



# *City of Opa-locka, Florida*

## *Comprehensive Annual Financial Report*

**For**

**Fiscal Year Ended  
September 30, 2014**





*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**  
**Fiscal Year Ended September 30, 2014**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i
List of Principal Officials	iv
Organization Chart	v
 <b>FINANCIAL SECTION</b>	
<b>Report of Independent Certified Public Accountants</b>	<b>1-3</b>
<b>Management's Discussion and Analysis</b>	<b>4-13</b>
<b>Basic Financial Statements:</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	14
Statement of Activities	15
<i>Fund Financial Statements:</i>	
Balance Sheet-Governmental Funds	16
Reconciliation of the Balance Sheet -Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in <b>Fund</b> Position- Proprietary Funds	21
Statement of Cash Flows- Proprietary Funds	22
<b>Notes to the Basic Financial Statements</b>	24-48
<b>Required Supplementary Schedules (Unaudited)</b>	
<i>Budgetary Comparison Schedules:</i>	
General Fund	49-50
Peoples' Transportation Tax Fund	51
Capital Capital	52
Notes to the Budgetary Comparison Schedules	53
<b>Combining and Individual Fund Statements (Unaudited)</b>	
Combining Balance Sheet-Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Governmental Funds	55
Combining Statement in Net Position Balances — Nonmajor Enterprise Funds	56
Combining Statements of Revenues, Expenditures and Changes in Funds Balances- Nonmajor Enterprises	57
Combining Statement of Cash Flows — Nonmajor Enterprise	58

<b>STATISTICAL INFORMATION</b>	
Statement 1 — Net Position by Component	62
Statement 2 — Changes in Net Position	63-64
Statement 3 — Governmental Activities Tax Revenues by Source	65
Statement 4 — Fund Balances of Governmental Funds	66
Statement 5 — Changes in Fund Balances of Governmental Funds	67
Statement 6 — General Governmental Tax Revenues by Source	68
Statement 7 — Assessed Value of all Taxable Property	69
Statement 8 — Property Tax Rates Direct and Overlapping Governments	70
Statement 9 — Property Tax Levies and Collections	71
Statement 10 — Ratios of Outstanding debt by Type	72
Statement 11 — Pledged Revenue Coverage	73
Statement 12 — Demographic and Economic Statistics	74
Statement 13 — Principal Employers	75
Statement 14 — Full Time Equivalent City Government Employees by Function/Program	76
Statement 15 — Operating Indicators by Function/Program	77
Statement 16 — Capital Assets Statistics by Function/Program	78
 <b>COMPLIANCE SECTION</b>	 79-80
Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards	
 Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	 81-82
 Schedule of Expenditures of Federal Awards	 83
Notes to the Schedule of Expenditures	84
Schedule of Findings and Questioned Costs	85-88
 Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	 89-91
Independent Auditors' Report on Compliance with Sec. 218.415, Florida Statute, Local Government Investment Policies	92-93



June 26, 2015

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

It is my pleasure to submit the Audited Financial Report for the City of Opa-locka, Florida, for the fiscal year ended September 30, 2014, 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 Americaas prescribed by the Governmental Accounting Standards Board (GASB). This report is published to fulfill that requirement for the fiscal year ended September 30, 2014.

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 HCT Certified Public & Consultants, 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, 2014. The independent auditors' report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) segment 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](http://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 2014. The city has been forced to accommodate losses in our property tax revenue. Between the sluggish economy and the voter approved constitutional amendments, the current year taxable value has decreased from \$698 million to \$660, a reduction of 5.4%. The City continues to struggle although it's surrounding sister cities have shown some increase in their property tax value. For the past five years, the City's taxable value has reduced from \$974 million to \$660 million, a reduction of 32.2%.

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. The City also seeks the assistance of the State Revolving loan program to assist the city with some much needed infrastructure improvements, especially in our drinking water, wastewater and storm water.

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 recently completed 2014 census 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 and annexation. The City has started this process by applying to the Miami-Dade County and is in the final stage of the annexation process, and the Community Redevelopment Plan has been prepared and received

The major repairs of the City's four pump stations have been completed. With the completion of pump stations project, businesses whose applications were pending for permits are now being issued.

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, 2014, the City's unreserved, undesignated general fund balance was in a negative position. 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 2014 was another year full of challenges. However, the city came through with some accomplishments. Our new Helen Miller Multi-Purpose Community Center was completed, Historical City Hall began phase I of its restoration project, and new partnership was forged with City National Bank for the construction of the City's new Administrative building. The year 2015 will be synonymous to a rebirth as we embark on the most ambitious transformation of our infrastructure, which has been burdening our City for many years. Last year, Mayor Taylor and Commissioners passed a resolution to allow for the building of the "New City Hall" on an adjacent property to Historic City Hall. (Acquisition of new Building)The New City Hall and the re-birth of Old Historic City Hall will be equally connected in beauty, elegance and the Moorish Architectural Theme which will be the anchor located within steps of the futuristic Downtown Revitalization and Development plans for Opa-locka. The planning, remediation, and preparation for the iconic building foresees developing a mixed-use facility that will serve as a self-sufficient cultural and social event venue as well as a South Florida tourist destination. The City's infrastructure plans are of the largest and most intrinsic of its kind for any city of similar size and urban complexity. The dynamics of each design and planning schematic is unique in location and project-specific used to upgrade infrastructure developments such as the drainage network, roadway improvements, water and sewer systems upgrades, and will dramatically affect City parks and attract recreational activities that will positively impact the residents and businesses in the City. There are great plans ahead including our vision for annexation even with these recent infrastructures wins for the City of Opa-locka, which will take the City of Opa-locka from great to grand.

## **ACKNOWLEDGEMENTS**

The Finance department wishes to express our appreciation to the City Manager for his effective leadership, all the departments who assisted and contributed to the preparation of this report. In closing, without the leadership and support of the Mayor, the Commissioners, and the City Manager the accomplishments and anticipated future successes noted in this report would not have been possible.

