 | 3.67% |
| Construction and extraction | 47-0000 | 94,980 | 10 | 3.88% | 22,710 | 15 | 2.27% |
| Building and grounds cleaning and maintenance | 37-0000 | 83,730 | 12 | 0.00% | 32,730 | 11 | 3.27% |
| Protective service | 33-0000 | 87,780 | 11 | 3.42% | 36,810 | 8 | 3.68% |
| Healthcare support | 31-0000 | 77,540 | 13 | 3.59% | 25,420 | 14 | 2.54% |
| Production | 51-0000 | 73,830 | 14 | 3.17% | 34,470 | 10 | 3.45% |
| Computer and mathematical | 15-0000 | 53,730 | 15 | 3.02% | 17,170 | 16 | 1.72% |
| Personal care and service | 39-0000 | 50,830 | 16 | 2.20% | 30,040 | 13 | 3.01% |
| Legal | 23-0000 | 39,330 | 17 | 2.08% | 15,080 | 17 | 1.51% |
| Community and social service | 21-0000 | 30,320 | 19 | 1.61% | 12,130 | 19 | 1.21% |
| Arts, design, entertainment, sports and media | 27-0000 | 33,560 | 18 | 0.00% | 14,410 | 18 | 1.44% |
| Architecture and engineering | 17-0000 | 24,510 | 20 | 1.37% | 9,960 | 20 | 1.00% |
| Life, physical and social science | 19-0000 | 12,400 | 21 | 1.00% | 4,010 | 21 | 0.40% |
| Farming, fishing and forestry | 45-0000 | - | 22 | 0.51% | 3,720 | 22 | 0.37% |
| Total | | <u>2,447,790</u> | | <u>100.00%</u> | <u>999,390</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 2020. Estimates do not include self-employed workers.

**City of Aventura, Florida
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

| Function: | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 18 | 22 | 22 | 22 | 22 | 22 | 21 | 21 | 23 | 24 |
| Public safety: | | | | | | | | | | |
| Sworn | 83 | 83 | 83 | 83 | 82 | 85 | 89 | 88 | 92 | 92 |
| Civilians | 38 | 37 | 38 | 39 | 39 | 36 | 37 | 37 | 32 | 36 |
| Community services | 14 | 14 | 14 | 14 | 10 | 8 | 16 | 17 | 15 | 18 |
| Public works/transportation ⁽¹⁾ | - | - | - | - | 6 | 7 | 7 | 7 | 8 | 8 |
| Community development | 8 | 8 | 8 | 8 | 8 | 8 | 6 | 6 | 7 | 6 |
| Total | 161 | 164 | 165 | 166 | 167 | 166 | 176 | 176 | 177 | 184 |

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**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Function: | | | | | | | | | | |
| Public safety: | | | | | | | | | | |
| Part 1 Crimes reported* | 2,353 | 2,210 | 2,273 | 2,126 | 2,091 | 2,334 | 2,082 | 1,638 | 1,560 | 1,759 |
| Arrests | 2,015 | 1,937 | 1,705 | 1,560 | 1,232 | 1,326 | 1,209 | 969 | 991 | 906 |
| Traffic citations | 16,940 | 18,690 | 15,911 | 19,596 | 13,343 | 10,277 | 8,976 | 3,939 | 4,212 | 6,796 |
| Parking citations issued | 1,847 | 1,498 | 1,295 | 618 | 889 | 795 | 1,174 | 424 | 817 | 1,297 |
| Calls for service | 29,123 | 28,682 | 16,816 | 15,688 | 15,248 | 17,934 | 16,515 | 15,730 | 17,653 | 19,964 |
| Accidents | 2,046 | 2,134 | 2,144 | 2,071 | 2,162 | 2,042 | 1,923 | 1,414 | 1,709 | 1,871 |
| Community development: | | | | | | | | | | |
| Building permits issued | 5,141 | 5,244 | 5,352 | 4,959 | 4,560 | 6,330 | 5,063 | 3,273 | 3,954 | 5,302 |
| Building inspections conducted | 8,954 | 10,438 | 12,538 | 12,055 | 11,257 | 14,236 | 15,803 | 10,232 | 11,282 | 17,673 |
| Code notice of violations issued | 187 | 139 | 146 | 109 | 150 | 119 | 76 | 121 | 153 | 253 |
| City business tax receipts issued | 2,712 | 2,383 | 2,504 | 2,625 | 2,438 | 2,704 | 819 | 579 | 1,933 | 2,092 |
| Community services: | | | | | | | | | | |
| Recreation center memberships | 1,088 | 1,125 | 1,100 | 1,132 | 1,093 | 1,021 | 984 | 795 | 814 | 1,324 |
| Special event attendance | 27,188 | 31,715 | 32,648 | 35,895 | 39,587 | 36,376 | 35,215 | 15,962 | 88,852 | 39,367 |
| Shuttle bus ridership | 284,876 | 279,943 | 270,082 | 274,223 | 274,532 | 300,858 | 300,123 | 157,060 | 148,456 | 139,790 |
| Charter school enrollment: | | | | | | | | | | |
| Aventura City Excellence School (K-8) | 996 | 1,008 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,032 | 1032 |
| Don Soffer Aventura High School | N/A | N/A | N/A | N/A | N/A | N/A | 200 | 415 | 620 | 620 |

