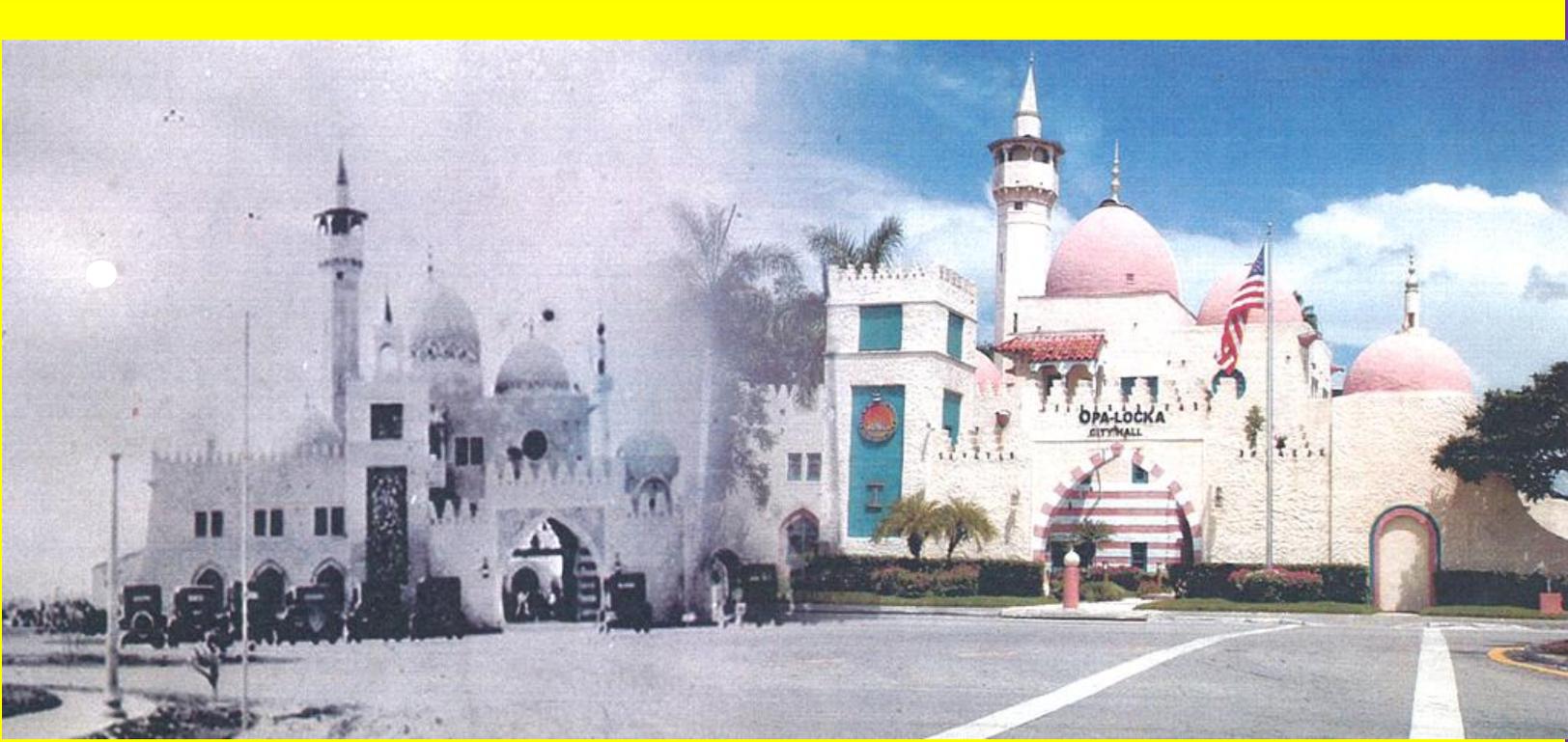




The City of Opa-locka, Florida



Comprehensive Annual **FINANCIAL REPORT**

Fiscal Year Ending
SEPTEMBER 30, 2011

**Comprehensive
Annual Financial Report
of the**



**City of Opa-locka, Florida
Fiscal Year Ended September 30, 2011**

Prepared by:

Finance Department
Ezekiel Orji, Ph.D., CPA
Assistant City Manager/Finance Director

The City of Opa-Locka

Mission Statement

The Mission of the City of Opa-Locka is to enhance the quality of life, environment, and safety of our customers and employees in an atmosphere of courtesy, integrity, and quality service.



CITY OF OPA-LOCKA, FLORIDA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

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May 25, 2012

To the Citizens, the Honorable Mayor, City Commissioners
and City Manager of the City of Opa-locka:

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Opa-locka, Florida, for the fiscal year ended September 30, 2011, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida and the City Charter. The financial statements included in this report conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). This report is published to fulfill that requirement for the fiscal year ended September 30, 2011.

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

The financial statements have been audited by Harvey, Covington & Thomas, LLC, a firm of licensed certified public accountants. The independent auditors have issued an unqualified opinion on the City's financial statements for the year ended September 30, 2011. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Opa-locka was incorporated in 1926 and operates under a Commission/City Manager form of government. The City Commission is comprised of the Mayor and four Commissioners, who are responsible for enacting ordinances, resolutions, and regulations governing the City; and appointing the members of various advisory boards. Additionally, the City Commission appoints the City Manager, the City Attorney and the City Clerk. As Chief Administrative Officer, the City Manager is responsible for the enforcement of laws and ordinances, and the appointment and supervision of the City's department heads.

The City provides a full range of services, including police, construction and maintenance of highways and streets and other infrastructure, recreational and cultural activities, water and wastewater, sanitation, planning and zoning, and general administrative services.

For additional information concerning our City, please visit our website at www.opalockafl.gov.

The financial reporting entity, under which the financial statements are prepared, includes all the activities and functions for which the City is financially accountable.

The City is required to prepare, approve, adopt and execute an annual budget. This annual budget serves as the foundation for the City's financial planning and control. Budgetary control is maintained at the departmental and fund level, with the finance department providing support to departments in the administration of their budgets. In accordance with the city's budget transfer policy, the city manager is authorized to transfer budgeted amounts within any fund or function; however, any supplemental appropriations or revisions that amend the total adopted budget must be approved by the City Commission. Budget to actual comparisons are provided in this report for all of the City's funds that have an appropriated annual budget.

LOCAL ECONOMY

The City of Opa-locka comprises approximately 4.2 square miles, has a population of approximately 16,000 and is located in the northern portion of Miami-Dade County. The City is a mix of residential, commercial and industrial zones with the Opa-locka airport, which is owned and operated by Miami-Dade County, being its best known landmark. The City of Opa-locka community is served by two elementary schools.

This year has been very challenging with a further decline in taxable property values and the implementation of legislative measures that have placed limits on how local governments can levy ad valorem taxes today and into the future.

The economic decline, which began in fiscal year 2007, continued to negatively impact the City during fiscal year 2011. Revenue sources that are directly related to consumers spending declined in the past four years. Home prices continued to decline and properties under foreclosures in the City of Opa-locka at the beginning of the fiscal year were approximately more than 75. The taxable property value in the City declined by 15.8% compared to the prior tax year.

The reliance on grant funds has risen due to decreases in other revenue sources. The City is aggressively applying for grants to supplement city monies to fund services, especially in the area of public safety, parks and recreation and infrastructure improvement.

National and state economics continue to be key factors in assessing the City's future fiscal picture. Changes in the national, state and local economies can affect both revenues and expenditures, due to the impact on tax receipts, revenue sharing, and the costs of providing city services. The 2011 census, recently completed, is anticipated to have some impact on revenue sharing for the City.

LONG-TERM FINANCIAL PLANNING

The City of Opa-locka's current focus related to economic growth is the creation of a community redevelopment agency (CRA) to help promote redevelopment in the City. The City has started this process by hiring an outside consultant to identify area of community redevelopment and prepare a Community Redevelopment Plan.

The designs for the major repairs of the City's four pump stations have been completed and permitted and construction is ready to commence any time soon. When finished, this project will allow the City to issue business permits to new businesses whose applications are currently pending.

In compliance with the City's financial integrity ordinance, the City's annual budget is adopted with the provision of \$500,000 for contingency reserve. As of September 30, 2011, the City's unreserved, undesignated general fund balance was 16% of general fund's fiscal year 2011 budget. The importance

of monitoring the City's fund balance levels has become an integral part of the overall financial planning of the City.

MAJOR INITIATIVES

It is no doubt that the fiscal year 2011 is another year full of challenges. This year our priorities include the construction of much needed repairs of 143rd Street and Alibaba Avenue, major repairs of four pump stations, implementation of free citywide bus route and the Ingram Park lakefront project. The most visible initiative for this fiscal year was the construction of Sherbondy Park Village which includes a community swimming pool and gymnasium.

To help fund the City's major initiatives, we worked with the City's Financial Advisor to refund the City's Capital Improvement Revenue Bonds Series 1994, to take advantage of the current low interest rate and borrowed additional funds by extending the maturity date of the refunding bonds by two years past the original maturity date of the refunded bonds. On April 28, 2011, this transaction was completed and resulted in \$2.3 million of additional monies to fund the City's major initiatives.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2010. This was the fifth consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and legal requirements.

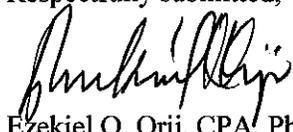
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its FY 2011-2012 budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department and other departments. We wish to express our appreciation to all the Departments who assisted and contributed to the preparation of this report. We acknowledge the services of Harvey, Covington and Thomas, LLC, the City's independent auditors who prepared the Financial Report the first time this year.

In closing, without the leadership and support of the Mayor, the Vice Mayor, the Commissioners, and the City Management, the accomplishments and future successes noted in this report would not have been possible.

Respectfully submitted,



Ezekiel O. Orji, CPA, PhD.
Asst. City Manager/Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Opa-locka
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



CITY OF OPA-LOCKA, FLORIDA
List of Principal Officials

CITY COMMISSION

MYRA TAYLOR
Mayor

DOROTHY JOHNSON
Vice Mayor

TIMOTHY HOLMES
Commissioner

GAIL MILLER
Commissioner

ROSE TYDUS
Commissioner

CITY EXECUTIVE MANAGEMENT

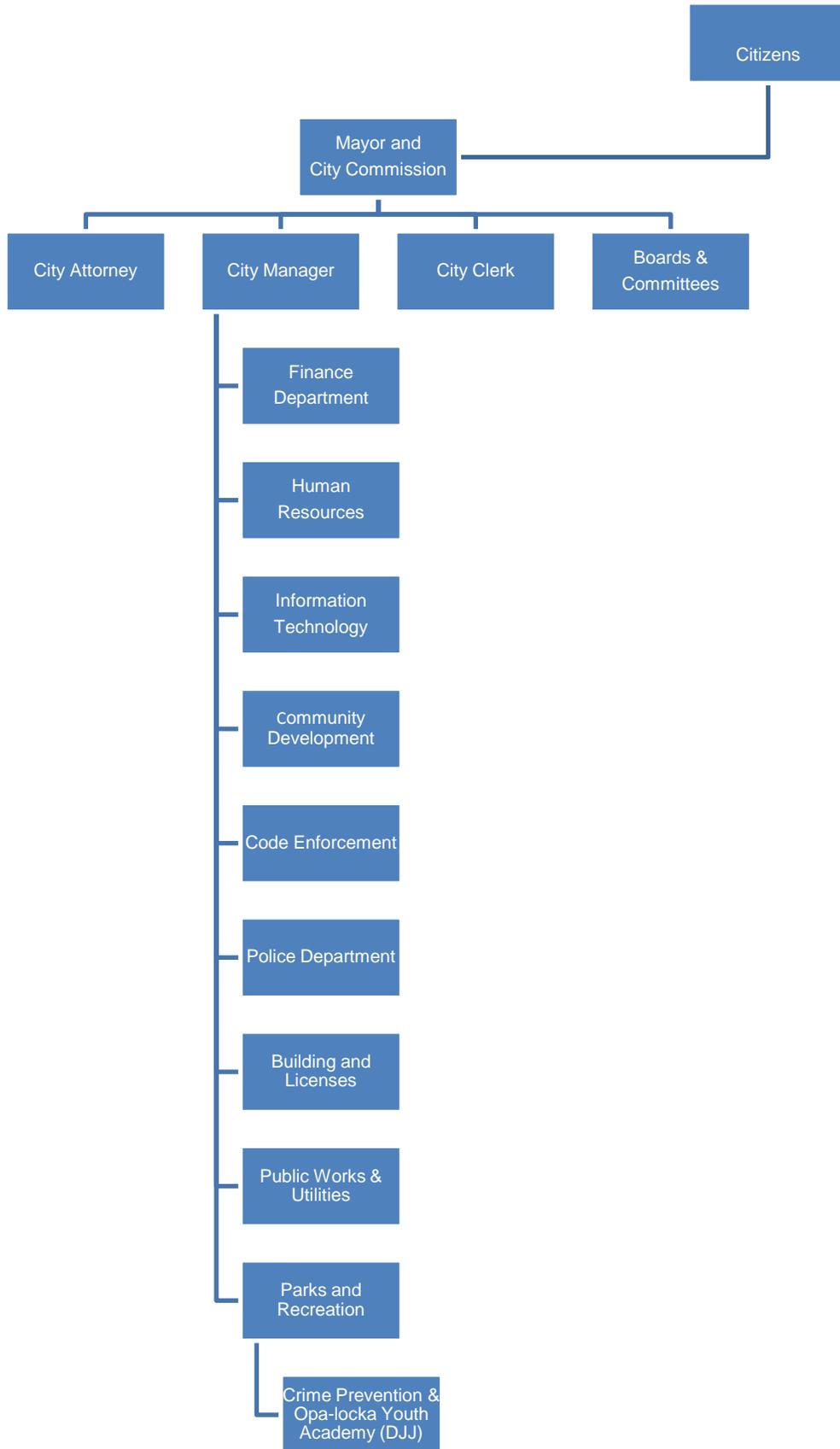
Bryan K. Finnie
City Manager

Joanna Flores
Interim City Clerk

Joe Gellar, P.A.
City Attorney

Ezekiel Orji, Ph.D., CPA
Assistance City Manager/Finance Director

ORGANIZATIONAL CHART



II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Commission
City of Opa Locka, Florida

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 Opa Locka, Florida (the City), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 3 through 11 and 40 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining fund financial statements, schedules, and statistical section, are presented for purposes of additional analysis and are not a

required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining fund financial statements, schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Harvey Lovington Thomas, C.P.A.

Hollywood, Florida
May 25, 2012

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Opa-locka, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$23,723,978 million (net assets). Of this amount, \$5.5 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$.459 million.
- The City's governmental funds reported combined ending fund balances of \$ 2.517 million, an increase of \$ 3.415 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned, undesignated fund balance for the general fund was \$2.048 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, and earned, but unused vacation leave).

Both the *statement of net assets* and the *statement of activities* of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, roads and streets, culture and recreation. The business-type activities of the City include water and sewer, solid waste, and storm water operations.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, peoples transportation, capital improvement debt service fund and the safe neighborhood capital projects fund which are considered to be major funds. Data from the other nine (9) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 14-17

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, storm water and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

water and sewer, storm water and solid waste operations. Water and sewer is the major enterprise fund of the City.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Notes to the Basic Financial Statements

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

The notes to the financial statements can be found on pages 21-39 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$23.684 million at the close of the most recent fiscal year. This was an increase of approximately 1.80% compared to last year's net assets of \$23.265 million.