Respectfully submitted,

*Susan A. Gooding-Liburd*

Susan A. Gooding-Liburd, CPA, CGFO  
Finance Director



# CITY OF OPA-LOCKA, FLORIDA

## List of Principal Officials

### CITY COMMISSION



Timothy Holmes  
**Vice Mayor**



Myra Taylor  
**Mayor**



Joseph Kelley  
**Commissioner**



Terence Pinder  
**Commissioner**



Luis Santiago  
**Commissioner**

### CITY EXECUTIVE MANAGEMENT

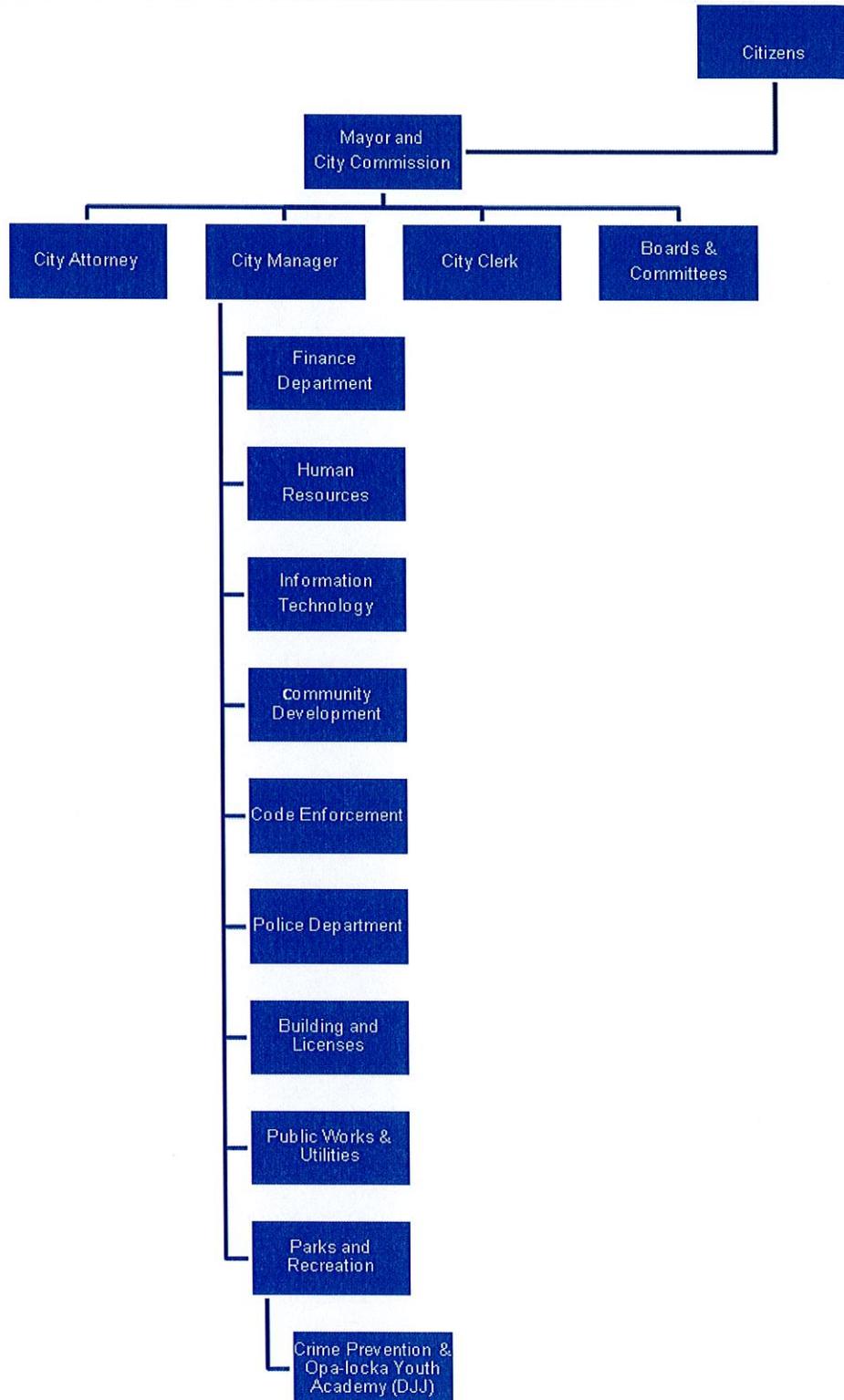
Kelvin Baker, Sr.  
**City Manager**

Joanna Flores  
**City Clerk**

Vincent Brown  
**City Attorney**

Susan Gooding-Liburd, CPA, CGFO  
**Finance Director**

# ORGANIZATIONAL CHART



**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Opa-Locka, Florida (the City) as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 51-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

June 12, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City of Opa-locka's Management Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, or conditions. It is intended to provide a broad overview on short-term and long-term analyses of the City's activities based on information presented in the financial report and fiscal policies that have been adopted by the City. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement Number 34 — *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (Statement 34). As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (RSI) provided in addition to this MD&A.

#### **Financial Highlights**

- The net position at the close of the most recent fiscal year was \$24,555,859. Of this amount \$1,142,661 was restricted for debt service and \$26,529,046 is invested in capital assets, net of related debt.
- The City's total net position decreased by \$(3,115,848). The decrease is primarily due to a decline in property tax revenues as well as a decline in water and sewer revenues.
- At the close of the most recent fiscal year, the City's governmental funds reported combined ending fund balances of \$3,195,742 which falls into the categories of non-spendable, restricted, assigned and committed.

#### **Understanding the Basic Financial Statements**

GASB Statement 34 represented a monumental change from the way in which government financial statements are recorded and presented. It provided for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, providing the user of the financial statements a combined overview of the City's financial position and result of operations, eliminating interfund activities and "other people's money" such as pension funds, which can mislead users when incorporated in a combined manner. The Government-Wide Financial Statements also differentiate between Governmental and Business-Type Activities, further assisting the reader in their evaluation.

The reporting model requires the use of accrual accounting (which focuses on economic resources) at the top most level, while maintaining modified accrual accounting (which focuses on current financial resources—budgeted resources) at the individual fund level. This was an important change in governmental accounting. The impact of long-term financial decisions is accurately matched to the period in which the expense or revenue is attributed. A good example of this is the recording of compensated absences such as vacation time. Previously, this time was "expensed" as paid, not when earned. As a result, employees could accrue hundreds or thousands of hours in the past without that expense being attributed to the taxpayers who benefited from those employees' services. Once the employees separate from the City it is future taxpayers who will bear the financial liability, but would not benefit from those employees' services. This is but one of many examples of "expenses" that have traditionally not been matched to the period of benefit.