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**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| 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 | 7 | 7 | 7 | 7 | 7 | 7 |
| Public recreation acreage | 30.50 | 30.50 | 30.50 | 30.50 | 32.00 | 32.00 | 32.00 | 32.00 | 32.00 | 32 |
| 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 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Community recreation centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Arts and Cultural Center | 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 | 742 | 800 | 800 | 824 | 937 | 937 | 937 | 937 | 937 | 937 |
| Miles of roads | 13.80 | 13.80 | 13.80 | 13.80 | 13.80 | 13.80 | 14.00 | 14.00 | 14.00 | 14 |
| Charter schools: | | | | | | | | | | |
| Aventura City 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 | 1 | 1 | 1 | 1 |
| Transit routes/minibuses (2) | | | | | | | | | | |
| Permanent | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| Seasonal | - | - | - | 1 | - | - | - | - | - | - |
| On-Demand Transportation | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2 |

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

N/A: Information not available.



COMPLIANCE SECTION

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

To the Honorable Mayor 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 the City of Aventura, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 19, 2023. Our report includes a reference to other auditors who audited the financial statements of the City of Aventura Police Officers' Retirement Plan Pension Trust Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

CPA's + Trusted Advisors

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 19, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Aventura, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

City of Aventura, Florida

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 19, 2023

City of Aventura, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

| <u>Federal Agency/Pass-Through Grantor/Program Title</u> | <u>Assistance Listing</u> | <u>Contract/Grant Number</u> | <u>Expenditures</u> |
|--|---------------------------|------------------------------|---------------------|
| <u>United States Department of Justice</u> | | | |
| <u>Direct Program</u> | | | |
| Bulletproof Vest Partnership | 16.607 | -- | \$ 23,887 |
| Equitable Sharing Program | 16.922 | FL0139100 | 4,969 |
| <u>U.S. Department of Treasury</u> | | | |
| <u>Direct Program</u> | | | |
| Equitable Sharing Program | 16.922 | FL0139100 | 100,690 |
| | | 16.922 Total | 105,659 |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | -- | 1,745,049 |
| <u>U.S. Department of Education</u> | | | |
| <u>Passed Through Florida Department of Education</u> | | | |
| Elementary and Secondary School Emergency Relief (ESSER II) | 84.425D | -- | 1,790,108 |
| Student Support and Academic Enrichment | 84.424A | -- | 33,625 |
| Total U.S. Department of Education | | | 1,823,733 |
| <u>United States Department of Agriculture</u> | | | |
| <u>Passed Through Florida Department of Education</u> | | | |
| Child Nutrition Cluster | 10.555 | -- | 596,889 |
| National School Lunch Program | | | |
| Total Expenditures of Federal Awards | | | \$ 4,295,217 |

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Aventura, Florida (the "City"). The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) 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, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The City elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Contingency

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

**City of Aventura, Florida
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal program:

| <u>CFDA No.</u> | <u>Federal Program or Cluster</u> |
|-----------------|---|
| 84.425D | U.S. Department of Education Elementary and Secondary School Emergency Relief (ESSER II) |
| 21.027 | U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None Reported.

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA

To the 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, 2022, and have issued our report thereon dated May 19, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; 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 May 19, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition 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.

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 19, 2023

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

To the 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, *Local Government Investment Policies*, during the year ended September 30, 2022. Management 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 aforementioned requirements for the year ended September 30, 2022.

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 19, 2023

CPA's + Trusted Advisors



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