By far the largest portion of the City's net assets (63.80 %) reflects its investment in capital assets (e.g., land, buildings and building improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Opa-locka's Net Assets - Government-wide

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 4,547,320	\$ 7,074,363	\$ 10,429,129	\$ 9,789,163	\$ 14,976,449	\$ 16,863,526
Capital assets, net	16,212,546	12,235,097	11,647,475	11,182,484	27,860,021	23,417,581
Total assets	20,759,866	19,309,460	22,076,604	20,971,647	42,836,470	40,281,107
Long-term liabilities	8,879,285	7,299,669	5,165,746	5,822,989	14,045,031	13,122,658
Other liabilities	2,031,178	1,141,266	3,036,282	2,752,659	5,067,460	3,893,925
Total liabilities	10,910,463	8,440,935	8,202,028	8,575,648	19,112,491	17,016,583
Net assets:						
Invested in capital assets, net of related debt	8,402,867	6,412,870	6,733,269	5,719,464	15,136,136	12,132,334
Restricted	2,651,381	3,028,572	411,671	397,355	3,063,052	3,425,927
Unrestricted	(1,204,846)	1,427,083	6,729,636	6,279,180	5,524,790	7,706,263
Total net assets	\$ 9,849,402	\$ 10,868,525	\$ 13,874,576	\$ 12,395,999	\$ 23,723,978	\$ 23,264,524

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

An additional portion of the City's net assets (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (23%) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Opa-locka's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 871,234	\$ 403,878	\$ 8,634,464	\$ 8,467,078	\$ 9,505,698	\$ 8,870,956
Operating/capital grants and cont.	1,805,571	2,375,022	-	-	1,805,571	2,375,022
General revenues:						
Property taxes	6,429,836	7,184,822	-	-	6,429,836	7,184,822
Other taxes	3,720,486	3,488,504	-	-	3,720,486	3,488,504
Intergovernmental, unrestricted	1,606,396	1,678,883	-	-	1,606,396	1,678,883
Unrestricted interest earnings	8,761	8,345	22,501	20,890	31,262	29,235
Miscellaneous	198,704	121,567	37,283	77,132	235,987	198,699
Transfers	275,000	-	(275,000)	-	-	-
Total revenues	<u>14,915,988</u>	<u>15,261,021</u>	<u>8,419,248</u>	<u>8,565,100</u>	<u>23,335,236</u>	<u>23,826,121</u>
Expenses and transfers						
General government	5,258,247	4,109,593	-	-	5,258,247	4,109,593
Public safety	5,856,372	6,708,963	-	-	5,856,372	6,708,963
Highways and streets	3,000,577	3,045,651	-	-	3,000,577	3,045,651
Culture and recreation	1,179,470	1,190,536	-	-	1,179,470	1,190,536
Human services	278,733	260,737	-	-	278,733	260,737
Interest and fiscal charges	361,712	377,528	-	-	361,712	377,528
Water and sewer	-	-	5,446,235	6,244,689	5,446,235	6,244,689
Stormwater	-	-	1,203,020	1,070,098	1,203,020	1,070,098
Solidwaste	-	-	291,418	508,494	291,418	508,494
Transfers	-	-	-	-	-	-
Total Expenses	<u>15,935,111</u>	<u>15,693,008</u>	<u>6,940,673</u>	<u>7,823,281</u>	<u>22,875,784</u>	<u>23,516,289</u>
Increase (decrease) in net assets	(1,019,123)	(431,987)	1,478,575	741,819	459,452	309,832
Net assets, beginning as restated	<u>10,868,525</u>	<u>11,300,512</u>	<u>12,396,001</u>	<u>11,654,180</u>	<u>23,264,526</u>	<u>22,954,692</u>
Net assets, ending	<u>\$ 9,849,402</u>	<u>\$ 10,868,525</u>	<u>\$ 13,874,576</u>	<u>\$ 12,395,999</u>	<u>\$ 23,723,978</u>	<u>\$ 23,264,524</u>

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

Governmental activities increased the City's net assets by \$1.419 million. Key elements of this decrease are as follows:

- Property taxes decreased by \$ 754,980 due primarily to the decrease in property taxable value by 15.8%
- Increase in charges for services by \$ 467,356.
- Total expenses increased by \$242,103 due to increase in the general government functions.
- Total increase in the General Government function was due primarily to increase in personnel costs.

Business-type Activities

Business-type activities increased the City's net assets by \$1.479 million. Key elements of this increase are as follows:

- Increase in net assets of the current fiscal year of \$1.479 million is \$ 736,756 higher than last year. Charges for services increased by \$797,262 due to utility rate increase during the fiscal year.
- For the water and sewer utility, total expenses remained relative the same as last year's level.

FINANCIAL ANALYSIS OF THE CITY'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 funding requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2.517 million, a decrease of \$3.416 million in comparison with the prior year. Most of the fund balance *is restricted* to indicate that it is not available for new spending because it has already been committed to 1) pay debt service (\$.326 million), 2) pay capital project costs (\$1.845 million), or 3) various other restricted purposes (\$.346 million).

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance reached \$2.249 million.

The fund balance of the City's general fund decreased by \$1.324 million during the current fiscal year. Key factors in this decrease are as follows:

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- Total revenues of the general fund decreased by 12% due to decrease in property taxes and communication service taxes, which were offset by the increase in utility services taxes and other revenues. Property taxes decreased by \$754,986 due to decrease in taxable property value by 4.4% from last year. The other revenue sources mentioned above are directly related to consumer spending and the decrease could be attributed to the current economic condition of the local and national economy
- Total expenditures of the general fund increased by 8.47% due to increase in expenditures in the general government function and decrease in capital outlay and public safety. Increase in the expenditure of the general government function is primarily due to termination and settlements payment made by the City in prior year.

General Fund Revenues	2011 Amount	Percent of Total	2010 Amount	Percent of Total	Increase (Decrease) From 2009	Percent of Increase (Decrease)
Property	\$ 6,429,836	47%	\$ 7,184,822	57%	\$ (754,986)	-11%
Utility service taxes	1,100,645	8%	870,185	7%	230,460	26%
Communication service taxes	611,700	5%	654,141	5%	(42,441)	-6%
Local option, use and fuel taxes	284,901	2%	261,644	2%	23,257	9%
Franchise fees	1,499,291	11%	1,487,057	12%	12,234	1%
Local business taxes	223,949	2%	215,477	2%	8,472	4%
Licenses and permits	317,689	2%	188,692	1%	128,997	68%
Intergovernmental	344,759	3%	561,094	4%	(216,335)	-39%
Charges for services	75,128	1%	36,795	0%	38,333	104%
Fines and forfeitures	478,417	4%	178,391	1%	300,026	168%
Interest	7,451	0%	7,928	0%	(477)	-6%
Other revenue	193,204	1%	292,397	2%	(99,193)	-34%
Transfers	1,998,799	15%	699,359	6%	1,299,440	186%
Total Revenues	\$ 13,565,769	100%	\$ 12,637,982	100%	927,787	7%

Expenditures in the general fund are shown in the following schedule:

General Fund Expenditures	2011 Amount	Percent of Total	2010 Amount	Percent of Total	Increase (Decrease) From 2008	Percent of Increase (Decrease)
General government	4,998,255	32%	4,012,365	34%	985,890	25%
Public safety	5,665,728	37%	5,774,141	49%	(108,413)	-2%
Highways and streets	2,307,499	15%	2,200,475	19%	107,024	5%
Culture and recreation	1,147,780	7%	1,132,959	10%	14,821	1%
Capital outlay	770,535	5%	391,153	3%	379,382	97%
Debt service	-	0%	215,604	2%	(215,604)	-100%
Total expenditures	14,889,797	97%	13,726,697	117%	1,163,100	8%

At the end of the current year, the Safe Neighborhood Capital Projects Fund decreased its fund balance by \$1,420,943. For the fiscal year ended September 30, 2011, the City spent \$3,629,162 towards the construction of Sherbondy Village, presently the biggest capital project of the City. Sherbondy Village composed of a gymnasium and a swimming pool.

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets of the water and sewer, storm water and solid waste funds at the end of the current fiscal year amounted to \$6.649 million and \$.040 million, respectively. The total increase in net assets for all enterprise funds was \$1.479 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$277,422 increase in the appropriations between the original and final amended budget. Following are the main components of the increase:

- Additional increase in fuel costs;
- \$57,000 for recreational programs and activities;
- \$161,510 for employee separation cost

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2011 amounts to \$15.136 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and buildings improvement, machinery and equipment, park facilities, roads and utility systems. The total increase in the City's investment in capital assets for the current fiscal year was 24%.

Major capital assets additions during the current fiscal year included the following:

- Construction was completed on the Sherbondy Village project.
- Bus circulator expenditure.
- Segal and Ingram parks improvements.
- Construction of pump stations.

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

City of Opa-locka's Capital Assets
(net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 3,042,475	\$ 2,805,291	\$ 14,762	\$ 14,762	\$ 3,057,237	\$ 2,820,053
Construction in progress	5,647,455	1,457,971	1,058,327	88,312	6,705,782	1,546,283
Buildings and building improvements	787,370	858,418	-	-	787,370	858,418
Utility plant and systems	-	-	10,870,794	10,904,110	10,870,794	10,904,110
Furniture and equipment	1,587,790	1,433,515	-	175,300	1,587,790	1,608,815
Infrastructure	5,147,456	5,679,902	(296,413)	-	4,851,043	5,679,902
Total	\$ 16,212,546	\$ 12,235,097	\$ 11,647,470	\$ 11,182,484	\$ 27,860,016	\$ 23,417,581

Additional information on the City's capital assets can be found in Note 7 on pages 31-32 of this report.

Long Term Debt

At the end of the current fiscal year the city had total debt outstanding of \$12.861 million

Additional information on the City's long-term debt can be found on Note 9 on pages 33-36 of this report.

City of Opa Locka's Outstanding Debt

	Governmental		Business-type		Total		Percentage Change 2005-2006
	Activities		Activities				
	2011	2010	2011	2010	2011	2010	
Revenue Bonds	\$ 7,713,000	\$ 5,575,000	\$ -	\$ -	\$ 7,713,000	\$ 5,575,000	38.35%
Capital Leases	96,679	247,227	1,897,743	2,231,801	1,994,422	2,479,028	-19.55%
Loans	-	-	3,016,463	3,231,219	3,016,463	3,231,219	-6.65%
Liability to FDOT	-	-	137,140	205,710	137,140	205,710	
Total	\$ 7,809,679	\$ 5,822,227	\$ 5,051,346	\$ 5,668,730	\$ 12,861,025	\$ 11,490,957	0.12

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the Fiscal Year 2011 budget, the following economic and other factors were considered:

- The City's gross property taxable value for operating purposes decreased by 15.8%.
- Estimated amounts for consumption driven revenue estimated decline up to 5%
- Special programs funding were reduced.
- Directive from the City Commission to preserve all full-time employees.
- Aggressive applications for grants available for the City under the American Recovery Act.
- The fiscal year 2012 budget approved millage rate is 9.1526.

CITY OF OPA-LOCKA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

During fiscal year 2012, the City will be looking at the following programs/initiatives:

- Using CRA and other tools to continue redevelopment of the City.
- Complete \$3.7 million Sherbondy Park improvement project.
- Expand our online services.
- Complete major upgrade of the eight pump stations.

All of these factors were considered in preparing the City of Opa-locka's budget for the 2012 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Opa-locka's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The City of Opa-locka, Finance Department, 780 Fisherman St., 4th Floor, Opa Locka, Florida 33054.

Basic Financial Statements

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and equity in pooled cash	\$ 2,101,608	\$ 7,527,677	\$ 9,629,285
Receivables, net	1,333,815	1,563,285	2,897,100
Internal balances	364,630	(364,630)	-
Estimated unbilled services	-	301,847	301,847
Inventories	13,579	4,654	18,233
Prepaid items and other assets	186,486	-	186,486
Restricted cash and cash equivalents	547,202	1,396,296	1,943,498
Capital assets, not being depreciated	8,689,930	1,073,089	9,763,019
Capital assets, being depreciated, net	<u>7,522,616</u>	<u>10,574,386</u>	<u>18,097,002</u>
Total assets	<u>20,759,866</u>	<u>22,076,604</u>	<u>42,836,470</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,904,316	646,011	2,550,327
Customer deposits	-	1,690,594	1,690,594
Unearned revenue	126,862	-	126,862
Due to other governments	-	699,677	699,677
Noncurrent liabilities:			
Due within one year	698,066	670,439	1,368,505
Due in more than one year	<u>8,181,219</u>	<u>4,495,307</u>	<u>12,676,526</u>
Total liabilities	<u>10,910,463</u>	<u>8,202,028</u>	<u>19,112,491</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,402,867	6,733,269	15,136,136
Restricted for:			
Capital projects	2,108,420	-	2,108,420
Public safety	216,747	-	216,747
Debt covenants	326,214	411,671	737,885
Unrestricted	<u>(1,204,846)</u>	<u>6,729,636</u>	<u>5,524,790</u>
Total net assets	<u>\$ 9,849,402</u>	<u>\$ 13,874,576</u>	<u>\$ 23,723,978</u>

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Functions/Programs							
Governmental activities:							
General government	\$ 5,258,247	\$ 333,549	\$ -	\$ -	\$ (4,924,698)	\$ -	\$ (4,924,698)
Public safety	5,856,372	523,110	60,895	34,116	(5,238,251)	-	(5,238,251)
Transportation	3,000,577	-	478,162	20,293	(2,502,122)	-	(2,502,122)
Human services	278,733	-	241,380	-	(37,353)	-	(37,353)
Culture and recreation	1,179,470	14,575	-	970,725	(194,170)	-	(194,170)
Interest on long term debt	361,712	-	-	-	(361,712)	-	(361,712)
Total governmental activities	<u>15,935,111</u>	<u>871,234</u>	<u>780,437</u>	<u>1,025,134</u>	<u>(13,258,306)</u>	<u>-</u>	<u>(13,258,306)</u>
Business-type activities:							
Water and sewer	5,446,235	7,256,189	-	-	-	1,809,954	1,809,954
Solid waste	1,203,020	1,142,852	-	-	-	(60,168)	(60,168)
Stormwater	291,418	235,423	-	-	-	(55,995)	(55,995)
Total business activities	<u>6,940,673</u>	<u>8,634,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,693,791</u>	<u>1,693,791</u>
Total	<u>\$ 22,875,784</u>	<u>\$ 9,505,698</u>	<u>\$ 780,437</u>	<u>\$ 1,025,134</u>	<u>(13,258,306)</u>	<u>1,693,791</u>	<u>(11,564,515)</u>
General revenues:							
Property taxes					6,429,836	-	6,429,836
Utility taxes					1,100,645	-	1,100,645
Communication services tax					611,700	-	611,700
Local option, use and fuel taxes					284,901	-	284,901
Local business tax					223,949	-	223,949
Franchise fees					1,499,291	-	1,499,291
Intergovernmental revenue - unrestricted					1,606,396	-	1,606,396
Unrestricted interest earnings					8,761	22,501	31,262
Miscellaneous					198,704	37,283	235,987
Transfers					275,000	(275,000)	-
Total general revenues and transfers					<u>12,239,183</u>	<u>(215,216)</u>	<u>12,023,967</u>
Change in net assets					(1,019,123)	1,478,575	459,452
Net assets, beginning					10,868,525	12,396,001	23,264,526
Net assets, ending					<u>\$ 9,849,402</u>	<u>\$ 13,874,576</u>	<u>\$ 23,723,978</u>

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General Fund	Peoples Transportation Tax	Capital Improvement Debt Service	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and equity in pooled cash	\$ 204,734	\$ 1,829,910	\$ -	\$ 66,964	\$ -	\$ 2,101,608
Receivables, net	751,939	71,557	-	483,110	27,209	1,333,815
Due from other funds	2,094,855	-	79,890	118,784	516,851	2,810,380
Inventories	13,579	-	-	-	-	13,579
Prepaid items	186,486	-	-	-	-	186,486
Restricted cash and cash equivalents	-	-	409,294	-	137,908	547,202
Total assets	<u>\$ 3,251,593</u>	<u>\$ 1,901,467</u>	<u>\$ 489,184</u>	<u>\$ 668,858</u>	<u>\$ 681,968</u>	<u>\$ 6,993,070</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 623,904	\$ 56,059	\$ 2,467	\$ 1,217,990	\$ 3,896	\$ 1,904,316
Due to other funds	272,752	-	160,503	1,219,540	791,957	2,444,752
Deferred revenues	105,925	-	-	-	20,937	126,862
Total liabilities	<u>1,002,581</u>	<u>56,059</u>	<u>162,970</u>	<u>2,437,530</u>	<u>816,790</u>	<u>4,475,930</u>
Fund balances:						
Nonspendable:						
Inventories	13,579	-	-	-	-	13,579
Prepaid items	186,486	-	-	-	-	186,486
Restricted for:						
Public safety	-	-	-	-	216,747	216,747
Transportation	-	1,845,408	-	-	-	1,845,408
Debt service	-	-	326,214	-	-	326,214
Physical environment	-	-	-	-	263,012	263,012
Unassigned:						
General fund	2,048,947	-	-	-	-	2,048,947
Special revenue funds	-	-	-	-	(614,581)	(614,581)
Capital projects funds	-	-	-	(1,768,672)	-	(1,768,672)
Total fund balances	<u>2,249,012</u>	<u>1,845,408</u>	<u>326,214</u>	<u>(1,768,672)</u>	<u>(134,822)</u>	<u>2,517,140</u>
Total liabilities and fund balances	<u>\$ 3,251,593</u>	<u>\$ 1,901,467</u>	<u>\$ 489,184</u>	<u>\$ 668,858</u>	<u>\$ 681,968</u>	<u>\$ 6,993,070</u>