Users interested in “budgetary performance” will find that information available in the required supplementary information and other financial information following the notes to the financial statements. An overview discussion of the different sections of this reporting model follows.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenues are earned and the expenses attributed.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund’s current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, business-type and component unit), which are provided by the government’s general tax and program revenues. This is intended to summarize and simplify the user’s analysis of the cost of various governmental services and the local taxing efforts necessary to sustain each of those activities.

## **FUND FINANCIAL STATEMENTS**

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The Governmental Funds presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The total column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements, after adjusting for internal service funds, the Governmental Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the pages following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide statements).

## **ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

When evaluating the financial position and short-term financial performance of the City, two tools are particularly valuable: The Statement of Net Position and the Statement of Activities. It is useful for the user to compare the current year with the prior year. This aids in spotting trends and other areas of concern or interest. For ease of relative comparisons, we include the percent change from one year to another (See below).

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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.

### **STATEMENT OF NET POSITION**

Net position of the City represents the difference between (assets) and (liabilities, net position) of the City using the economic resources measurement focus and accrual basis of accounting.

In general terms, the City's total assets decreased 7%, which includes a 3% increase in the government activities. The business-type activities decreased 18.5% due to a decrease in current assets. Predominately cash which was used to fund daily operations since our revenues continue to decrease and our expenditures continue to increase.

The governmental activities of the City's current and other assets decreased by 14% while the current liability of those activities also decreased 67%. The 67% decrease is due mainly to outstanding liabilities which were paid off during current fiscal year from the general and capital project funds.

The business-type activities of the City's current and other assets decreased 94% while the current liability of those activities increased by 19%. The 94% decrease in current asset is due to overdrawn cash in the solid waste fund and the 24% increase in liability is due to customer deposit increases from \$1.6M to \$1.8M as well as the current portion of long-term debt increase of \$650,000 to \$1.07 million as compared to prior year.

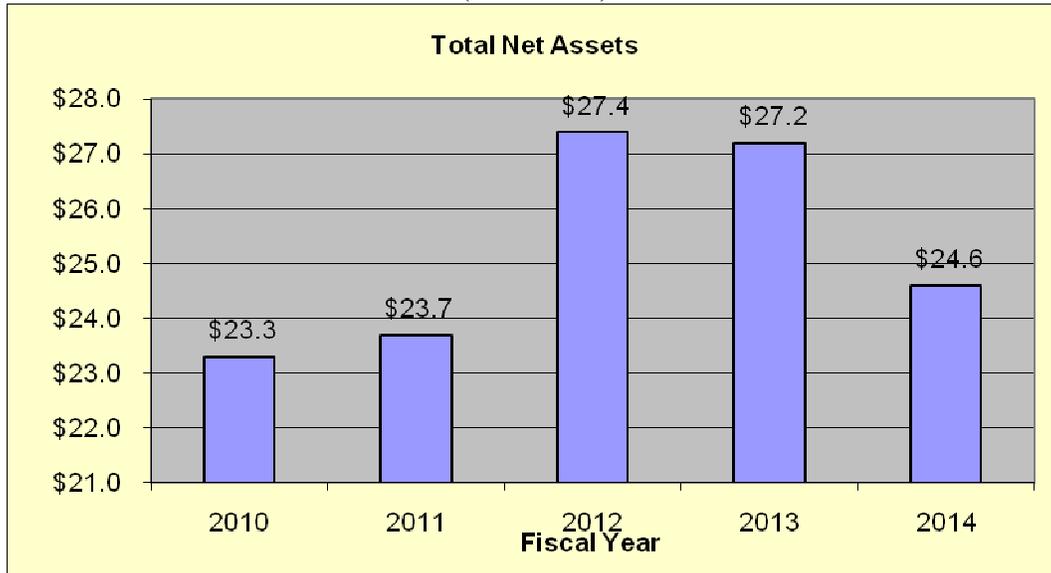
The governmental activities invested in capital assets increased by 13% and unrestricted net position now stands at negative (\$161,763), a decrease of \$353,000 from the previous year.

The business-type activities invested in capital assets increased by 14% and unrestricted net position now stands at a negative \$2.9 million, compared to \$1.1 million in the prior year. This represents a 139% decrease in unrestricted assets and is due to the transfer of funds to governmental activities to fund the day to day operation of the City.

**Net Position - Government-wide**

	Governmental Activities			Business-type Activities			Total		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Current and other assets	\$ 4,886,996	\$ 5,550,053	-14%	\$ 5,153,032	\$ 10,003,592	-94%	\$10,040,028	\$15,553,645	-55%
Capital assets, net	21,306,414	19,908,158	7%	15,425,660	14,379,152	7%	36,732,074	34,287,310	7%
Total assets	26,193,410	25,458,211	3%	20,578,692	24,382,744	-18.5%	46,772,102	49,840,955	-7%
Other liabilities	2,300,003	3,831,186	-67%	8,968,028	6,815,043	24%	11,268,031	10,646,229	6%
Long-term liabilities	8,317,955	8,287,421	0%	2,630,257	3,682,698	-40%	10,948,212	11,970,119	-9%
Total liabilities	10,617,958	12,118,607	-14%	11,598,285	10,497,741	9%	22,216,243	22,616,348	-2%
Net assets:									
Invested in capital assets,									
net of related debt	14,594,553	12,730,145	13%	11,934,493	10,240,844	14%	26,529,046	22,970,989	13%
Restricted	1,142,661	1,123,862	2%	-	2,500,294	0.0%	1,142,661	3,624,156	-217%
Unrestricted	(161,762)	(514,403)	-218%	(2,954,086)	1,143,865	139%	(3,115,848)	629,462	120%
Total net assets	\$ 15,575,452	\$ 13,339,604	14%	\$ 8,980,407	\$ 13,885,003	-55%	\$24,555,859	\$27,224,607	-11%

**Five years Total Net Assets  
(in millions)**



By far the largest portion of the City’s net assets is 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.

## STATEMENT OF ACTIVITIES

Activities in the City (Table 2) reflected a .06% increase in overall revenues compared to the prior year and total City expenses reflected a 7.19% increase.

The governmental activities represent the most significant activity within the City. Program revenues charges for services increased 17.8% in governmental activities due to an increase in public safety activities.

The business-type activities represent the water and sewer operations of the City which included a slight decrease in program revenues. The decrease is primarily due to customer's adjustments.

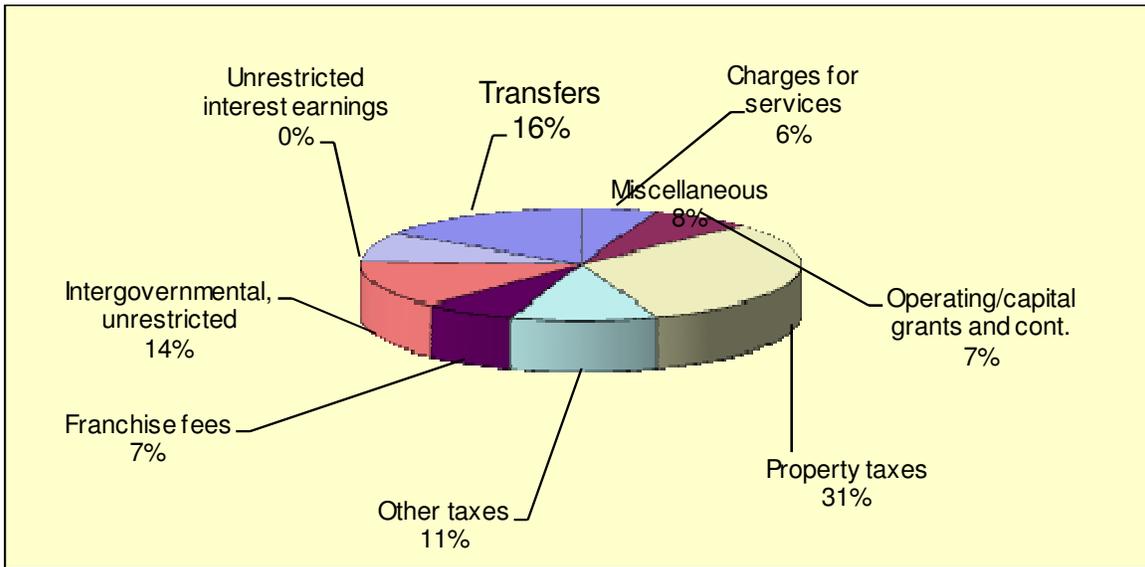
The Transfers in (out) changed by approximately (12.7%). In FY 2014, \$ 3,267,927 was transferred from the Water and Sewer Fund to the General Fund.

Total program expenses in governmental activities increased by only .11% from the previous year.

The table below presents a summary of changes in net position for the years ended September 30, 2014 and 2013, as derived from the government-wide Statement of Activities:

	Changes in Net Assets								
	Governmental Activities			Business-type Activities			Total		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Revenues:									
Program revenues:									
Charges for services	\$ 1,140,653	\$ 937,683	17.79%	\$ 9,144,127	\$ 9,722,795	-6.33%	\$ 10,284,780	\$ 10,660,478	-3.65%
Operating/capital grants and cont.	1,526,681	2,893,977	-89.56%	551,963	207,031	62.49%	2,078,644	3,101,008	-49.18%
General revenues:									
Property taxes	6,359,842	5,842,217	8.14%	-	-	0.00%	6,359,842	5,842,217	8.14%
Other taxes	2,183,468	2,145,628	1.73%	-	-	0.00%	2,183,468	2,145,628	1.73%
Franchise fees	1,377,856	1,484,133	-7.71%	-	-	0.00%	1,377,856	1,484,133	-7.71%
Intergovernmental, unrestricted	2,801,946	2,219,388	20.79%	-	-	0.00%	2,801,946	2,219,388	20.79%
Unrestricted interest earnings	398	84	78.89%	-	-	0.00%	398	84	78.89%
Miscellaneous	1,661,530	859,081	48.30%	-	-	0.00%	1,661,530	859,081	48.30%
Transfers	3,267,927	3,685,262	-12.77%	-	-	0.00%	3,267,927	3,685,262	100.00%
Total revenues	<u>20,320,301</u>	<u>20,067,453</u>	<u>1.24%</u>	<u>9,696,090</u>	<u>9,929,826</u>	<u>-2.41%</u>	<u>30,016,390</u>	<u>29,997,279</u>	<u>0.0637%</u>
Expenses and transfers									
General government	6,254,996	7,423,270	-18.68%	-	-	0.00%	6,254,996	7,423,270	-18.68%
Public safety	7,349,488	7,028,418	4.37%	-	-	0.00%	7,349,488	7,028,418	4.37%
Transportation	2,901,231	2,773,221	4.41%	-	-	0.00%	2,901,231	2,773,221	4.41%
Culture and recreation	1,299,002	1,204,669	7.26%	-	-	0.00%	1,299,002	1,204,669	7.26%
Interest and fiscal charges	279,737	265,041	5.25%	-	-	0.00%	279,737	265,041	5.25%
Water and sewer	-	-	0.00%	9,404,858	6,442,588	31.50%	9,404,858	6,442,588	31.50%
Stormwater	-	-	0.00%	1,225,943	1,214,902	0.90%	1,225,943	1,214,902	0.90%
Solidwaste	-	-	0.00%	701,959	299,209	57.38%	701,959	299,209	57.38%
Transfers	-	-	0.00%	3,267,927	3,685,262	-12.77%	3,267,927	3,685,262	-12.77%
Total Expenses	<u>18,084,454</u>	<u>18,694,619</u>	<u>-3.37%</u>	<u>14,600,687</u>	<u>11,641,961</u>	<u>20.26%</u>	<u>32,685,141</u>	<u>30,336,580</u>	<u>7.19%</u>
Increase (decrease) in net positions	2,235,848	1,372,834	38.60%	(4,904,596)	(1,712,135)	65.09%	(2,668,748)	(339,301)	87.29%
Net position, beginning adjusted	13,339,604	11,966,770	10.29%	13,885,003	15,597,138	-12.33%	27,224,607	27,563,908	-1.25%
Net positions, ending	<u>\$ 15,575,453</u>	<u>\$ 13,339,604</u>	<u>14.35%</u>	<u>\$ 8,980,408</u>	<u>\$ 13,885,003</u>	<u>-54.61%</u>	<u>\$ 24,555,859</u>	<u>\$ 27,224,607</u>	<u>-10.87%</u>

### Sources of Revenue for Fiscal Year 2014



## 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 fiscal year 2014, the City's governmental funds reported combined ending fund balances of \$3.196 million, an increase of \$600,000 when compared to the prior year decrease of \$1.16 million. Most of the fund balance *is restricted* to indicate that it is not available for new spending because it has already been committed or restricted to 1) pay debt service \$1.1 million, 2) pay transportation \$1.1 million or 3) various other purposes \$.998 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 equals \$2.092 million, a slight increase over prior year.