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

Fund balances - total governmental funds (Page 14)	\$ 2,517,140
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Governmental capital assets	35,592,697
Less accumulated depreciation	(19,380,151)

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

Bonds payable	(7,713,000)
Capital leases	(96,679)
Compensated absences	<u>(1,070,605)</u>

Net assets of governmental activities (Page 12)	<u>\$ 9,849,402</u>
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See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>General</u>	<u>Peoples Transportation Tax</u>	<u>Capital Improvement Debt Service</u>	<u>Safe Neighborhood Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:						
Taxes:						
Property taxes	\$ 6,429,836	\$ -	\$ -	\$ -	\$ -	\$ 6,429,836
Utility taxes	1,100,645	-	-	-	-	1,100,645
Communications service taxes	611,700	-	-	-	-	611,700
Local option, use and fuel taxes	284,901	-	-	-	-	284,901
Local business taxes	223,949	-	-	-	-	223,949
Franchise fees	1,499,291	-	-	-	-	1,499,291
Permits and fees	317,689	-	-	-	-	317,689
Intergovernmental	344,759	478,162	1,295,753	991,018	302,275	3,411,967
Charges for services	75,128	-	-	-	-	75,128
Fines and forfeitures	478,417	-	-	-	-	478,417
Interest	7,451	-	100	817	393	8,761
Other	193,204	-	-	-	5,500	198,704
Total revenues	<u>11,566,970</u>	<u>478,162</u>	<u>1,295,853</u>	<u>991,835</u>	<u>308,168</u>	<u>14,640,988</u>
EXPENDITURES:						
Current:						
General government	4,998,255	-	-	572,546	-	5,570,801
Public safety	5,665,728	-	-	-	14,696	5,680,424
Highways and streets	2,307,499	126,343	-	-	-	2,433,842
Culture and recreation	1,147,780	-	-	-	-	1,147,780
Human services	-	-	-	-	277,663	277,663
Capital outlay	770,535	-	21,540	4,142,335	-	4,934,410
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	361,712	-	-	361,712
Bond issuance cost	-	-	45,417	17,897	-	63,314
Total expenditures	<u>14,889,797</u>	<u>126,343</u>	<u>428,669</u>	<u>4,732,778</u>	<u>292,359</u>	<u>20,469,946</u>
Excess (deficiency) of revenues over expenditures	(3,322,827)	351,819	867,184	(3,740,943)	15,809	(5,828,958)
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	5,393,000	2,320,000	-	7,713,000
Payment to refunded bond escrow agent	-	-	(5,575,000)	-	-	(5,575,000)
Transfers in	1,998,799	-	-	-	-	1,998,799
Transfers out	-	-	(723,799)	-	(1,000,000)	(1,723,799)
Total other financing sources (uses)	<u>1,998,799</u>	<u>-</u>	<u>(905,799)</u>	<u>2,320,000</u>	<u>(1,000,000)</u>	<u>2,413,000</u>
Net change in fund balances	(1,324,028)	351,819	(38,615)	(1,420,943)	(984,191)	(3,415,958)
Fund balances, beginning	<u>3,573,040</u>	<u>1,493,589</u>	<u>364,829</u>	<u>(347,729)</u>	<u>849,369</u>	<u>5,933,098</u>
Fund balances, ending	<u>\$ 2,249,012</u>	<u>\$ 1,845,408</u>	<u>\$ 326,214</u>	<u>\$ (1,768,672)</u>	<u>\$ (134,822)</u>	<u>\$ 2,517,140</u>

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

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

Net change in fund balances - total governmental funds (page 16)	\$ (3,415,958)
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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.

Expenditures for capital outlays	4,833,149
Less current depreciation	(855,700)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments of bonds payable	5,575,000
Principal payments of capital leases	150,548
Issuance of debt	(7,713,000)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:

Change in compensated absences	<u>406,838</u>
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Change in net assets of governmental activities (Page 13)	<u>\$ (1,019,123)</u>
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See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Other Nonmajor Enterprise Funds	Total
ASSETS			
Current assets:			
Cash and equity in pooled cash	\$ 7,448,773	\$ 78,904	\$ 7,527,677
Receivables, net	1,413,991	149,294	1,563,285
Estimated unbilled services	291,513	10,334	301,847
Due from other funds	108,648	941,616	1,050,264
Inventories	4,654	-	4,654
Total current assets	<u>9,267,579</u>	<u>1,180,148</u>	<u>10,447,727</u>
Noncurrent assets:			
Restricted cash and cash equivalents	1,396,296	-	1,396,296
Capital assets, net	<u>11,533,000</u>	<u>114,475</u>	<u>11,647,475</u>
Total noncurrent assets	<u>12,929,296</u>	<u>114,475</u>	<u>13,043,771</u>
Total assets	<u>22,196,875</u>	<u>1,294,623</u>	<u>23,491,498</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	558,234	87,777	646,011
Due to other funds	493,842	921,052	1,414,894
Due to other governments	699,677	-	699,677
Customer deposits	1,571,114	119,480	1,690,594
Compensated absences	27,787	11,186	38,973
Current portion of loans payable	283,090	-	283,090
Current portion of capital lease payable	<u>348,376</u>	<u>-</u>	<u>348,376</u>
Total current liabilities	<u>3,982,120</u>	<u>1,139,495</u>	<u>5,121,615</u>
Noncurrent liabilities:			
Compensated absences	75,427	-	75,427
Loans payable	2,870,514	-	2,870,514
Capital lease payable	<u>1,549,366</u>	<u>-</u>	<u>1,549,366</u>
Total noncurrent liabilities	<u>4,495,307</u>	<u>-</u>	<u>4,495,307</u>
Total liabilities	<u>8,477,427</u>	<u>1,139,495</u>	<u>9,616,922</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,618,794	114,475	6,733,269
Restricted for debt covenants	411,671	-	411,671
Unrestricted	<u>6,688,983</u>	<u>40,653</u>	<u>6,729,636</u>
Total net assets	<u>\$ 13,719,448</u>	<u>\$ 155,128</u>	<u>\$ 13,874,576</u>

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Business-Type - Enterprise Funds		
	Water and Sewer	Other Nonmajor Enterprise Funds	Total
Operating revenues:			
Charges for services	\$ 7,256,189	\$ 1,378,275	\$ 8,634,464
Other revenues	37,283	-	37,283
Total operating revenues	<u>7,293,472</u>	<u>1,378,275</u>	<u>8,671,747</u>
Operating expenses:			
Operating, administrative and maintenance	4,821,708	1,455,996	6,277,704
Depreciation	471,713	38,442	510,155
Total operating expenses	<u>5,293,421</u>	<u>1,494,438</u>	<u>6,787,859</u>
Operating income (loss)	2,000,051	(116,163)	1,883,888
Non-operating revenues (expenses)			
Interest income	22,501	-	22,501
Interest and fiscal charges	(152,814)	-	(152,814)
Total non-operating revenues (expenses)	<u>(130,313)</u>	<u>-</u>	<u>(130,313)</u>
Income before transfers	1,869,738	(116,163)	1,753,575
Transfers out	<u>(275,000)</u>	<u>-</u>	<u>(275,000)</u>
Change in net assets	1,594,738	(116,163)	1,753,575
Net assets, beginning	<u>12,124,710</u>	<u>271,291</u>	<u>12,396,001</u>
Net assets, ending	<u>\$ 13,719,448</u>	<u>\$ 155,128</u>	<u>\$ 14,149,576</u>

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Business-Type - Enterprise Funds		
	Water and Sewer	Other Nonmajor Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	\$ 7,954,451	\$ 1,592,146	\$ 9,546,597
Cash paid to suppliers	(4,547,884)	(1,788,090)	(6,335,974)
Cash paid to employees	(631,015)	(58,553)	(689,568)
Internal activity payments from(to) other funds, net	(198,164)	(198,058)	(396,222)
Net cash provided by operating activities	<u>2,577,388</u>	<u>(452,555)</u>	<u>2,124,833</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	(275,000)	-	(275,000)
Net cash used in noncapital financing activities	<u>(275,000)</u>	<u>-</u>	<u>(275,000)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(975,144)	-	(975,144)
Principal paid on debt	(617,384)	-	(617,384)
Interest paid on debt	(152,814)	-	(152,814)
Net cash used in capital and related financing activities	<u>(1,745,342)</u>	<u>-</u>	<u>(1,745,342)</u>
Cash flows from investing activities:			
Interest income	22,501	-	22,501
Net cash provided by investing activities	<u>22,501</u>	<u>-</u>	<u>22,501</u>
Net increase in cash	579,547	(452,555)	126,992
Cash, beginning	8,305,381	531,459	8,836,840
Cash, ending	<u>\$ 8,884,928</u>	<u>\$ 78,904</u>	<u>\$ 8,963,832</u>
Displayed as:			
Unrestricted	\$ 7,448,773	\$ 78,904	\$ 7,527,677
Restricted	1,396,296	-	1,396,296
Total	<u>\$ 8,845,069</u>	<u>\$ 78,904</u>	<u>\$ 8,923,973</u>
Reconciliation of operating income to cash provided by operating activities:			
Operating income (loss)	\$ 2,000,051	\$ (116,163)	\$ 1,883,888
Adjustments to reconciled operating income to net cash provided by (used in) operating activities:			
Depreciation expenses	471,713	38,440	510,153
(Increase) decrease in:			
Accounts receivable	(199,922)	22,981	(176,941)
Due from other funds	335,060	(159,397)	175,663
Increase (decrease) in:			
Accounts payable and accrued liabilities	167,435	(100,204)	67,231
Due to other funds	(413,340)	(138,212)	(551,552)
Due to other governments	(61,484)	-	(61,484)
Customer deposits	277,875	-	277,875
Net cash provided by operating activities	<u>\$ 2,577,388</u>	<u>\$ (452,555)</u>	<u>\$ 2,124,833</u>

See notes to basic financial statements.

Notes to Basic Financial Statements

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Opa-Locka, Florida (the “City”) in Miami-Dade County, Florida (the “County”) was incorporated in 1926 by the Laws of Florida Chapter 13187. The City comprises approximately 4.5 square miles of land and operates under a Commission/City Manager form of government and provides municipal services to its residents, including general government, public safety, transportation, and parks and recreation. The City also operates water, sewer, storm water, and sanitation enterprises.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

A. Reporting Entity

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, which establishes standards for defining and reporting on the financial reporting entity. 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 potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the City. Based on these criteria, entities were evaluated for inclusion in the City’s reporting entity with the following results:

The City passed ordinances in prior years establishing various neighborhood improvement districts. The following neighborhood improvement districts, which are considered to be component units of the City, have not been included in the financial statements because there has been no financial activity for several years and the funds have no assets, liabilities, or fund balances.

- 1) East-West Neighborhood Improvement District
- 2) Ali-Baba Neighborhood Improvement District
- 3) Niles Garden Neighborhood Improvement District

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the activities of the City. For the most part, the effect of inter-fund activity has been removed 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 support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use of directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

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 fund 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 for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period, with the exception of expenditure driven (reimbursements) grants, for which the availability period is one year.

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 and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Property taxes, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City

The City reports the following major governmental funds:

The **General Fund** is the general operation fund of the City. It accounts for all financial resources of the general government, except those required to be accounting for in another fund.

The **Peoples Transportation Tax Fund** accounts for the City's prorated share of the Charter County Transit System Surtax proceeds used toward projects and programs such as public transportation operations.

The **Capital Improvement Debt Service Fund** is used to account for the sinking fund requirements of the Series 2011 A and B Capital Improvement Revenue Bonds.

The **Safe Neighborhood Capital Projects Fund** accounts for revenue and expenditures of the CDBG and General Obligation Bonds funds from Miami-Dade County.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** is used to account for the operation and maintenance of the City's water and sewer system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and other charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 City's water and sewer, solid waste and stormwater enterprise funds, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

D. Assets, Liabilities, and Net Assets or Fund Equity

1. Encumbrances

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to serve that portion of the applicable appropriation, is employed in the General and Capital Projects Funds. Encumbrances outstanding at the balance sheet date are canceled.

2. Deposits and Investments

The City considers cash on hand, cash with fiscal agents, demand deposits, and certificates of deposit with and original maturity of (90) ninety days or less to be cash and cash equivalents.

For purposes of the statement of cash flows for proprietary fund types fund, all highly liquid investments (including restricted assets) with maturity of three months or less when purchased are considered to be cash equivalents.

Investments, consisting of U.S. Government securities, and certificates of deposit with financial institutions, are stated at cost plus accrued interest.

3. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The City calculates its allowance for uncollectible using historical collection data, specific account analysis, and management's judgment. Major receivables balances for the governmental activities include franchise fees and utility taxes, and amounts due from other governments. Business-type activities report utility billings as major receivables.

4. Inventories

Inventories are valued at cost, which approximates market, using the first-in, and first-out method. Inventories in the General and Enterprise Funds consist of fuel and expendable supplies held for consumption. The costs of Governmental Fund type inventories are recorded

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

as expenditures when consumed rather than when purchased. In the governmental funds, reported inventories are offset by a fund balance reserve which indicates that they do not constitute available spendable resources.

5. Restricted Assets

Restricted assets include cash and cash equivalents of the governmental and enterprise funds that are legally restricted as to their use. Cash and cash equivalents are restricted for debt service, customers' deposits, revenue bond requirement, and sewer system improvements.

6. Capital Assets

Capital assets, including land, buildings, improvements, infrastructure, and equipment assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$500 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Buildings, improvements, infrastructure and equipment assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	10-50
Infrastructure Systems	30
Equipment	3-10
Vehicles	3-10

7. Inter-fund Transactions

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Non-current portions of long-term inter-fund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involve organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions that constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

8. Deferred and Unearned Revenues

Deferred revenues in the governmental funds represent amounts due, which are measurable, but not available. In the statement of net assets, deferred revenues represent grants and similar items received; however, the City has not met all eligibility requirements imposed by the provider.

9. Compensated Absences

It is the City's policy to permit employees to accumulate, with certain limits, earned but unused vacation time and sick leave hours for subsequent use or for payment upon termination, death or retirement. For government-wide statements and proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave that is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

10. Fund Equity

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

11. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds.

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

12. Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, allows them to defer a portion of their salary to future years. The City's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's administrator. The deferred compensation plan is not included in the City's financial statements.

13. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Council direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance 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.

NOTE 2. DEFICIT FUND EQUITY

The City reported fund balance deficit of (\$1,768,672), (\$286,179), (\$183,931), (\$144,471) and (\$637,500), for its Safe Neighborhood Capital Project, Opa-locka Police Youth Academy, Crime Prevention, STOP/VAWA and Solid Waste funds. The City will correct these fund balance deficits by way of appropriating funds from the general fund in its fiscal year 2011-2012 budget.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 3. PROPERTY TAXES

Property taxes are levied on November 1st of each year, at which time taxes become an enforceable lien on property assessed as of the previous January 1st. Tax bills are payable upon receipt with discounts rates of one to four percent allowed if paid prior to March 1 of the following calendar year. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. Miami-Dade County bills and collects all property taxes for the City, and sells tax certificates for delinquent taxes.

The gross taxable value of property, as established by the Miami-Dade County Property Appraiser, at July 1, 2010 upon which the 2010-2011 levy was based, was approximately \$784.617 million. For the year ended September 30, 2011, the millage rate to finance general government services was 9.1052 (\$9.1052 per \$1,000 of assessed taxable value). The City is permitted by the State to levy a maximum of 10.00 mills (\$10 per \$1,000 of assessed taxable value) for general government services.

No accrual for the property tax levy becoming due in November 2011 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 2011, and such taxes are collected to finance expenditures of the fiscal year ending September 30, 2012.

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2011 the City's cash are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

Deposits

All deposits with financial institutions are fully insured or collateralized as required by the City Commission. The deposits are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposits Act ("the Act"). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Investments

The City is authorized to make direct investments in U.S. government, federal agency, and instrumentality obligations at a price not to exceed the market price at the time of purchase. In addition, the City may invest in certificates of financial institutions insured by the United States government or agencies thereof and repurchase agreements.