Revenue in the general fund is shown in the following schedule:

General Fund Revenues	2014 Amount	Percent of Total	2013 Amount	Percent of Total	Increase (Decrease) From 2013	Percent of Increase (Decrease)
Property	\$ 6,359,842	37%	\$ 5,842,217	34%	\$ 517,625	9%
Utility service taxes	1,186,277	7%	1,040,076	6%	146,201	14%
Communication service taxes	469,614	3%	526,127	3%	(56,513)	-11%
Local option, use and fuel taxes	279,767	2%	274,189	2%	5,578	2%
Franchise fees	1,377,856	8%	1,484,133	9%	(106,277)	-7%
Local business taxes	247,810	1%	305,236	2%	(57,426)	-19%
Permits and fees	590,480	3%	552,400	3%	38,080	7%
Intergovernmental	413,104	2%	731,061	4%	(317,957)	-43%
Charges for services	112,013	1%	73,592	0%	38,421	52%
Fines and forfeitures	413,678	2%	311,346	2%	102,332	33%
Interest	314	0%	-	0%	314	0%
Other revenue	1,577,530	9%	916,818	5%	660,712	72%
Other financing sources	4,182,275	24%	4,960,102	29%	(777,827)	-16%
<b>Total Revenues</b>	<b>\$ 17,210,560</b>	<b>100%</b>	<b>\$ 17,017,297</b>	<b>100%</b>	<b>193,263</b>	<b>1%</b>

**FINANCIAL ANALYSIS OF THE CITY’S FUNDS cont’d**

Total expenditures for the general fund decreased slightly due to decrease in expenditures in general government, although public safety, culture and recreation, and debt service increased. Increase in the expenditure of the debt service is primarily due to closing cost in the construction loan for the New City Hall administrative building.

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

<b>General Fund Expenditures</b>	<b>2014 Amount</b>	<b>Percent of Total</b>	<b>2013 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) From 2012</b>	<b>Percent of Increase (Decrease)</b>
General government	5,531,282	34%	6,471,131	40%	(939,849)	-15%
Public safety	6,753,392	42%	6,135,686	38%	617,706	10%
Transportation	2,293,973	14%	2,266,573	14%	27,400	1%
Culture and recreation	1,204,208	8%	1,126,892	7%	77,316	7%
Debt service	262,493	2%	188,008	1%	74,485	40%
Transfers	-	0%	-	0%	-	0%
<b>Total expenditures</b>	<b>16,045,348</b>	<b>100%</b>	<b>16,188,290</b>	<b>100%</b>	<b>(142,942)</b>	<b>-1%</b>

***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 (deficit) of the water and sewer, stormwater, and solid waste funds at the end of the current fiscal year amounted to (\$1.535) million of which \$641,000 of the deficit is in the stormwater and solid waste funds combined. The total decrease in net assets for all enterprise funds was \$3.8 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 were no adjustments to the appropriations between the original and final amended budget. However, the General Fund actual expenditures amounted to \$15,985,746 which represents an increase of \$2,102,072 over the original and final budget. This resulted in transfers to the General fund of approximately \$2.2 million over the budgeted amount. The following departments significantly exceeded their budgets;

- Public safety \$1.134 million
- Public works \$684,000
- Non departmental \$425,000

## **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, 2014 amounted to \$37.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and buildings improvements, machinery and equipment, park facilities, roads and utility systems infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 6.85%.

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

- Gateway construction approximately \$400,000
- Lift station 11C \$1.4 million
- Final completion of the Helen Miller park and recreation center
- Road improvement (sidewalks)

<b>City of Opa-locka's Capital Assets (net of accumulated depreciation)</b>						
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>2014</u>
Land	\$ 3,042,475	\$ 3,042,475	\$ 14,762	\$ 14,762	\$ 3,057,237	\$ 3,057,237
Construction in progress	1,042,228	2,000,774	3,216,395	2,190,590	4,191,364	4,258,623
Buildings and building improvements	8,859,353	5,908,768	-	-	5,908,768	8,859,353
Utility plant and systems	-	-	-	-	-	-
Furniture and equipment	1,398,959	1,642,039	-	-	1,642,039	1,398,959
Infrastructure	6,957,205	7,314,102	12,911,994	12,928,609	20,242,711	19,869,199
<b>Total</b>	<b>\$ 21,300,220</b>	<b>\$ 19,908,158</b>	<b>\$ 16,143,151</b>	<b>\$ 15,133,961</b>	<b>\$ 35,042,119</b>	<b>\$ 37,443,371</b>

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

## Long Term Debt

At the end of the current fiscal year the city had total debt outstanding of \$11.6 million, a decrease of .10% from prior year. Additional information on the City's long-term debt can be found on Note 9 of this report.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2,013
Revenue Bonds	\$ 6,562,000	\$ 6,965,000	\$ -	\$ -	\$ 6,562,000	\$ 6,965,000
Capital Leases	317,418	463,695	255,532	320,062	572,950	783,757
Loans	84,000	-	2,428,062	2,621,598	2,512,062	2,621,598
Liability to Suntrust	-	-	807,177	1,186,398	807,177	1,186,398
Liability to FDOT	-	-	-	10,250	-	10,250
Total	<u>\$ 6,963,418</u>	<u>\$ 7,428,695</u>	<u>\$ 3,490,771</u>	<u>\$ 4,138,308</u>	<u>\$ 10,454,189</u>	<u>\$ 11,567,003</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During fiscal year 2015, the City will be looking at the following programs/initiatives:

- Continue upgrades to bring all of the City's pump stations out of moratorium and other improvements to the utility system that will increase the opportunities for economic development and compliance to the City's consent agreement with DERM.
- Complete and present the Capital Improvement Master Plan to City voters in a referendum in order to obtain approval for bond funding.
- Fully deploy the CRA program, beginning with the Magnolia North community. The CRA will not only bring physical improvements to the City but also economic development and empowerment to residents.
- Expand our online services.
- Develop a destination plan to attract more visitors to the City.
- Complete the annexing of unincorporated areas adjacent to the City.
- Begin Historic City Hall renovations.