As of September 30, 2011 the City has no investments.

NOTE 5. RECEIVABLES

Receivable balances as of September 30, 2011, were as follows:

	Accounts	Taxes	Due from Other Agencies	Others	Allowance for uncollectibles	Net
Governmental activities:						
General	\$ -	\$726,159	\$244,374	\$589,603	\$ (422,493)	\$1,137,643
Peoples transportation tax	-	-	71,557	-	-	71,557
Safe neighborhood	-	-	483,110	-	-	483,110
Nonmajor funds	-	-	27,209	-	-	27,209
Total governmental activities	\$ -	\$726,159	\$826,250	\$589,603	\$ (422,493)	\$1,719,519
Business-type activities:						
Water and sewer	\$1,605,498	\$ -	\$ -	\$ -	\$ (191,507)	\$1,413,991
Stormwater	112,516	-	-	-	(21,555)	90,961
Solidwaste	58,333	-	-	-	-	58,333
Total business-type activities	\$1,776,347	\$ -	\$ -	\$ -	\$ (213,062)	\$1,563,285

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 6. INTERFUND BALANCES AND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers are eliminated in the consolidation, by column, for the Governmental Activities. Inter-fund balances result from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund balances as of September 30, 2011 consisted of the following:

Due from/to Other Funds	Due From Other Funds	Due to Other Funds
Major governmental fund:		
General fund	\$ 2,094,855	\$ 272,752
Capital improvement debt service	79,890	160,503
Safe Neighborhood capital projects	118,784	1,219,540
Nonmajor governmental funds	516,851	791,957
Major enterprise fund:		
Water and sewer	108,648	493,842
Nonmajor enterprise funds	940,618	921,052
Total	<u>\$ 3,859,646</u>	<u>\$ 3,859,646</u>

Interfund transfers for the year ended September 30, 2011, consisted of the following:

Transfer in	Transfer out	Amount	Purpose
General fund	Capital Imp. Debt Service	\$ 723,799	Transfer excess funds
General fund	FEMA	1,000,000	Transfer excess funds
General fund	Water and Sewer	275,000	Transfer excess funds
Total		<u>\$ 1,998,799</u>	

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 7. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2011:

	Balance <u>09/30/10</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>09/30/11</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,805,291	\$ 237,184	\$ -	\$ 3,042,475
Construction in progress	1,457,971	4,189,484	-	5,647,455
Total assets not being depreciated	<u>4,263,262</u>	<u>4,426,668</u>	<u>-</u>	<u>8,689,930</u>
Capital assets being depreciated:				
Buildings and improvements	3,449,816	-	-	3,449,816
Furniture and equipment	4,117,351	406,481	-	4,523,832
Infrastructure	18,929,119	-	-	18,929,119
Total assets being depreciated	<u>26,496,286</u>	<u>406,481</u>	<u>-</u>	<u>26,902,767</u>
Less accumulated depreciation:				
Buildings and improvements	(2,591,398)	(71,048)	-	(2,662,446)
Furniture and equipment	(2,683,836)	(252,206)	-	(2,936,042)
Infrastructure	(13,249,217)	(532,446)	-	(13,781,663)
Total accumulated depreciation	<u>(18,524,451)</u>	<u>(855,700)</u>	<u>-</u>	<u>(19,380,151)</u>
Total capital assets being depreciated, net	<u>7,971,835</u>	<u>(449,219)</u>	<u>-</u>	<u>7,522,616</u>
Governmental activities capital assets, net	<u>\$ 12,235,097</u>	<u>\$ 3,977,449</u>	<u>\$ -</u>	<u>\$ 16,212,546</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 14,762	\$ -	\$ -	\$ 14,762
Construction in progress	88,312	970,015	-	1,058,327
Total assets not being depreciated	<u>103,074</u>	<u>970,015</u>	<u>-</u>	<u>1,073,089</u>
Capital assets being depreciated:				
Buildings and improvements	-	-	-	-
Furniture and equipment	19,066,387	5,126	-	19,071,513
Infrastructure	2,862,045	-	-	2,862,045
Total assets being depreciated	<u>21,928,432</u>	<u>5,126</u>	<u>-</u>	<u>21,933,558</u>
Less accumulated depreciation:				
Buildings and improvements	-	-	-	-
Furniture and equipment	(8,162,277)	(38,442)	-	(8,200,719)
Infrastructure	(2,686,745)	(471,713)	-	(3,158,458)
Total accumulated depreciation	<u>(10,849,022)</u>	<u>(510,155)</u>	<u>-</u>	<u>(11,359,177)</u>
Total capital assets being depreciated, net	<u>11,079,410</u>	<u>(505,029)</u>	<u>-</u>	<u>10,574,381</u>
Business-type activities capital assets, net	<u>\$ 11,182,484</u>	<u>\$ 464,986</u>	<u>\$ -</u>	<u>\$ 11,647,470</u>

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

Governmental activities:	
General government	\$ 80,257
Public safety	175,948
Transportation	566,735
Human Services	1,070
Parks and recreation	<u>31,690</u>
Total	<u>\$ 855,700</u>

Business-type activities:	
Water and sewer	\$ 471,713
Stormwater	<u>38,442</u>
Total	<u>\$ 510,155</u>

NOTE 8. LEASES

Operating Leases

The City leases building and office facilities under non-cancelable operating leases. Total costs for such leases were \$498,686 for the year ended September 30, 2011. The future minimum lease payments for the leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2012	\$ 424,414
2013	417,662
2014	417,662
2015	417,662
2016	<u>69,610</u>
Total	<u>\$1,747,010</u>

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of various vehicles. The City also financed the acquisition of water meter reading equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception dates. Future minimum payments under the lease agreements and the present value of minimum payments as of September 30, 2010 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2012	\$ 69,517	\$ 422,978
2013	30,905	422,978
2014	-	422,978
2015	-	422,978
2016	-	422,978
Total minimum lease payments	100,422	2,114,890
Less: amount representing interest	(3,743)	(217,147)
Present value of minimum lease payments	<u>\$ 96,679</u>	<u>\$ 1,897,743</u>

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 9. LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2011 was as follows:

	Balance 09/30/10	Additions	Reductions	Balance 09/30/11	Due within One year
Governmental activities:					
Capital Improvement Revenue Bond, Series 1994A	\$ 5,575,000	\$ -	\$ (5,575,000)	\$ -	\$ -
Capital Improvement Revenue Bond, Series 2011	-	7,713,000	-	7,713,000	358,000
Total loans payable	5,575,000	7,713,000	(5,575,000)	7,713,000	358,000
Other liabilities:					
Capital leases obligation	247,227	-	(150,548)	96,679	67,500
Compensated absences	1,477,442	-	(407,836)	1,069,606	272,566
Total governmental activities long-term liabilities	<u>\$ 7,299,669</u>	<u>\$ 7,713,000</u>	<u>\$ (6,133,384)</u>	<u>\$ 8,879,285</u>	<u>\$ 698,066</u>
Business-type activities:					
State Revolving Loan No. CS120800020	\$ 90,950	\$ -	\$ (29,446)	\$ 61,504	\$ 30,391
State Revolving Loan No. CS12080003P	1,101,071	-	(73,668)	1,027,403	75,916
State Revolving Loan No. WW800050	2,039,198	-	(111,642)	1,927,556	113,488
Total loans payable	3,231,219	-	(214,756)	3,016,463	219,795
Other liabilities:					
Capital leases obligation	2,231,801	-	(334,058)	1,897,743	348,376
Liability to Florida Department of Transportation	205,710	-	(68,570)	137,140	63,295
Compensated absences	154,259	-	(39,859)	114,400	38,973
Total business-type activities long-term liabilities	<u>\$ 5,822,989</u>	<u>\$ -</u>	<u>\$ (657,243)</u>	<u>\$ 5,165,746</u>	<u>\$ 670,439</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

Long-Term Debt – Governmental Activities

Long-term debt of the City's governmental activities, excluding compensated absences and capital leases, include the Series 1994A Capital Improvement Revenue bonds, bearing annual interest rates ranging from approximately 5.0% to 6.125%, and are payable from a pledge of Grantee Entitlement Revenues which must be shared by the State of Florida, in annual principal installments ranging from \$125,000 in 1998 to \$570,000 through 2024.

On April 28, 2011, the City refunded its Capital Improvement Revenue Refunding Bonds Series 1994 (Refunded Bonds) by issuing Capital Improvement Revenue Refunding Bonds Series 2011A (Series 2011A) for \$5.393 million and Series 2011B Series 2011B) for \$2.320 million. The proceeds of the Series 2011A bonds were used to retire the Refunded Bonds and to pay for cost issuance. The proceeds of the Series 2011B bonds will be used to fund capital projects as

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

identified in the bond documents and to pay for cost issuance. Interest rates on the Series A and Series B bonds range from approximately 3.31% to 3.89%, and are payable from a pledge of Grantee Entitlement Revenues which must be shared by the State of Florida, in annual principal installments ranging from \$63,000 in 2012 to \$670,000 through 2026.

Long-Term Debt - Business-Type Activities

Long-term debt of the City's business-type activities, excluding compensated absences and capital leases, consists of the following:

- a) State Revolving Loan Note Project No. CS120800020 - for \$480,816, bearing interest at rates ranging from 2.89% to 3.75% due in 20 annual payments of \$32,365, including interest, from July 31, 1994 through July 31, 2013, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.
- b) State Revolving Loan Note Project No. CS12080003P as amended - for \$1.827 million, bearing interest at a rate of 2.56% and 1.54%, due in 40 semi-annual payments of \$53,240, including interest, from June 15, 2003 through December 15, 2022, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.
- c) State Revolving Loan Note Project No. WW800050 - for \$2.375 million, bearing interest at a rate of 1.53%, due in 40 semi-annual payments of \$71,143, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.
- d) Settlement with the Florida Department of Transportation (FDOT) - for \$632,954, bearing an implied interest rate of 4.11%, due in 119 monthly payments of \$5,319, including interest, from January 2001 through December 2013. In accordance with an agreement between FDOT and the City, payments were temporarily suspended on August 1, 2002 and commenced again on October 1, 2005.

Annual debt service requirements to maturity for debt outstanding, other than the capital leases, are as follows:

Fiscal Year ending September 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Principal	Interest	Principal	Interest
2012	\$ 358,000	\$ 262,647	\$ 283,091	\$ 61,335
2013	390,000	249,968	287,872	56,300
2014	403,000	236,624	208,193	51,143
2015	416,000	222,852	201,880	46,886
2016	430,000	208,619	206,240	42,524
2017-2021	2,591,000	795,839	1,100,415	143,412
2022-2026	3,125,000	299,369	698,577	29,947
Thereafter	-	-	167,336	4,817
	<u>\$ 7,713,000</u>	<u>\$ 2,275,918</u>	<u>\$ 3,153,604</u>	<u>\$ 436,364</u>

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Summary of Debt Covenants

Series 2011A and Series 2011B Capital Improvement Revenue Bonds – Debt service is provided by a pledge of guaranteed state revenue sharing funds, local option gas tax revenues, and the half-cent sales tax. Reserves must be maintained equal to the maximum bond service requirement. At September 30, 2011 the City had on deposit with the trustee for these bonds, a reserve account insurance policy which unconditionally and irrevocably guarantees the full and complete payment required to be made by or on the behalf of the City.

Pledge Revenues - the City's agreement under the State of Florida Revolving Loan Fund Program requires the City to generate Pledged Revenues, as defined by the agreement, from the services furnished by its water and sewer systems equal to or exceeding 1.15 times the sum of the semiannual loan payments. As of September 30, 2011 the City is in compliance with this requirement.

The amount of long-term debt that can be incurred by the City is limited by the charter of the City. Total general obligation bond of the City outstanding in any one fiscal year can be no greater than 15% of the assessed value of taxable property as of the beginning of the fiscal year. As of September 30, 2011 the amount of bonds outstanding and notes payable exclusively from the revenues of a municipal project was less than 5% of property assessments as of September 30, 2011.

Bonds payable exclusively from the revenue of a municipal project may be issued and outstanding without regard to the 15% limitation; however, such an issue would be subject to the limitations imposed by the City's charter with respect to restrictions on bonds parity with or junior to the Series 2011A and Series 2011B Capital Improvement Revenue Bonds.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Florida Retirement Systems Plans - The City participates in the State of Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit plan or defined contribution retirement plan which covers substantially all of the City's full-time employees. The FRS was established in 1970, by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the System.

Benefit provisions and all other requirements are established by Chapter 121, Florida Statutes and any amendments thereto can be made only by an act of the Florida Legislature. Employees of the FRS may participate in either the Public Employee Optional Retirement Program (the "Investment Plan"), a defined contribution retirement program or in the defined benefit retirement plan (the "Pension Plan"). Eligible members of the Investment Plan are vested after one year of service and are directed to choose their investment product with a third party administrator selected by the State Board of Administration.

Employees participating in the Pension Plan have their benefits computed on the basis of age, average final compensation and service credit. Benefits under the Pension Plan vest after six years of service. Employees who retire at or after age 62, with ten years of credited service, are entitled to an annual retirement benefit, payable monthly for life. A post-retirement health insurance subsidy is also provided to eligible retired employees through the FRS defined benefits retirement plan.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Summary of Florida Retirement System Contributions,
Covered Payroll and Percentage of Covered Payroll

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Covered payroll	\$8,329,221	\$7,881,811	\$8,038,470
Contributions	1,074,327	1,084,207	1,079,604
% of Covered Payroll	13.00%	13.75%	13.43%

The City is required to contribute amounts necessary to pay benefits when due as defined by State Statute. Such contribution requirements ranged between 12% and 22% of gross salaries during fiscal year 2011. For the fiscal years ended September 30, 2011, 2010, and 2009, the City contributed 100% of the required contributions. A copy of the System’s annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

NOTE 11. RELATIONSHIP WITH THE COUNTY

In 1955, the Florida Legislature approved and submitted to a general election a constitutional amendment designed to give a new form of government to the County of Miami-Dade. The County is, in effect, a municipality with governmental powers effective upon more than 29 cities, including the City, and the unincorporated areas. It has not displaced or replaced the cities, but supplements them. The County can take over particular activities of the City’s operations if (1) the services fall below minimum standards set by the County Commission, or (2) with the consent of the governing body of the City.

Since its inception, the County has assumed responsibility for a number of functions, including county-wide police services, complementing county-wide fire protection; consolidated two-tier court system; creation of the various surface transportation programs; installation of a central traffic control computer system; merging all public transportation systems into a county system; and centralization of the property appraiser and tax collector functions.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Commitments

Water Supply and Sewer Services Contract

In February 1985, the City entered into an agreement with Miami-Dade Water and Sewer Authority (the “Authority”) for the purpose of providing to the City all of its potable water supply and sewer services for a period of thirty (30) years subject to termination at any time by operation of law or by mutual consent of the City and the Authority. For the year ended September 30, 2011 and 2010, the City purchased water and sewer services totaling \$2,922,034 and \$2,523,667 respectively, from the Authority under the terms of this agreement.

Solid Waste Collection and Disposal Contract

On March 1, 2010, the City entered into a Residential Solid Waste Collection and Disposal Agreement (the Agreement) with a third party contractor. The Agreement is for a period of three years terminating

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

on September 28, 2013. The contract may be renewed for additional one (1) year period unless either the contractor or the City notify the other of its desire not to extend at least sixty (60) days prior to the termination date of the original contract term or any renewal term.

Contingencies

The City participates in a number of Federal and State grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The possible disallowance of any item charged to the program or request for the return of already collected funds may be disallowed by the grantor agency. Any potential disallowed amounts cannot be determined at this time. No provision for any liability that may result has been made in the financial statements. The City expects such amounts, if any, to be immaterial.

Various other claims and lawsuits, which arose in the normal course of operations, are pending against the City. In the opinion of management, based on the advice of the City's Attorney, the outcome of these actions is not anticipated to have a material effect on the financial position and results of operations of the City.

NOTE 13. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the "Plan"), which is administered by two administrators. The portion of the plan administered by the International City Management Association Retirement Corporation ("ICMA") was created in accordance with Internal Revenue Code Section 457 (a qualified plan). The other portion constitutes a nonqualified plan benefit and is administered by the Equitable Life Assurance Society ("Equitable"). The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in this plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the Plan are held in trust for the exclusive benefits of the participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan; therefore, the assets and liabilities of the Plan are not included in the City's financial statements as September 30, 2011.