All of these factors were considered in preparing the City of Opa-locka's budget for the 2015 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 Street, 4<sup>th</sup> Floor, Opa-locka, Florida 33054.

---

---

# **BASIC FINANCIAL STATEMENT**

---

---

**CITY OF OPA-LOCKA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

<b>ASSETS</b>	Governmental Activities	Proprietary Activities	Total
Cash and equity in pooled cash	\$ 578,686	\$ 3,540,909	\$ 4,119,595
Receivables, net	514,534	1,713,360	2,227,894
Internal balances	2,017,999	(2,017,999)	-
Due from other Governments	1,296,473	6,995	1,303,468
Inventories	23,195	(2)	23,193
Other assets	144,444	190,996	335,440
Restricted cash and cash equivalents	311,665	1,718,773	2,030,438
Capital assets, not being depreciated	4,090,598	3,231,158	7,321,756
Capital assets, being depreciated net	<u>17,215,816</u>	<u>12,194,502</u>	<u>29,410,318</u>
Total assets	<u>26,193,410</u>	<u>20,578,692</u>	<u>46,772,102</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,211,351	\$ 1,545,128	\$ 2,756,479
Overdrawn cash	-	3,956,545	3,956,545
Due to other governments	479,895	567,889	1,047,784
Customers' deposits	-	1,824,322	1,824,322
Noncurrent liabilities:			
Due within one year			
Compensated absences	57,200	-	57,200
Long term debt	551,557	1,074,144	1,625,701
Due in more than one year			
Compensated absences	1,276,094	168,234	1,444,328
OPEB obligation	330,000	45,000	375,000
Contingency	300,000	-	300,000
Long -term debt	<u>6,411,861</u>	<u>2,417,023</u>	<u>8,828,884</u>
Total liabilities	<u>10,617,958</u>	<u>11,598,285</u>	<u>22,216,243</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	14,594,553	11,934,493	26,529,046
Restricted for:			
Debt service	1,142,661	-	1,142,661
Unrestricted	<u>(161,762)</u>	<u>(2,954,086)</u>	<u>(3,115,848)</u>
<b>Total net position</b>	<u>\$ 15,575,452</u>	<u>\$ 8,980,407</u>	<u>\$ 24,555,859</u>

**CITY OF OPA-LOCKA, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Proprietary Activities	Total
<b>Functions / Programs</b>							
Governmental activities:							
General government	\$ 6,254,996	\$ 632,500	\$ -	\$ -	\$ (5,622,496)	\$ -	\$ (5,622,496)
Public Safety	7,349,488	472,796	271,236	-	(6,605,456)	-	(6,605,456)
Transportation	2,901,231	-	-	88,420	(2,812,811)	-	(2,812,811)
Culture and recreation	1,299,002	35,357	138,386	1,028,640	(96,619)	-	(96,619)
Interest on long term debt	279,737	-	-	-	(279,737)	-	(279,737)
Total governmental activities	<u>18,084,454</u>	<u>1,140,653</u>	<u>409,621</u>	<u>1,117,060</u>	<u>(15,417,119)</u>	<u>-</u>	<u>(15,417,119)</u>
Proprietary activities:							
Water and sewer	9,404,858	7,738,252	-	551,963	-	(1,114,642)	(1,114,642)
Solid waste	1,225,943	1,137,874	-	-	-	(88,069)	(88,069)
Stormwater	701,959	268,001	-	-	-	(433,958)	(433,958)
Total proprietary activities	<u>11,332,760</u>	<u>9,144,127</u>	<u>-</u>	<u>551,963</u>	<u>-</u>	<u>(1,636,669)</u>	<u>(1,636,669)</u>
<b>Total</b>	<u>\$ 29,417,214</u>	<u>\$ 10,284,780</u>	<u>\$ 409,621</u>	<u>\$ 1,669,023</u>	<u>(15,417,119)</u>	<u>(1,636,669)</u>	<u>(17,053,789)</u>
General revenues							
Property taxes					6,359,842		6,359,842
Franchise fees					1,377,856		1,377,856
Utility taxes					1,186,277		1,186,277
Communication services tax					469,614		469,614
Local option, use and fuel taxes					279,767		279,767
Local business tax					247,810		247,810
Intergovernmental revenue - unrestricted					2,801,946		2,801,946
Unrestricted interest earnings					398		398
Miscellaneous					1,577,530		1,577,530
Debt proceeds					84,000		84,000
Transfers					<u>3,267,927</u>	<u>(3,267,927)</u>	<u>-</u>
Total general revenues and transfers					<u>17,652,967</u>	<u>(3,267,927)</u>	<u>14,385,040</u>
Change in net position					<u>2,235,848</u>	<u>(4,904,596)</u>	<u>(2,668,748)</u>
Net position, beginning					13,339,604	13,885,003	27,224,607
Prior period adjustment					-	-	-
Net position, beginning adjusted					<u>13,339,604</u>	<u>13,885,003</u>	<u>27,224,607</u>
Net position, ending					<u>\$ 15,575,452</u>	<u>\$ 8,980,407</u>	<u>\$ 24,555,859</u>