NOTE 14. RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City has not had a significant reduction in insurance coverage from coverage in the prior year by major categories of risk, and settled claims have not exceeded the City's retention and excess coverage in force for each of the past three years.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 14. REQUIRED SUPPLEMENTARY INFORMATION

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. Budget and actual comparison for the General Fund is presented in the Required Supplementary Information section of the report. Budget and actual comparisons for other funds are reflected in the Combining Statements section.

NOTE 15. MANAGEMENT'S REVIEW

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 25, 2012, the date the financial statements were available to be issued. There were no significant events that management believe required disclosure.

Required Supplementary Information

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Taxes:				
Property taxes	\$ 6,559,400	\$ 6,559,400	\$ 6,429,836	\$ (129,564)
Utility taxes	969,250	910,900	1,100,645	189,745
Communications service taxes	650,000	623,279	611,700	(11,579)
Local option gas tax	277,390	295,897	284,901	(10,996)
Local business taxes	213,000	212,870	223,949	11,079
Franchise fees	1,667,000	1,384,868	1,499,291	114,423
Permits and fees	217,500	228,044	317,689	89,645
Intergovernmental	585,510	619,478	344,759	(274,719)
Charges for services	21,000	24,845	75,128	50,283
Fines and forfeitures	1,600,000	480,624	478,417	(2,207)
Interest	10,000	8,628	7,451	(1,177)
Other	86,000	162,024	193,204	31,180
Total revenues	<u>12,856,050</u>	<u>11,510,857</u>	<u>11,566,970</u>	<u>56,113</u>
Expenditures:				
Current:				
General government:				
City commission	131,965	113,524	121,971	(8,447)
City manager	573,140	734,650	728,109	6,541
City clerk	490,425	469,805	512,215	(42,410)
City attorney	646,000	711,147	799,144	(87,997)
Finance/Utility billing	680,910	659,593	652,488	7,105
Information technology	284,705	266,812	274,811	(7,999)
Human resources	337,100	305,136	279,132	26,004
Building licenses	468,465	446,412	473,583	(27,171)
Community development	402,645	392,005	398,439	(6,434)
Total general government	<u>4,015,355</u>	<u>4,099,084</u>	<u>4,239,892</u>	<u>(140,808)</u>
Public safety:				
Police	5,775,908	5,733,463	5,559,204	174,259
Code enforcement	524,665	431,537	442,042	(10,505)
Total public safety	<u>6,300,573</u>	<u>6,165,000</u>	<u>6,001,246</u>	<u>163,754</u>
Public works:				
Administration	442,495	538,522	549,697	(11,175)
Street maintenance	745,860	609,025	601,085	7,940
Building maintenance	289,090	335,533	337,128	(1,595)
Vehicle maintenance	515,925	653,116	861,409	(208,293)
Total public works	<u>1,993,370</u>	<u>2,136,196</u>	<u>2,349,319</u>	<u>(213,123)</u>

(Continued)

See notes to budgetary comparison schedule.

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Parks and recreation:				
Parks	1,017,195	1,027,797	1,062,683	(34,886)
Special events	<u>55,000</u>	<u>101,338</u>	<u>116,465</u>	<u>(15,127)</u>
Total parks and recreation	<u>1,072,195</u>	<u>1,129,135</u>	<u>1,179,148</u>	<u>(50,013)</u>
Non-departmental	<u>1,757,405</u>	<u>1,886,905</u>	<u>1,742,492</u>	<u>144,413</u>
Total non-departmental	<u>1,757,405</u>	<u>1,886,905</u>	<u>1,742,492</u>	<u>144,413</u>
Total expenditures	<u>15,138,898</u>	<u>15,416,320</u>	<u>15,512,097</u>	<u>(95,777)</u>
Excess of revenues over expenditures	(2,282,848)	(3,905,463)	(3,945,127)	(39,664)
Other financing sources (uses):				
Capital lease proceeds	622,300	622,300	622,300	-
Transfers in	1,810,548	2,085,532	1,998,799	(86,733)
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(1,197,631)	(1,324,028)	(126,397)
Fund balance, beginning	<u>3,573,040</u>	<u>3,573,040</u>	<u>3,573,040</u>	<u>-</u>
Fund balance, end	<u>\$ 3,573,040</u>	<u>\$ 2,375,409</u>	<u>\$ 2,249,012</u>	<u>\$ (126,397)</u>

See notes to budgetary comparison schedule

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 450,000	\$ 450,000	\$ 478,162	\$ 28,162
Interest	-	-	-	-
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>478,162</u>	<u>28,162</u>
Expenditures:				
Current:				
Highways and Streets	<u>805,570</u>	<u>805,570</u>	<u>126,343</u>	<u>679,227</u>
Total expenditures	<u>805,570</u>	<u>805,570</u>	<u>126,343</u>	<u>679,227</u>
Deficiency of revenues over expenditures	<u>(355,570)</u>	<u>(355,570)</u>	<u>351,819</u>	<u>707,389</u>
Other financing sources:				
Transfers in	<u>355,570</u>	<u>355,570</u>	-	<u>(355,570)</u>
Total other financing sources	<u>355,570</u>	<u>355,570</u>	-	<u>(355,570)</u>
Net change in fund balance	-	-	351,819	351,819
Fund balance, beginning	<u>1,493,589</u>	<u>1,493,589</u>	<u>1,493,589</u>	-
Fund balance, end	<u>\$ 1,493,589</u>	<u>\$ 1,493,589</u>	<u>\$ 1,845,408</u>	<u>\$ 351,819</u>

See notes of budgetary comparison schedule.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Chapter 166, Florida Statutes, requires that all municipalities prepare, approve, adopt and execute an annual budget for funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy and the expenditure of money for City purposes in the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The City budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

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

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Budgetary control is maintained at the departmental and fund level, with finance department providing support to departments in the administration of their budgets. In accordance with the City's budget transfer policy, the City Manager is authorized to transfer budgeted amounts within any fund or functions; however, any supplemental appropriations or revisions that amend the total expenditure of any fund must be approved by the City Commission. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at the balance sheet date are canceled.
5. Annual operating budgets are legally adopted for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds. All budgets are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the department level. This is the level at which expenditures may not exceed appropriations.
6. All annual appropriations lapse at fiscal year end.
7. The final budget includes supplemental appropriations which have the effect of adjusting the original budget. General fund supplemental appropriations amount to \$168,310 for the fiscal year ended September 30, 2011 which consist primarily of:
 - a. \$50,000 for additional fuel costs;
 - b. \$198,280 for personnel costs related to 3% COLA;
 - c. \$20,000 for recreational program and activities;
 - d. \$133,335 for weed and seed grant expenditures; and
 - e. Elimination of the \$225,000 interfund transfer-out.

CITY OF OPA-LOCKA, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended September 30, 2011 expenditures exceeded appropriations in the city clerk, city attorney, building and licenses, public works, and parks departments of the general fund by \$42,410, \$87,997, \$27,171, \$213,123 and \$50,013. The over expenditures were funded by available fund balance in the case of the general fund.

Combining and Individual Statements

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues derived from specific sources that are legally restricted to expenditures for particular purposes.

Police Special Law Enforcement – used to account for the receipt and disbursement of the State’s special law enforcement trust fund, fines and forfeitures.

Boy Scout – used to account for the proceeds from donations to the City’s Police Explorer Program.

Opa-locka Police Youth Academy (OPYA, formerly DJJ Aftercare Program) – used to account for revenues received from the Department of Juvenile Justice for conditional release services provided by the City.

Crime Prevention – used to account for special slate grants to the City to develop a crime program prevention program.

STOP/VAWA GRANT- used to account for grants from the Department of Children and Families to provide domestic violence law enforcement services to victims.

FEMA Fund – used to account for grant receipts from the Federal Emergency Management Agency, through the State of Florida, to fund restoration projects in relation to a declared natural disaster.

Peoples Transportation Tax – used to account for the City’s prorated share of the Charter County Transit System Surtax proceeds. The monies received can be used toward projects and programs such as public transportation operations, street lighting, and transit system enhancements.

Local Law Enforcement Block Grant – (LLEBG) – used to account for grants to the City from the Department of Justice to reduce crime and improve public safety.

DEP Waste and Water and South Florida Water Management Grant – used to account for grant money received from the Department of Environmental Protection to assist in the upgrade of the City’s drainage systems.

Community Redevelopment Agency – used to account for the redevelopment within the City.

DEBT SERVICE FUND

Capital Improvement Debt Service – used to account for the sinking fund requirements of the Series 1994A Capital Improvement Revenue Bonds.

CITY OF OPA-LOCKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Special Revenue Funds					
	Special Law Enforcement	Boy Scout	Opa-locka Police Youth Academy	Crime Prevention	STOP/VAWA Program	FEMA
ASSETS						
Cash and equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	-	-	5,451	14,490	7,268	-
Due from other funds	40,232	17,515	6,000	48,715	-	57,008
Restricted cash and cash equivalents	118,933	-	-	-	-	18,975
Total assets	\$ 159,165	\$ 17,515	\$ 11,451	\$ 63,205	\$ 7,268	\$ 75,983
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,971	\$ 925	\$ -	\$ -
Due to other funds	15,114	100	294,659	246,211	151,739	-
Deferred revenues	-	-	-	-	-	20,937
Total liabilities	15,114	100	297,630	247,136	151,739	20,937
FUND BALANCES						
Restricted for:						
Public safety	144,051	17,415	-	-	-	55,046
Transportation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Unassigned	-	-	(286,179)	(183,931)	(144,471)	-
Total fund balances	144,051	17,415	(286,179)	(183,931)	(144,471)	55,046
Total liabilities and fund balances	\$ 159,165	\$ 17,515	\$ 11,451	\$ 63,205	\$ 7,268	\$ 75,983

CITY OF OPA-LOCKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2011

	Special Revenue Funds				Total Nonmajor Governmental Funds
	DEP Wastewater System <u>Improvement</u>	South Florida Water <u>Management</u>	Local Law <u>Enforcement</u>	Community <u>Redevelopment</u>	
ASSETS					
Cash and equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	-	-	-	-	27,209
Due from other funds	-	347,146	235	-	516,851
Restricted cash and cash equivalents	-	-	-	-	137,908
Total assets	<u>\$ -</u>	<u>\$ 347,146</u>	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 681,968</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 3,896
Due to other funds	-	84,134	-	-	791,957
Deferred revenues	-	-	-	-	20,937
Total liabilities	<u>-</u>	<u>84,134</u>	<u>-</u>	<u>-</u>	<u>816,790</u>
FUND BALANCES					
Restricted for:					
Public safety	-	-	235	-	216,747
Transportation	-	-	-	-	-
Debt service	-	-	-	-	-
Physical environment	-	263,012	-	-	263,012
Unassigned	-	-	-	-	(614,581)
Total fund balances	<u>-</u>	<u>263,012</u>	<u>235</u>	<u>-</u>	<u>(134,822)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 347,146</u>	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 681,968</u>

CITY OF OPA-LOCKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds					
	Special Law Enforcement	Boy Scout	Opa-locka Police Youth Academy	Crime Prevention	STOP/VAWA Program	FEMA
Revenues:						
Intergovernmental	\$ 60,895	\$ -	\$ 185,400	\$ 55,980	\$ -	\$ -
Interest	393	-	-	-	-	-
Other	-	-	-	5,500	-	-
Total revenues	<u>61,288</u>	<u>-</u>	<u>185,400</u>	<u>61,480</u>	<u>-</u>	<u>-</u>
Expenditures:						
Current:						
Public safety	9,438	-	-	-	-	5,258
Highways and streets	-	-	-	-	-	-
Human services	-	-	189,856	87,807	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>9,438</u>	<u>-</u>	<u>189,856</u>	<u>87,807</u>	<u>-</u>	<u>5,258</u>
Excess (deficiency) of revenues over expenditures	<u>51,850</u>	<u>-</u>	<u>(4,456)</u>	<u>(26,327)</u>	<u>-</u>	<u>(5,258)</u>
Other financing sources:						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,000,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Net change in fund balance	51,850	-	(4,456)	(26,327)	-	(1,005,258)
Fund balance, beginning as restated (Note 15)	<u>92,201</u>	<u>17,415</u>	<u>(281,723)</u>	<u>(157,604)</u>	<u>(144,471)</u>	<u>1,060,304</u>
Fund balance, ending	<u>\$ 144,051</u>	<u>\$ 17,415</u>	<u>\$ (286,179)</u>	<u>\$ (183,931)</u>	<u>\$ (144,471)</u>	<u>\$ 55,046</u>

(continued)

CITY OF OPA-LOCKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds				Total Nonmajor Governmental Funds
	DEP Wastewater System Improvement	South Florida Water Management	Local Law Enforcement	Community Redevelopment	
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 302,275
Interest	-	-	-	-	393
Other	-	-	-	-	5,500
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,168</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	14,696
Highways and streets	-	-	-	-	-
Human services	-	-	-	-	277,663
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,359</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,809</u>
Other financing sources:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(1,000,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Net change in fund balance	-	-	-	-	(984,191)
Fund balance, beginning as restated (Note 15)	<u>-</u>	<u>263,012</u>	<u>235</u>	<u>-</u>	<u>849,369</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 263,012</u>	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ (134,822)</u>

CITY OF OPA-LOCKA, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and equity in pooled cash	\$ 78,904	\$ -	\$ 78,904
Receivables, net	90,961	58,333	149,294
Estimated unbilled services	10,334	-	10,334
Due from other funds	879,187	62,429	941,616
Total current assets	<u>1,059,386</u>	<u>120,762</u>	<u>1,180,148</u>
Noncurrent assets:			
Capital assets, net	114,475	-	114,475
Total noncurrent assets	<u>114,475</u>	<u>-</u>	<u>114,475</u>
Total assets	<u>1,173,861</u>	<u>120,762</u>	<u>1,294,623</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,108	86,669	87,777
Due to other funds	368,939	552,113	921,052
Due to other governments	-	-	-
Customers' deposits	-	119,480	119,480
Compensated absences	11,186	-	11,186
Total current liabilities	<u>381,233</u>	<u>758,262</u>	<u>1,139,495</u>
Total liabilities	<u>381,233</u>	<u>758,262</u>	<u>1,139,495</u>
NET ASSETS			
Invested in capital assets, net of related debt	114,475	-	114,475
Unrestricted	678,153	(637,500)	40,653
Total net assets	<u>\$ 792,628</u>	<u>\$ (637,500)</u>	<u>\$ 155,128</u>

CITY OF OPA-LOCKA, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 235,423	\$ 1,142,852	\$ 1,378,275
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>235,423</u>	<u>1,142,852</u>	<u>1,378,275</u>
Operating expenses:			
Operating, administrative and maintenance	252,976	1,203,020	1,455,996
Depreciation	<u>38,442</u>	<u>-</u>	<u>38,442</u>
Total operating expenses	<u>291,418</u>	<u>1,203,020</u>	<u>1,494,438</u>
Change in net assets	(55,995)	(60,168)	(116,163)
Net assets, beginning	<u>848,623</u>	<u>(577,332)</u>	<u>271,291</u>
Net assets, ending	<u>\$ 792,628</u>	<u>\$ (637,500)</u>	<u>\$ 155,128</u>

CITY OF OPA-LOCKA, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Stormwater</u>	<u>Solidwaste</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 268,668	\$ 1,323,478	\$ 1,592,146
Cash paid to suppliers	(316,335)	(1,471,755)	(1,788,090)
Cash paid to employees	(58,553)	-	(58,553)
Internal activity payments from(to) other funds, net	(346,335)	148,277	(198,058)
Net cash provided by operating activities	<u>(452,555)</u>	<u>-</u>	<u>(452,555)</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	-	-	-
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	-	-
Principal paid on debt	-	-	-
Interest paid on debt	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest income	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash	(452,555)	-	(452,555)
Cash, beginning	531,459	-	531,459
Cash, ending	<u>\$ 78,904</u>	<u>\$ -</u>	<u>\$ 78,904</u>
Displayed as:			
Unrestricted	\$ 78,904	\$ -	\$ 78,904
Restricted	-	-	-
Total	<u>\$ 78,904</u>	<u>\$ -</u>	<u>\$ 78,904</u>
Reconciliation of operating income to cash provided by operating activities:			
Operating income (loss)	\$ (55,995)	\$ (60,168)	\$ (116,163)
Adjustments to reconciled operating income to net cash provided by (used in) operating activities:			
Depreciation expenses	38,440	-	38,440
(Increase) decrease in:			
Accounts receivable	12,576	10,405	22,981
Due from other funds	(162,504)	3,107	(159,397)
Increase (decrease) in:			
Accounts payable and accrued liabilities	(4,807)	(95,397)	(100,204)
Due to other funds	(280,265)	142,053	(138,212)
Due to other governments	-	-	-
Customer deposits	-	-	-
Net cash provided by operating activities	<u>\$ (452,555)</u>	<u>\$ -</u>	<u>\$ (452,555)</u>

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Law Enforcement				Boy Scout			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 5,000	\$ 5,000	\$ 60,895	\$ 55,895	\$ -	\$ -	\$ -	\$ -
Interest	-	-	393	393	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	5,000	5,000	61,288	56,288	-	-	-	-
Expenditures:								
Current:								
Public safety	5,000	30,000	9,438	20,562	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	5,000	30,000	9,438	20,562	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	(25,000)	51,850	76,850	-	-	-	-
Other financing sources (uses):								
Transfers in	-	25,000	-	(25,000)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	25,000	-	(25,000)	-	-	-	-
Net change in fund balance	-	-	51,850	51,850	-	-	-	-
Fund balance, beginning	92,201	92,201	92,201	-	17,415	17,415	17,415	-
Fund balance, end	\$ 92,201	\$ 92,201	\$ 144,051	\$ 51,850	\$ 17,415	\$ 17,415	\$ 17,415	\$ -

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Opa-locka Police Youth Academy				Crime Prevention			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 198,696	\$ 198,696	\$ 185,400	\$ (13,296)	\$ 70,000	\$ 55,800	\$ 55,980	\$ 180
Other	-	-	-	-	-	14,200	5,500	(8,700)
Total revenues	198,696	198,696	185,400	(13,296)	70,000	70,000	61,480	(8,520)
Expenditures:								
Current:								
Human services	198,696	198,696	189,856	8,840	70,000	70,000	87,807	(17,807)
Highways and streets	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	198,696	198,696	189,856	8,840	70,000	70,000	87,807	(17,807)
Deficiency of revenues over expenditures	-	-	(4,456)	(4,456)	-	-	(26,327)	(26,327)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	(4,456)	(4,456)	-	-	(26,327)	(26,327)
Fund balance, beginning	(281,723)	(281,723)	(281,723)	-	(157,604)	(157,604)	(157,604)	-
Fund balance, end	\$ (281,723)	\$ (281,723)	\$ (286,179)	\$ (4,456)	\$ (157,604)	\$ (157,604)	\$ (183,931)	\$ (26,327)

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	STOP/VAWA				FEMA			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current:								
Public safety	-	-	-	-	1,024,233	1,024,233	5,258	1,018,975
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	1,024,233	1,024,233	5,258	1,018,975
Deficiency of revenues over expenditures	-	-	-	-	(1,024,233)	(1,024,233)	(5,258)	1,018,975
Other financing sources (uses):								
Transfers in	-	-	-	-	1,024,233	1,024,233	-	(1,024,233)
Transfers out	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Total other financing sources	-	-	-	-	1,024,233	1,024,233	(1,000,000)	(2,024,233)
Net change in fund balance	-	-	-	-	-	-	(1,005,258)	(1,005,258)
Fund balance, beginning	(144,471)	(144,471)	(144,471)	-	1,060,304	1,060,304	1,060,304	-
Fund balance, end	\$ (144,471)	\$ (144,471)	\$ (144,471)	\$ -	\$ 1,060,304	\$ 1,060,304	\$ 55,046	\$ (1,005,258)

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	DEP Wastewater System Improvement				South Florida Water Management			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current:								
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Deficiency of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning	-	-	-	-	263,012	263,012	263,012	-
Fund balance, end	\$ -	\$ -	\$ -	\$ -	\$ 263,012	\$ 263,012	\$ 263,012	\$ -

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Local Law Enforcement				Community Redevelopment			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest			-	-			-	-
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current:								
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Deficiency of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning	236	236	236	-	-	-	-	-
Fund balance, end	\$ 236	\$ 236	\$ 236	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,383,790	\$ 1,383,790	\$ 1,295,753	\$ (88,037)
Interest	-	-	100	100
Total revenues	<u>1,383,790</u>	<u>1,383,790</u>	<u>1,295,853</u>	<u>(87,937)</u>
Expenditures:				
Capital outlay	-	22,000	21,540	460
Debt service:				
Principal	255,000	5,575,000	5,575,000	-
Interest	342,475	355,153	361,712	(6,559)
Other debt service costs	500	500		
Bond issuance cost	-	60,322	45,417	14,905
Total expenditures	<u>597,975</u>	<u>6,012,975</u>	<u>6,003,669</u>	<u>8,806</u>
Deficiency of revenues over expenditures	785,815	(4,629,185)	(4,707,816)	(79,131)
Other financing uses:				
Debt proceeds	800,000	7,713,000	5,393,000	2,320,000
Transfers in	-	22,000	-	22,000
Transfers out	<u>(1,585,815)</u>	<u>(3,105,815)</u>	<u>(723,799)</u>	<u>2,382,016</u>
Net change in fund balance	-	-	(38,615)	4,644,885
Fund balance, beginning	<u>364,829</u>	<u>364,829</u>	<u>364,829</u>	<u>-</u>
Fund balance, end	<u>\$ 364,829</u>	<u>\$ 364,829</u>	<u>\$ 326,214</u>	<u>\$ 4,644,885</u>

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,982,955	\$ 4,632,955	\$ 991,018	\$ (3,641,937)
Interest	<u>-</u>	<u>-</u>	<u>817</u>	<u>817</u>
Total revenues	<u>3,982,955</u>	<u>4,632,955</u>	<u>991,835</u>	<u>(3,641,120)</u>
Expenditures:				
Current:				
General government	-	-	572,546	(572,546)
Capital outlay	5,243,525	6,952,955	4,142,335	2,810,620
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>17,897</u>	<u>(17,897)</u>
Total expenditures	<u>5,243,525</u>	<u>6,952,955</u>	<u>4,732,778</u>	<u>2,220,177</u>
Deficiency of revenues over expenditures	<u>(1,260,570)</u>	<u>(2,320,000)</u>	<u>(3,740,943)</u>	<u>(1,420,943)</u>
Other financing sources:				
Issuance of debt	-	2,320,000	2,320,000	-
Transfers in	<u>1,260,570</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,260,570</u>	<u>2,320,000</u>	<u>2,320,000</u>	<u>-</u>
Net change in fund balance	-	-	(1,420,943)	(1,420,943)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>(347,729)</u>	<u>(347,729)</u>
Fund balance, end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,768,672)</u>	<u>\$ (1,768,672)</u>

III. STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Financial Trends

These schedules contain trend information to help the readers understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the readers assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators that help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the readers understand how information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in the fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF OPA-LOCKA, FLORIDA
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 8,402,867	\$ 6,412,870	\$ 5,647,558	\$ 5,509,644	\$ 1,856,232	\$ 173,474	\$ 2,881,664	\$ 796,149
Restricted	2,651,381	3,028,572	1,455,562	1,618,813	1,648,369	349,600	340,785	340,785
Unrestricted	<u>(1,204,846)</u>	<u>1,427,083</u>	<u>3,735,623</u>	<u>3,337,336</u>	<u>5,451,619</u>	<u>3,517,428</u>	<u>1,254,617</u>	<u>2,363,225</u>
Total governmental activities net assets	<u>\$ 9,849,402</u>	<u>\$ 10,868,525</u>	<u>\$ 10,838,743</u>	<u>\$ 10,465,793</u>	<u>\$ 8,956,220</u>	<u>\$ 4,040,502</u>	<u>\$ 4,477,066</u>	<u>\$ 3,500,159</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 6,733,269	\$ 5,719,464	\$ 5,422,334	\$ 5,098,389	\$ 6,559,594	\$ 707,159	\$ 306,435	\$ 3,925,622
Restricted	411,671	397,355	396,472	393,842	1,344,966	562,555	371,568	371,568
Unrestricted	<u>6,729,636</u>	<u>6,279,180</u>	<u>5,835,374</u>	<u>5,499,567</u>	<u>1,958,057</u>	<u>10,241,234</u>	<u>11,039,324</u>	<u>4,829,304</u>
Total business-type activities net assets	<u>\$ 13,874,576</u>	<u>\$ 12,395,999</u>	<u>\$ 11,654,180</u>	<u>\$ 10,991,798</u>	<u>\$ 9,862,617</u>	<u>\$ 11,510,948</u>	<u>\$ 11,717,327</u>	<u>\$ 9,126,494</u>
Primary government								
Invested in capital assets, net of related debt	\$ 15,136,136	\$ 12,132,334	\$ 11,069,892	\$ 10,608,033	\$ 8,415,826	\$ 880,633	\$ 3,188,099	\$ 4,721,771
Restricted	3,063,052	3,425,927	1,852,034	2,012,655	2,993,335	912,155	712,353	712,353
Unrestricted	<u>5,524,790</u>	<u>7,706,263</u>	<u>9,570,997</u>	<u>8,836,903</u>	<u>7,409,676</u>	<u>13,758,662</u>	<u>12,293,941</u>	<u>7,192,529</u>
Total primary government net assets	<u>\$ 23,723,978</u>	<u>\$ 23,264,524</u>	<u>\$ 22,492,923</u>	<u>\$ 21,457,591</u>	<u>\$ 18,818,837</u>	<u>\$ 15,551,450</u>	<u>\$ 16,194,393</u>	<u>\$ 12,626,653</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF OPA-LOCKA, FLORIDA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

Expenses	Fiscal Year							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:								
General government	\$ 5,258,247	\$ 4,109,593	\$ 4,690,986	\$ 4,603,861	\$ 4,221,761	\$ 4,051,643	\$ 4,349,856	\$ 3,047,149
Public safety	5,856,372	6,708,963	5,565,672	6,062,394	5,746,353	5,278,005	4,865,651	4,830,590
Economic environment	-	-	-	-	-	-	-	-
Highways and streets	3,000,577	3,045,651	3,084,070	2,664,432	3,079,201	9,200,709	18,637,182	7,393,917
Human services	278,733	260,737	535,075	-	-	-	-	-
Culture and recreation	1,179,470	1,190,536	939,357	892,599	889,461	758,395	496,612	295,795
Interest on long-term debt	361,712	377,528	388,244	389,219	408,438	421,563	455,432	478,145
Total governmental activities expenses	<u>15,935,111</u>	<u>15,693,008</u>	<u>15,203,404</u>	<u>14,612,505</u>	<u>14,345,214</u>	<u>19,710,315</u>	<u>28,804,733</u>	<u>16,045,596</u>
Business-type activities:								
Water and sewer	5,446,235	6,244,689	6,460,679	5,342,491	10,699,290	8,223,846	4,537,539	5,013,772
Solid waste	1,203,020	1,070,098	1,047,524	1,207,689	873,783	747,215	872,006	1,070,181
Stormwater	291,418	508,494	388,804	534,378	1,716,944	509,627	495,818	303,032
Total Business-type activities expenses	<u>6,940,673</u>	<u>7,823,281</u>	<u>7,897,007</u>	<u>7,084,558</u>	<u>13,290,017</u>	<u>9,480,688</u>	<u>5,905,363</u>	<u>6,386,985</u>
Total primary government expenses	<u>\$ 22,875,784</u>	<u>\$ 23,516,289</u>	<u>\$ 23,100,411</u>	<u>\$ 21,697,063</u>	<u>\$ 27,635,231</u>	<u>\$ 29,191,003</u>	<u>\$ 34,710,096</u>	<u>\$ 22,432,581</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 333,549	\$ 193,686	\$ 392,263	\$ 404,826	\$ 811,121	\$ 839,762	\$ 41,280	\$ 687,446
Public safety	523,110	192,370	442,823	220,846	-	97,549	-	6,766
Highways and streets	-	-	-	-	-	-	-	16,137
Culture and recreation	14,575	17,822	14,607	12,585	5,858	12,311	-	53,153
Operating grants and contributions	780,437	775,112	779,371	435,019	-	1,107,935	1,415,067	830,604
Capital grants and contributions	1,025,134	1,599,910	717,540	1,599,939	4,691,815	5,121,725	17,762,358	5,804,895
Total governmental activities program revenues	<u>2,676,805</u>	<u>2,778,900</u>	<u>2,346,604</u>	<u>2,673,215</u>	<u>5,508,794</u>	<u>7,179,282</u>	<u>19,218,705</u>	<u>7,399,001</u>
Business-type Activities:								
Charges for services:								
Water and sewer	7,256,189	7,217,522	7,206,735	6,963,170	5,996,478	7,732,804	7,817,072	6,695,298
Solid waste	1,142,852	1,014,622	885,964	793,534	729,062	583,123	812,946	724,169
Stormwater	235,423	234,934	283,731	271,277	303,308	332,821	337,874	336,351
Operating grants and contributions	-	-	-	-	-	92,864	-	-
Capital grants and contributions	-	-	-	-	4,307,851	-	-	768,215
Total Business-type activities program revenues	<u>8,634,464</u>	<u>8,467,078</u>	<u>8,376,430</u>	<u>8,027,981</u>	<u>11,336,699</u>	<u>8,741,612</u>	<u>8,967,892</u>	<u>8,524,033</u>
Total primary government program revenues	<u>\$ 11,311,269</u>	<u>\$ 11,245,978</u>	<u>\$ 10,723,034</u>	<u>\$ 10,701,196</u>	<u>\$ 16,845,493</u>	<u>\$ 15,920,894</u>	<u>\$ 28,186,597</u>	<u>\$ 15,923,034</u>

(continued)

CITY OF OPA-LOCKA, FLORIDA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
(Continued)

	Fiscal Year							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (expense)/revenue								
Governmental activities	\$ (13,258,306)	\$ (12,914,108)	\$ (12,856,800)	\$ (11,939,290)	\$ (9,474,688)	\$ (12,531,033)	\$ (9,586,029)	\$ (8,646,595)
Business-type activities	<u>1,693,791</u>	<u>643,797</u>	<u>479,423</u>	<u>943,423</u>	<u>(1,953,318)</u>	<u>(739,076)</u>	<u>3,062,529</u>	<u>2,137,048</u>
Total primary government net expense	<u>\$ (11,564,515)</u>	<u>\$ (12,270,311)</u>	<u>\$ (12,377,377)</u>	<u>\$ (10,995,867)</u>	<u>\$ (11,428,006)</u>	<u>\$ (13,270,109)</u>	<u>\$ (6,523,500)</u>	<u>\$ (6,509,547)</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes								
Property taxes	\$ 6,429,836	\$ 7,184,822	\$ 7,667,287	\$ 7,441,927	\$ 7,207,046	\$ 5,802,009	\$ 4,877,060	\$ 4,679,897
Utility taxes	1,100,645	870,185	741,164	894,359	1,544,532	1,467,039	503,181	836,173
Communications service taxes (1)	611,700	654,141	717,858	637,712	-	-	-	-
Local option gas tax	284,901	261,644	281,095	295,194	308,170	356,931	-	318,589
Franchise fees	1,499,291	1,487,057	1,656,094	1,540,751	1,919,542	1,941,938	1,313,694	1,674,120
Local business taxes	223,949	215,477	229,627	281,975	327,326	-	-	-
Intergovernmental revenue	1,606,396	1,678,883	1,884,800	2,092,307	1,764,906	2,227,585	3,662,889	2,710,536
Investment earnings	8,761	8,345	18,043	131,469	283,431	89,567	41,352	17,334
Miscellaneous	198,704	120,939	156,067	133,169	397,185	209,409	164,759	174,225
Gain on disposal of capital assets	-	628	-	-	-	-	-	-
Transfer	<u>275,000</u>	<u>-</u>	<u>(122,285)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>12,239,183</u>	<u>12,482,121</u>	<u>13,229,750</u>	<u>13,448,863</u>	<u>13,752,138</u>	<u>12,094,478</u>	<u>10,562,935</u>	<u>10,410,874</u>
Business Type Activities:								
Investment earnings	22,501	20,890	42,914	185,758	304,702	273,781	18,046	30,690
Miscellaneous	37,283	78,314	17,760	-	-	258,915	-	221,100
Loss on disposal of capital assets	-	(1,182)	-	-	-	-	-	-
Transfer	<u>(275,000)</u>	<u>-</u>	<u>122,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(215,216)</u>	<u>98,022</u>	<u>182,959</u>	<u>185,758</u>	<u>304,702</u>	<u>532,696</u>	<u>18,046</u>	<u>251,790</u>
Total primary government	<u>\$ 12,023,967</u>	<u>\$ 12,580,143</u>	<u>\$ 13,412,709</u>	<u>\$ 13,634,621</u>	<u>\$ 14,056,840</u>	<u>\$ 12,627,174</u>	<u>\$ 10,580,981</u>	<u>\$ 10,662,664</u>
Change in Net Assets								
Governmental activities	\$ (1,019,123)	\$ (431,987)	\$ 372,950	\$ 1,509,573	\$ 4,277,450	\$ (436,555)	\$ 976,906	\$ 1,764,279
Business-type activities	<u>1,478,575</u>	<u>741,819</u>	<u>662,382</u>	<u>1,129,181</u>	<u>(1,648,616)</u>	<u>(206,380)</u>	<u>3,080,575</u>	<u>2,388,838</u>
Total primary government	<u>\$ 459,452</u>	<u>\$ 309,832</u>	<u>\$ 1,035,332</u>	<u>\$ 2,638,754</u>	<u>\$ 2,628,834</u>	<u>\$ (642,935)</u>	<u>\$ 4,057,481</u>	<u>\$ 4,153,117</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

(1) Included in utility taxes prior to 2007.