**CITY OF OPA-LOCKA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	General Fund	People's Transportation Tax	Capital Projects Improvement Debt Service	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and equity in pooled cash	\$3,450,072	\$ 716,750	\$ 1	\$ 67,216	\$ 288,384	\$ 4,522,423
Receivables, net	421,453	-	93,081	-	-	514,534
Other Gov't account receivables	878,239	-	-	412,783	5,451	1,296,473
Due from other funds	-	395,537	1,087,887	2,895,537	370,504	4,749,465
Inventories	23,195	-	-	-	-	23,195
Prepaid items	144,444	-	-	-	-	144,444
Restricted cash and cash equivalents	244,448	-	-	-	-	244,448
Total assets	<u>\$5,161,851</u>	<u>\$ 1,112,287</u>	<u>\$ 1,180,969</u>	<u>\$ 3,375,536</u>	<u>\$ 664,339</u>	<u>\$11,494,982</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,032,041	\$ 57,344	\$ 38,308	\$ 80,912	\$ 2,746	\$ 1,211,351
Overdrawn cash	-	-	-	3,876,969	-	3,876,969
Due to other funds	1,578,561	-	-	-	1,152,454	2,731,015
Other Gov't account payables	458,958	-	-	-	20,937	479,895
Deferred revenues	-	-	-	-	-	-
Total liabilities	<u>3,069,560</u>	<u>57,344</u>	<u>38,308</u>	<u>3,957,881</u>	<u>1,176,137</u>	<u>8,299,230</u>
Fund Balance						
Nonspendable:						
Inventories	23,195	-	-	-	-	23,195
Prepaid items	144,444	-	-	-	-	144,444
Restricted for:						
Debt Service	-	-	1,142,661	-	-	1,142,661
Committed for:						
Public Safety	-	-	-	-	222,494	222,494
Transportation	-	1,054,943	-	-	-	1,054,943
Unassigned:						
Capital projects funds	-	-	-	-	-	-
General Fund	1,924,652	-	-	(582,345)	(734,292)	608,015
Total fund balances	<u>2,092,291</u>	<u>1,054,943</u>	<u>1,142,661</u>	<u>(582,345)</u>	<u>(511,798)</u>	<u>3,195,752</u>
Total liabilities and fund balances	<u>\$5,161,851</u>	<u>\$ 1,112,287</u>	<u>\$ 1,180,969</u>	<u>\$ 3,375,536</u>	<u>\$ 664,339</u>	<u>\$11,494,982</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

Fund balances - total governmental funds	\$ 3,195,752
--	--------------

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.

Capital Assets Net of Accum. Depreciation	21,306,413
Debt	(6,963,419)
Compensated absences	(1,333,294)
Other post employment benefits	(330,000)
Accrued legal settlement	(300,000)
Net adjustment	<u>12,379,700</u>
Net position of governmental activities	<u>\$ 15,575,452</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	General	Peoples' Transportation Tax	Capital Improvement Debt Service	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Taxes:						
Property taxes	\$ 6,359,842	\$ -	\$ -	\$ -	\$ -	\$ 6,359,842
Utility taxes	1,186,277	-	-	-	-	1,186,277
Communications service taxes	469,614	-	-	-	-	469,614
Local option, use and fuel taxes	279,767	-	-	-	-	279,767
Local business taxes	247,810	-	-	-	-	247,810
Franchise fees	1,377,856	-	-	-	-	1,377,856
Permits and fees	590,480	-	-	-	-	590,480
Intergovernmental	413,104	572,297	1,656,055	1,588,390	98,782	4,328,628
Charges for Services	112,013	-	-	-	-	112,013
Fines and Forfeitures	413,678	-	-	-	4,000	417,678
Interest	314	-	-	84	-	398
Other	1,577,530	-	-	-	-	1,577,530
Total Revenues	<u>13,028,285</u>	<u>572,297</u>	<u>1,656,055</u>	<u>1,588,474</u>	<u>102,782</u>	<u>16,947,893</u>
<b>EXPENDITURES:</b>						
Current:						
General government	5,531,282	-	-	-	139,576	5,670,858
Public Safety	6,753,392	-	-	-	43,037	6,796,429
Transportation	2,293,973	393,268	-	-	-	2,687,241
Culture and recreation	1,204,208	-	-	-	-	1,204,208
Debt service:						
Principal	243,842	-	403,000	-	-	646,842
Interest	18,651	-	261,086	-	-	279,737
Capital outlay	298,481	463,514	-	1,625,132	26,324	2,413,451
Total expenditures	<u>16,343,829</u>	<u>856,782</u>	<u>664,086</u>	<u>1,625,132</u>	<u>208,937</u>	<u>19,698,766</u>
Excess (deficiency) of revenues over expenditures	(3,315,544)	(284,485)	991,969	(36,658)	(106,155)	(2,750,873)
<b>OTHER FINANCING SOURCES (USES):</b>						
Debt Proceeds	-	-	84,000	-	-	84,000
Transfers in	4,182,275	-	-	-	142,820	4,325,095
Transfers out	-	-	(1,057,169)	-	-	(1,057,169)
Total other financing sources (uses)	<u>4,182,275</u>	<u>-</u>	<u>(973,169)</u>	<u>-</u>	<u>142,820</u>	<u>3,351,926</u>
Net change in fund balances	866,731	(284,485)	18,800	(36,658)	36,665	601,053
Fund balances, beginning	1,225,560	1,339,427	1,123,862	(545,688)	(548,463)	2,594,698
Adjusted beginning balance	<u>1,225,560</u>	<u>1,339,427</u>	<u>1,123,862</u>	<u>(545,688)</u>	<u>(548,463)</u>	<u>2,594,698</u>
Fund balances, ending	<u>\$ 2,092,291</u>	<u>1,054,943</u>	<u>1,142,661</u>	<u>(582,345)</u>	<u>(511,798)</u>	<u>3,195,752</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

Net change in fund balances - total governmental funds \$ 601,053

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

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	2,926,215
Less current depreciation	(700,213)

The effect of other transaction involving capital assets:

Capital lease proceeds	-
------------------------	---

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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 debt	193,536
Principal payments of capital leases	64,530

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:

Contingent liability-legal settlement	(300,000)
Change in other post employment benefits	(330,000)
Change in compensated absences	<u>(219,273)</u>