CITY OF OPA-LOCKA, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property	Sales and Use	Franchise	Utility	Communications Service Taxes (1)	Local Business Tax (2)	Total
2002	\$ 3,846,425	\$ 1,286,148	\$ 1,032,531	\$ 1,918,559	\$ -	\$ -	\$ 8,083,663
2003	4,377,548	1,357,982	1,198,858	1,805,699	-	-	8,740,087
2004	4,679,897	1,356,128	1,674,120	2,055,032	-	-	9,765,177
2005	4,877,060	1,479,783	1,313,694	1,794,845	-	-	9,465,382
2006	5,802,009	356,931	1,941,938	1,224,316	599,654	200,837	10,125,685
2007	7,207,046	308,170	1,919,542	892,002	652,530	327,326	11,306,616
2008	7,441,927	295,194	1,540,751	894,359	637,712	281,975	11,091,918
2009	7,667,287	281,095	1,656,094	741,164	717,858	229,627	11,293,125
2010	7,184,822	261,644	1,487,057	870,185	654,141	215,477	10,673,326
2011	6,429,836	284,901	1,499,291	1,100,645	611,700	223,949	10,150,322

(1) Effective Oct. 1, 2001. Reported as part of Utility taxes from 2002 to 2005.

(2) Reported as part of permits, licenses and fees prior to 2006.

CITY OF OPA-LOCKA, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund										
Reserved	\$ -	\$ 256,751	\$ 247,330	\$ 340,679	\$ 380,380	\$ 389,118	\$ 386,120	\$ 347,297	\$ 114,723	\$ 41,642
Unreserved	-	3,316,289	4,414,425	4,908,350	6,772,228	4,653,301	3,884,621	2,645,448	1,846,740	1,162,531
Nonspendable	200,065	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>2,048,947</u>	<u>-</u>								
Total General Fund	<u>\$ 2,249,012</u>	<u>\$ 3,573,040</u>	<u>\$ 4,661,755</u>	<u>\$ 5,249,029</u>	<u>\$ 7,152,608</u>	<u>\$ 5,042,419</u>	<u>\$ 4,270,741</u>	<u>\$ 2,992,745</u>	<u>\$ 1,961,463</u>	<u>\$ 1,204,173</u>
All Other Governmental Funds										
Reserved	\$ -	\$ 3,028,572	\$ 2,134,292	\$ 1,636,464	\$ 1,648,369	\$ 340,785	\$ -	\$ 637,374	\$ 340,785	\$ 122,569
Unreserved, reported in:										
Special revenue funds	-	(320,786)	(397,395)	(289,336)	(308,288)	(117,431)	935,287	768,224	323,820	(581,741)
Capital projects funds	-	(347,729)	(8,841)	(664,346)	(417,272)	98,078	385,320	(235,793)	22,904	(307,757)
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	2,651,381	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>(2,383,253)</u>	<u>-</u>								
Total all other governmental funds	<u>\$ 268,128</u>	<u>\$ 2,360,057</u>	<u>\$ 1,728,056</u>	<u>\$ 682,782</u>	<u>\$ 922,809</u>	<u>\$ 321,432</u>	<u>\$ 1,320,607</u>	<u>\$ 1,169,805</u>	<u>\$ 687,509</u>	<u>\$ (766,929)</u>
Checking:										
Total Governmental Funds	<u>\$ 2,517,140</u>	<u>\$ 5,933,098</u>	<u>\$ 6,389,811</u>	<u>\$ 5,931,811</u>	<u>\$ 8,075,417</u>	<u>\$ 5,363,851</u>	<u>\$ 5,591,348</u>	<u>\$ 4,162,550</u>	<u>\$ 2,648,972</u>	<u>\$ 437,244</u>

Note: Fund balances for fiscal year 2011 have been reclassified per GASB Statement 54 new fund balance reporting standards. Prior year amounts have not been restated.

CITY OF OPA-LOCKA, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues:										
Taxes	\$ 10,150,322	\$ 10,673,326	\$ 11,293,124	\$ 11,091,918	\$ 11,306,616	\$ 9,567,917	\$ 6,653,005	\$ 8,409,049	\$ 7,382,105	\$ 6,797,515
Licenses and permits	317,689	188,692	378,086	385,123	638,268	813,503	503,181	538,792	821,714	580,939
Fines and forfeitures	478,417	178,391	438,123	216,124	27,065	31,584	123,479	149,548	116,519	129,198
Intergovernmental	3,411,967	4,053,904	3,381,713	4,127,265	6,456,721	8,457,245	20,284,816	8,497,712	8,158,238	2,897,003
Charges for services	75,128	36,795	33,483	37,010	178,711	104,535	41,280	26,694	54,060	51,454
Interest	8,761	8,345	18,043	131,469	283,431	89,567	47,667	17,334	18,243	27,583
Miscellaneous	198,704	144,982	156,067	133,169	370,120	209,409	2,550,203	170,747	205,505	160,071
Total revenues	<u>14,640,988</u>	<u>15,284,435</u>	<u>15,698,639</u>	<u>16,122,078</u>	<u>19,260,932</u>	<u>19,273,760</u>	<u>30,203,631</u>	<u>17,809,876</u>	<u>16,756,384</u>	<u>10,643,763</u>
Expenditures:										
General government	5,570,801	4,012,365	4,604,911	4,520,068	3,951,414	3,813,756	6,523,196	2,991,081	2,374,650	3,399,603
Public safety	5,680,424	6,331,246	5,269,093	5,966,913	5,458,602	5,153,511	3,898,324	4,775,745	4,310,132	4,596,407
Economic environment	-	-	-	-	-	-	-	-	179,588	-
Highways and streets	2,433,842	2,379,870	2,279,406	1,937,045	2,573,422	8,768,977	16,977,785	6,961,686	6,574,144	924,199
Culture and recreation	1,147,780	1,132,959	900,056	881,189	868,588	758,395	496,612	300,414	379,390	494,495
Human services	277,663	263,618	504,425	-	-	-	-	-	-	-
Capital outlay	4,934,410	1,414,042	853,785	4,257,057	3,004,588	513,766	288,043	934,139	-	-
Debt service: Principal	-	440,894	373,168	349,699	416,514	492,762	170,000	321,233	401,762	145,000
Debt Service: Interest	361,712	377,528	388,244	401,364	408,438	421,563	437,718	474,335	506,055	613,189
Bond issuance cost	63,314	-	-	-	-	-	-	-	-	-
Total expenditures	<u>20,469,946</u>	<u>16,352,522</u>	<u>15,173,088</u>	<u>18,313,335</u>	<u>16,681,566</u>	<u>19,922,730</u>	<u>28,791,678</u>	<u>16,758,633</u>	<u>14,725,721</u>	<u>10,172,893</u>
Excess (deficiency) of revenues over expenditures	<u>(5,828,958)</u>	<u>(1,068,087)</u>	<u>525,551</u>	<u>(2,191,257)</u>	<u>2,579,366</u>	<u>(648,970)</u>	<u>1,411,953</u>	<u>1,051,243</u>	<u>2,030,663</u>	<u>470,870</u>
Other Financing Sources (Uses)										
Issuance of debt	7,713,000	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	(5,575,000)	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	149,604	54,734	47,650	132,200	421,470	16,844	462,334	-	-
Other credits	-	-	-	-	-	-	-	-	-	662,161
Transfers in	1,998,799	699,359	1,140,550	3,280,569	874,259	1,259,709	949,083	1,048,387	683,710	687,044
Transfers out	(1,723,799)	(699,359)	(1,262,834)	(3,280,568)	(874,259)	(1,259,709)	(949,083)	(1,048,387)	(683,710)	(687,044)
Total other financing sources (uses)	<u>2,413,000</u>	<u>149,604</u>	<u>(67,550)</u>	<u>47,651</u>	<u>132,200</u>	<u>421,470</u>	<u>16,844</u>	<u>462,334</u>	<u>-</u>	<u>662,161</u>
Net change in fund balances	<u>\$ (3,415,958)</u>	<u>\$ (918,483)</u>	<u>\$ 458,001</u>	<u>\$ (2,143,606)</u>	<u>\$ 2,711,566</u>	<u>\$ (227,500)</u>	<u>\$ 1,428,797</u>	<u>\$ 1,513,577</u>	<u>\$ 2,030,663</u>	<u>\$ 1,133,031</u>
Debt service as a percentage of noncapital expenditures	2%	5%	5%	5%	6%	5%	2%	5%	6%	7%

CITY OF OPA-LOCKA, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis)

Fiscal Year	Property	Sales and Use	Franchise	Utility	Communications Service Taxes (1)	Local Business Tax (2)	Total
2002	\$ 3,846,425	\$ 1,286,148	\$ 1,032,531	\$ 1,918,559	\$ -	\$ -	\$ 8,083,663
2003	4,377,548	1,357,982	1,198,858	1,805,699	-	-	8,740,087
2004	4,679,897	1,356,128	1,674,120	2,055,032	-	-	9,765,177
2005	4,877,060	1,479,783	1,313,694	1,794,845	-	-	9,465,382
2006	5,802,009	356,931	1,941,938	1,224,316	599,654	200,837	10,125,685
2007	7,207,046	308,170	1,919,542	892,002	652,530	327,326	11,306,616
2008	7,441,927	295,194	1,540,751	894,359	637,712	281,975	11,091,918
2009	7,667,287	281,095	1,656,093	741,164	717,858	229,627	11,293,124
2010	7,184,822	261,644	1,487,057	870,185	654,141	215,477	10,673,326
2011	6,429,836	284,901	1,499,291	1,100,645	611,700	223,949	10,150,322

(1) Effective Oct. 1, 2001. Reported as part of Utility taxes from 2002 to 2005.

(2) Reported as part of permits, licenses and fees prior to 2006.

CITY OF OPA-LOCKA, FLORIDA
ASSESSED VALUE OF ALL TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Total Gross Assessed Value	Real Estate Adjustments	Total Net Assessed Value	Total Direct Tax Rate
2002	\$ 337,721,469	81,094,116	\$ 1,271,453	420,087,038	10,162,000	409,925,038	9.8000
2003	357,301,495	87,946,659	1,133,008	446,381,162	8,326,000	438,055,162	9.8000
2004	394,926,966	90,984,153	1,104,373	487,015,492	2,801,905	484,213,587	9.8000
2005	434,282,541	88,332,831	1,948,311	524,563,683	13,277,720	511,285,963	9.8000
2006	514,575,250	93,121,243	1,363,003	609,059,496	18,622,416	590,437,080	9.8000
2007	668,025,734	102,636,497	1,343,829	772,006,060	25,512,624	746,493,436	9.8000
2008	827,093,363	108,948,153	1,591,662	937,633,178	13,163,594	924,469,584	8.0084
2009	868,952,536	94,569,260	1,604,574	965,126,370	15,691,078	949,435,292	8.2084
2010	838,488,465	92,214,175	1,459,694	932,162,334	18,800,415	913,361,919	8.5467
2011	702,596,703	\$ 80,421,361	1,599,166	\$ 784,617,230	\$ 1,919,397	782,697,833	9.1052

Source: Miami-Dade County Property Appraiser's Office

(1) The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ended September 30, property is valued as of January 1st of the preceding year. Tax rates are per \$1,000 of assessed value.

CITY OF OPA-LOCKA, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

Fiscal Year	City of Opa-locka, Florida			Overlapping Rates			
	Operating Millage	Debt Service Millage	Total Millage	Miami- Dade County	School District	State	Total
2002	9.8000	-	9.8000	9.506	9.620	0.738	29.664
2003	9.8000	-	9.8000	9.468	9.380	1.082	29.730
2004	9.8000	-	9.8000	9.578	9.250	0.736	29.364
2005	9.8000	-	9.8000	9.325	8.687	0.736	28.548
2006	9.8000	-	9.8000	9.210	8.438	0.736	28.184
2007	9.8000	-	9.8000	9.459	8.105	0.736	28.100
2008	8.0084	-	8.0084	7.920	7.948	0.659	24.535
2009	8.2084	-	8.2084	8.153	7.797	0.659	24.817
2010	8.3000	-	8.3000	8.232	7.995	0.658	25.185
2011	9.1052	-	9.1052	8.232	8.005	0.471	25.813

Source: Miami-Dade County Property Appraiser.

CITY OF OPA-LOCKA, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Creative Choice Homes II	\$ 32,445,013	1	3.36%			
Bodwin LTD Partnership	15,663,494	2	1.62%	\$ 12,110,792	1	3.10%
Lejeune-Douglas Industrial PK LLC	14,673,645	3	1.52%			
Florida Power & Light	11,595,330	4	1.20%			
Thyssenkrupp Safway Inc	10,403,937	5	1.08%			
J R Realty Corp.	10,214,976	6	1.06%	4,794,820	6	1.23%
American Fuits & Produce	10,029,596	7	1.04%			
Sahara Properties Inc.	9,991,856	8	1.04%			
Avati Press Inc	8,343,077	9	0.86%	5,706,230	4	1.46%
Bellsouth Telecommunications Inc.	8,290,844	10	0.86%			
Alterman Transport Lines				7,400,000	2	1.89%
Fred A Zorovich				6,369,963	3	1.63%
H & J Properties Corp				5,215,594	5	1.33%
Moises & Lydia Kriger				3,600,000	7	0.92%
B & H Real Estate				3,593,645	8	0.92%
Birdsall Inc				3,525,185	9	0.90%
Total	\$ 131,651,768		13.64%	\$ 52,316,229		13.38%

Source: Miami-Dade County Property Appraiser's Office

CITY OF OPA-LOCKA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collected	Percent of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2002	4,116,853	3,846,425	93.43	86,538	3,932,963	95.53
2003	4,240,621	4,377,548	100.00	-	4,377,548	103.23
2004	4,772,752	4,679,897	98.05	19,843	4,699,740	98.47
2005	5,140,724	4,680,089	91.04	26,647	4,706,736	91.56
2006	5,968,783	5,802,009	97.21	-	5,802,009	97.21
2007	7,565,659	7,207,046	95.26	-	7,207,046	95.26
2008	7,508,942	7,425,461	98.89	16,466	7,441,927	99.11
2009	8,050,942	7,454,906	92.60	212,380	7,667,286	95.23
2010	7,966,912	7,071,305	88.75	113,517	7,184,822	90.18
2011	7,144,097	6,429,836	90.00	74,349	6,504,185	99.4

Source: Miami Dade County Property Appraiser and internally generated data.

CITY OF OPA-LOCKA, FLORIDA
RATIOS OF OUSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Population (1)	Per Capita	Percentage of Personal Income (2)
	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Revolving Loans	Notes Payable	Capital Leases				
2002	\$ 7,115,000	-	-	-	1,482,681	2,045,551	194,237	10,837,469	14,951	725	55.20%
2003	6,960,000	538,781	-	-	1,407,349	1,521,745	61,647	10,489,522	14,951	702	53.43%
2004	6,795,000	382,547	334,363	-	1,214,626	1,208,346	48,082	9,982,964	14,951	668	50.84%
2005	6,625,000	203,822	343,578	-	1,042,197	772,650	35,143	9,022,390	14,951	603	45.95%
2006	6,445,000	15,679	619,110	-	1,574,754	458,892	3,425,681	12,539,116	14,951	839	63.87%
2007	6,250,000	-	496,145	-	1,805,723	395,596	3,169,436	12,116,900	14,951	810	61.71%
2008	6,040,000	-	391,951	-	3,645,900	327,026	2,864,166	13,269,043	14,951	888	67.59%
2009	5,815,000	-	298,517	-	3,423,405	269,185	2,552,129	12,358,236	14,951	827	62.95%
2010	5,575,000	-	247,227	-	3,231,219	205,710	2,231,801	11,490,957	14,951	769	58.52%
2011	7,713,000	-	96,679	-	3,016,463	137,140	1,897,743	12,861,025	15,219	845	51.00%

Note: Details about the City's outstanding debt can be found in Note 8 in the notes to basic financial statements.

(1) U.S. Census Bureau, Census 2000. Data for 1999 - U.S. Census Bureau, Census 1990.

(2) From page 74 Demographic and Economic Statistics for personal income and population data.

CITY OF OPA-LOCKA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Capital Improvement Revenue Refunding Bonds					State Revolving Loan						
	State Shared		Debt Service			Coverage Ratio Percentage	Water and Sewer Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage Ratio Percentage
	Revenue/ 1/2 Cent Sales Tax	Principal	Interest	Other Cost	Principal					Interest		
2002	1,272,016	145,000	456,760		2.11	5,641,758	4,421,084	1,220,674	-	-	N/A	
2003	1,273,182	155,000	448,505		2.11	5,960,824	3,560,179	2,400,645	132,802	33,733	14.42	
2004	1,356,128	165,000	439,463		2.24	6,916,398	4,649,900	2,266,498	186,777	29,970	10.46	
2005	1,479,783	170,000	429,830		2.47	7,648,557	4,503,524	3,145,033	191,413	25,334	14.51	
2006	1,790,593	180,000	418,600		2.99	8,084,583	8,188,860	(104,277)	103,445	35,400	(0.75)	
2007	1,582,930	195,000	408,438		2.62	5,996,478	6,094,397	(97,919)	92,149	47,807	(0.70)	
2008	1,558,282	210,000	389,219		2.6	6,963,170	4,682,851	2,280,319	211,847	34,519	9.26	
2009	1,346,542	225,000	379,042		2.23	7,224,495	5,843,011	1,381,484	222,495	171,588	3.50	
2010	1,303,988	240,000	362,818		2.16	7,295,836	6,050,962	1,244,874	193,725	92,415	4.35	
2011	1,295,853	5,575,000	361,712	45,417	0.22	7,293,472	5,293,421	2,000,051	152,814	65,069	7.73	

Source: City of Opa-locka Finance Department.

CITY OF OPA-LOCKA, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar <u>Year</u>	(1) (6) <u>Population</u>	Personal Income <i>(thousands of dollars)</i>	(2) Per Capita Personal Income	(3) Median <u>Age</u>	(4) School <u>Enrollment</u>	(5) Unemployment <u>Rate</u>
2002	14,951	19,631	9,538	27.3	374,725	17.5
2003	14,951	19,631	9,538	27.3	371,482	17.5
2004	14,951	19,631	9,538	27.3	369,578	17.5
2005	14,951	19,631	9,538	27.3	361,550	17.5
2006	14,951	19,631	9,538	27.3	365,784	17.5
2007	14,951	19,631	9,538	27.3	353,283	17.5
2008	14,951	19,631	9,538	27.3	385,655	17.5
2009	14,951	19,631	9,538	27.3	385,655	17.5
2010	14,951	19,631	9,538	27.3	341,051	17.5
2011	15,219	20,379	12,819	27.3	341,051	17.5

(1) University of Florida, Bureau of Economic & Business Research (except in 2000 - U.S. Census Bureau, Census 2000).

(2) U.S. Census Bureau, Census 2000. Data for 1999 - U.S. Census Bureau, Census 1990.

(3) U.S. Census Bureau, Census 2000. Data for 1999 - U.S. Census Bureau, Census 1990.

(4) Source: Miami-Dade County School Board. Data is for Miami-Dade County.

(5) U.S. Census Bureau, Census 2000. Data for 1999 - U.S. Census Bureau, Census 1990.

(6) U.S. Census Bureau, Census 2010. Data for 1999 - U.S. Census Bureau, Census 1990.

CITY OF OPA-LOCKA, FLORIDA
PRINCIPAL EMPLOYERS
FISCAL YEAR 2011 AND NINE YEARS AGO

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Master North America	200	1	4%	N/A	N/A	N/A
Aramark	160	2	3%	N/A	N/A	N/A
Sherwood Food Dist FKA Don Greene Poultry	140	3	3%	N/A	N/A	N/A
American Fruit	105	4	2%	N/A	N/A	N/A
Combined Services	98	5	2%	N/A	N/A	N/A
Republic Metals	95	6	2%	N/A	N/A	N/A
Miami Offset	75	7	2%	N/A	N/A	N/A
Choice Environmental	75	7	2%	N/A	N/A	N/A
Florida International Academy	75	7	2%	N/A	N/A	N/A
Robert B. Ingram Elementary	73	8	1%	N/A	N/A	N/A
Nathan B. Young Elementary	66	9	1%	N/A	N/A	N/A
Total	<u>1,162</u>		<u>22%</u>			

Source: City Community Development and Planning
N/A - Not Available

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

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:										
General Government	45	42	41	45	48	56	49	48	49	64
Public Safety	73	72	83	76	80	88	59	65	62	73
Highways & Streets	22	17	15	19	22	27	26	29	29	6
Culture & Recreation	8	7	6	6	14	7	11	11	15	14
Human services (1)	0	0	0	0	0	0	0	8	8	4
Business-type activities:										
Water & sewer utility	13	15	11	15	15	17	15	15	12	17
Solid waste (2)	12	14	0	0	0	0	0	0	0	0
Stormwater	2	2	2	2	2	2	4	4	4	3
Total	175	169	158	163	181	197	164	180	179	181

Source: City Finance/Payroll Department.

(1) The City's Opa-locka Youth Academy and Crime Prevention programs are classified under the Human Services function starting in fiscal year 2009.

(2) The City's solidwaste services was contracted out starting in 2004.

CITY OF OPA-LOCKA, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS

Function	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Police (1)				
Physical arrests	1,500	1,138	341	845
Parking violations	519	519	451	400
Traffic violations	14,000	14,000	2,507	2,400
No. of calls for service	14,109	14,109	4,875	15,699
Solidwaste(2)				
Street resurfacing (miles)	0	0	0	1
Potholes repaired	400	450	261	400
Parks and recreation (4)				
Youth athletic program participants	225	225	127	120
Adults athletic program participants	24	24	16	16
Senior's program average monthly participants	49	49	42	42
Special events	16	16	8	15
Water (3)				
New connections	3	3	15	13
Water main breaks	4	4	5	6
Average daily consumption (millions of gallons)	2.5	2.5	2.50	2.50
Peak daily consumption millions of gallons)	3	3	3.00	3.00

(1) Source: City of Opa-locka Police Department

(2) Solidwaste collection is contracted out by the City.

(3) Source: City of Opa-locka Public Works Department.

(4) Source: City of Opa-locka Parks and Recreation Department.

Note: Data prior to 2006 is not available.

N/A - Not Available

CITY OF OPA-LOCKA, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	22	22	22	22	22	22	22	22	22
Other Public Works										
Miles of Streets	36	36	36	36	36	36	36	36	36	36
Number of Street Lights	625	625	625	625	625	625	625	625	625	625
Water										
Miles of water mains	71	71	71	71	71	71	71	71	71	71
Number of service connections	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Number fire hydrants	363	363	363	363	363	363	363	363	363	363
Daily average consumption in gallons(millions)	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Wastewater										
Miles of sanitary sewers	77	77	77	77	77	77	77	77	77	77
Miles of storm sewers	14	14	14	14	14	14	14	14	14	14
Number of service connections	3,675	3,675	3,675	3,675	3,675	3,675	3,675	3,765	3,765	3,675
Culture & Recreation										
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of libraries (1)	1	0	0	0	0	1	1	1	1	1
Number of tennis courts	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

(1) The City stopped its library services in fiscal year 2003. During the fiscal year 2007 Miami-Dade County opened and operated a library in the City. The City contributes to the library's operating expenses by paying the operating lease of the library location.

IV. COMPLIANCE SECTION

**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 Opa Locka, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opa Locka, Florida (the City), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 25, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City, in the accompanying schedule of findings and questioned costs.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Commission, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harvey Lovington Thomas, J. D. L.

Hollywood, Florida

May 25, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and Members of the City Commission
City of Opa Locka, Florida

Compliance

We have audited the City of Opa Locka, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City's compliance with those requirements.

In our opinion, the City, complied, in all material respects, with the 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, 2011.

Internal Control over Compliance

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

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

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

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harvey Livingston Thomas, J. D. C.

Hollywood, Florida

May 25, 2012

CITY OF OPA-LOCKA, FLORIDA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2011

<u>Funding Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA</u>	<u>Grant/Contract Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<i>U.S. Department of Justice</i>				
ARRA Community Oriented Policing Services (COPS)	16.710	2009RKWX0214	\$ 335,774	\$ 99,691
Community Oriented Policing Services (COPS) - Hiring Grant	16.710	2008UMWX0031	225,000	20,584
Community Oriented Policing Services (COPS) - Tech Grant	16.710	2009CKWX0545	75,000	7,941
Executive Office for Weed and Seed, Community Capacity Development Office(CDCO)	16.595	2009WSQX0173	100,000	55,032
Executive Office for Weed and Seed, Community Capacity Development Office(CDCO)	16.595	2010WSQX0125	157,000	46,005
Edward Byrne Memorial Justice Assistance Program (JAG) 2009 Recovery Act Grant	16.804	2009SBB91011	186,713	26,175
Pass-through Miami-Dade County Office of Grants Coordination: Records Improvement Program	16.804	2011JAGCDADE3B2179	4,742	4,500
<i>Total U.S. Department of Justice</i>			<u>1,084,229</u>	<u>259,928</u>
<i>U.S. Department of Agriculture</i>				
ARRA - Pass-through Florida Department of Agriculture and Consumer Services Cooperative Forestry Assistance	10.688	10A-88	18,240	14,400
<i>Total U.S. Department of Homeland Security</i>			<u>18,240</u>	<u>14,400</u>
<i>U.S. Department of Human Services</i>				
Pass-through Miami-Dade County Department Office of Contract Management - Crime Prevention Program	14.218	6M-OPAL-CB	41,650	41,650
<i>Total U.S. Department of Housing and Urban Development</i>			<u>41,650</u>	<u>41,650</u>
<i>U.S. Department of Transportation</i>				
Job Access & Reverse Commute (JARC) and New Freedom Grant Pass through - South Florida Regional Transportation Authority	20.516	FL37X05200	187,900	39,426
ARRA - Pass through State of Florida Department of Transportation	20.205	APN55	342,882	342,882
<i>Total U.S. Department of Transportation</i>			<u>530,782</u>	<u>382,308</u>
Total Expenditures of Federal Awards				<u>\$ 698,286</u>

CITY OF OPA LOCKA, FLORIDA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the City of Opa Locka, Florida (the “City”). The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the City and agencies and departments of the federal government and pass-through agencies, as applicable. The City did not transfer awards to subrecipients during the fiscal year ending September 30, 2011.

CITY OF OPA LOCKA, FLORIDA
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2011

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Matter that is repeated in the accompanying Schedule of Findings and Questioned Costs

2010-01 – Utility Billings (revised and included in 2011-01)

Matter that is not repeated in the accompanying Schedule of Findings and Questioned Costs

2010-02 – User Access

2010-03 – Personnel Files

PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

PRIOR YEAR STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

N/A

CITY OF OPA LOCKA, FLORIDA
Summary Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2011

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditors’ report issued: Unqualified

Internal control over financial reporting:

... Material weakness(es) identified? _____ Yes X No

... Significant deficiency(ies) identified that are
Not considered to be material weakness(es)? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

... Material weakness(es) identified? _____ Yes X No

... Significant deficiency(ies) identified that are
Not considered to be material weakness(es)? _____ Yes X No

Type of auditors’ report issued on compliance for major
federal programs: Unqualified

Any audit findings disclosed that are required to be reported in
accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major program:

Federal Program	Federal CFDA
<u>Federal Program</u> Highway Planning and Construction	20.205

Dollar threshold used to distinguish between Type A and Type B

Federal Programs: \$300,000

Auditee qualified as low-risk auditee for federal award programs? X Yes _____ No

CITY OF OPA LOCKA, FLORIDA
Summary Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

OTHER MATTERS – CONTROL DEFICIENCIES

2011-01 – Utility Billings

Condition

During our test of controls over utility billings we noted the following:

- ... Two related party accounts have been in dispute since 2003. During our review of the disputed accounts we noted the former Utility Billing Supervisor made a recommendation to the City Manager on how to settle the dispute with the customer, but no action has been taken. In addition, another account, for the same customer was subsequently opened and is currently active.

Criteria

Utility billing procedures should include accounts reconciled timely and accurately to ensure customer are billed accordingly.

Cause

Customer accounts are not being properly maintained, reviewed and reconciled in a timely manner by the appropriate City personnel.

Effect

The City may be unable to collect the amount due from accounts that are not timely reviewed.

Recommendation

We recommend the City review the utility billing process currently in place and implement procedures that will allow for effective and efficient monitoring of customer accounts.

Prior Year Response of Responsible Officials

Management strongly believes that the action taken on the accounts noted are in accordance with the City's policies and procedures.

CITY OF OPA LOCKA, FLORIDA
Summary Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

OTHER MATTERS – CONTROL DEFICIENCIES (CONTINUED)

View of Responsible Officials and Planned Corrective Actions

Management has development aggressive procedures to closely monitor all utility customers accounts and provide timely resolutions to all issues concerning Utility Accounts. Management will also review the previous recommendations of the former Utility Billing Supervisor for consideration for proper action.

2011-02 Account Reconciliations

Condition

We noted during the course of the audit that accounts which include due to/from other funds, were not properly reconciled to reflect the appropriate balance as of year end.

Criteria

In order to make the financial reports generated by the accounting system as meaningful as possible, the City should reconcile the general ledger accounts on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

Cause

Accounts are not being reconciled in a timely manner.

Effect

The result of the accounts not being properly reconciled could reflect incorrect balances reported in the financial statements.

Recommendation

We recommend the City reconcile the general ledger accounts on a monthly basis to ensure transactions are properly recorded in the correct time period and allow those charged with governance over the City to make more informed decisions.

CITY OF OPA LOCKA, FLORIDA
Summary Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

OTHER MATTERS – CONTROL DEFICIENCIES (CONTINUED)

View of Responsible Officials and Planned Corrective Actions

Management concurs with the auditor's finding and recommendation. During this period, the Department was understaffed for close to six (6) months by four (4) key positions and still operating with three (3) less staff including the Assistant Finance Director and Utility Billing Supervisor, hence some essential functions of the Department have not been adequately addressed.

Action Plan: Every effort will be made to adequately staff the Department and ensure that the practice of performing monthly account reconciliations is reinstated and complied with consistently on a monthly basis.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

SECTION IV – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

N/A

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

Honorable Mayor and Members of the City Commission
City of Opa Locka, Florida

We have audited the financial statements of the City of Opa Locka, Florida (the City), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated May 25, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated May 25, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- × 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, except as noted in the Summary Schedule of Prior Audit Findings.
- × Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- × Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, findings and recommendations are incorporated in the accompanying schedule of findings and questioned costs.
- × Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we noted no such matters.

- × Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) deficiencies that are not significant deficiencies. In connection with our audit, we noted no such matters.
- × Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The required information is disclosed in the City's September 30, 2011 notes to the financial statements.
- × Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- × Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.
- × Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2011. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the City of Opa-locka, members of the City Commission, management, the Florida Auditor General, federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank the management and staff of the City of Opa-locka for their assistance and courtesy during the engagement. Please feel free to contact us with any questions or comments, as we would be pleased to meet with you at your convenience.

Harvey Covington & Thomas, L.L.C.

Harvey, Covington & Thomas, LLC

May 25, 2012