Change in net position of governmental activities \$ 2,235,848

**CITY OF OPA-LOCKA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Other Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and equity in pooled cash	\$ 2,886,680	\$ 654,229	\$ 3,540,909
Receivables, net	1,718,773	-	1,718,773
Estimated unbilled services	-	(5,413)	(5,413)
Due from other governments	6,995	-	6,995
Other Assets	187,802	3,194	190,996
Inventories	-	-	-
Due from other funds	<u>-</u>	<u>3,252,592</u>	<u>3,252,592</u>
Total current assets	<u>4,800,250</u>	<u>3,904,602</u>	<u>8,704,852</u>
Noncurrent assets:			
Restricted cash and cash equivalents	1,718,773	-	1,718,773
Non depreciable capital assets	3,231,158	-	3,231,158
Capital assets, net	<u>12,050,715</u>	<u>143,787</u>	<u>12,194,502</u>
Total noncurrent assets	<u>17,000,646</u>	<u>143,787</u>	<u>17,144,433</u>
Total assets	<u>\$ 21,800,896</u>	<u>\$ 4,048,389</u>	<u>\$ 25,849,285</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,266,801	278,327	1,545,128
Overdrawn cash	-	3,956,545	3,956,545
Due to other funds	5,090,268	180,325	5,270,593
Due to other governments	567,889	-	567,889
Deposits	1,710,921	113,401	1,824,322
Current portion of long term debt	<u>1,031,250</u>	<u>42,894</u>	<u>1,074,144</u>
Total current liabilities	<u>9,667,129</u>	<u>4,571,492</u>	<u>14,238,621</u>
Noncurrent liabilities:			
Compensated absences	155,371	12,863	168,234
OPEB	41,250	3,750	45,000
Long term debt	<u>2,306,345</u>	<u>110,678</u>	<u>2,417,023</u>
Total noncurrent liabilities	<u>2,502,966</u>	<u>127,291</u>	<u>2,630,257</u>
Total liabilities	<u>12,170,095</u>	<u>4,698,783</u>	<u>16,868,878</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	11,944,278	(9,785)	11,934,493
Unrestricted	<u>(2,313,477)</u>	<u>(640,609)</u>	<u>(2,954,086)</u>
Total net position	<u>\$ 9,630,801</u>	<u>\$ (650,394)</u>	<u>\$ 8,980,407</u>

**CITY OF OPA LOCKA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Other Nonmajor Enterprise Funds</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 7,163,990	\$ 1,405,875	\$ 8,569,865
Other revenues	<u>1,107,942</u>	<u>-</u>	<u>1,107,942</u>
Total operating revenues	<u>8,271,932</u>	<u>1,405,875</u>	<u>9,677,807</u>
Operating expenses:			
Operating, administrative and maintenance	8,595,973	1,832,835	10,428,808
Bad debts and Other	73,284		73,284
Depreciation	<u>634,042</u>	<u>81,524</u>	<u>715,566</u>
Total operating expenses	<u>9,303,299</u>	<u>1,914,359</u>	<u>11,217,658</u>
Operating income (loss)	(1,031,367)	(508,484)	(1,539,851)
Non-operating revenues (expenses)			
Interest and fiscal charges	<u>(83,275)</u>	<u>(13,543)</u>	<u>(96,818)</u>
Total non-operating revenues (expenses)	<u>(83,275)</u>	<u>(13,543)</u>	<u>(96,818)</u>
Income before transfers	(1,114,642)	(522,027)	(1,636,669)
Transfer in (out)	<u>(3,267,927)</u>	<u>-</u>	<u>(3,267,927)</u>
Change in net position	(4,382,569)	(522,027)	(4,904,596)
Net position, beginning	14,013,371	(128,368)	13,885,003
Net position, beginning restated	<u>14,013,371</u>	<u>(128,368)</u>	<u>13,885,003</u>
Net position, ending	<u>\$ 9,630,801</u>	<u>\$ (650,394)</u>	<u>\$ 8,980,407</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>		
	Water and Sewer	Other Nonmajor Enterprise Funds	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 7,967,760	\$ 1,418,686	\$ 9,386,446
Cash paid to vendors	(5,029,629)	(467,014)	(5,496,643)
Cash paid to employees	(1,760,762)	(69,873)	(1,830,635)
Internal activity payments from (to) other funds, net	1,296,078	(934,242)	361,836
Net cash provided by operating activities	<u>2,473,447</u>	<u>(52,443)</u>	<u>2,421,004</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers to other funds	(3,267,927)		(3,267,927)
Net cash used in noncapital financing activities	<u>(3,267,927)</u>	<u>-</u>	<u>(3,267,927)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(2,692,934)	(155,655)	(2,848,589)
Interest paid on long term debt	(83,275)		
Proceeds from debt	576,543	-	576,543
Principal paid on debt	(1,188,915)	6,726	(1,182,189)
Net cash used in capital and related financing activities	<u>(3,388,581)</u>	<u>(148,929)</u>	<u>(3,454,235)</u>
<b>Cash flows from investing activities:</b>			
Interest income	(18,284)	-	(18,284)
Net cash provided by investing activities	<u>(18,284)</u>	<u>-</u>	<u>(18,284)</u>
Net increase (decrease) in cash	(4,201,345)	(201,372)	(4,402,717)
Cash, beginning	9,699,071	859,892	10,558,963
Cash, ending	<u>5,497,726</u>	<u>658,520</u>	<u>6,156,246</u>
<b>Display as:</b>			
Unrestricted	2,886,680	654,229	3,540,909
Restricted	1,718,773	-	1,718,773
Total	<u>4,605,453</u>	<u>654,229</u>	<u>5,259,682</u>
<b>Reconciliation of operating income to cash provided by operating activities:</b>			
Operating income (loss)	(1,031,367)	(408,627)	(1,439,994)
Adjustment to reconciled operating income to net cash provided by (used in) operating activities:			
Depreciation expenses	634,042	81,524	715,566
(Increase) decrease in:			
Cash drawn in excess of bank	-	1,174,750	1,174,750
Accounts Receivable	(1,718,773)	12,811	(1,705,962)
Due from other Governments	(6,995)	-	(6,995)
Due from other funds	-	(1,009,593)	(1,009,593)
Other current assets	(276,222)	-	(276,222)
Increase (decrease) in:			
Accounts Payable and accrued liabilities	1,219,080	25,495	1,244,575
Customer deposits	1,697,818	-	1,697,818
Other liabilities	18,613	(4,154)	14,459
Bad debt others	73,284		
Due to other funds	1,296,078	75,351	1,371,429
Due to other governments	567,889	-	567,889
Net Cash Provided by Operating Activities	<u>\$ 2,473,447</u>	<u>\$ (52,443)</u>	<u>\$ 2,347,720</u>



---

**NOTES TO BASIC FINANCIAL  
STATEMENTS**

---

# CITY OF OPA-LOCKA, FLORIDA

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

## 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

### 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.

# CITY OF OPA-LOCKA, FLORIDA

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Government-wide and Fund Financial Statements (Continued)

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 non-major 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.

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.

## CITY OF OPA-LOCKA, FLORIDA

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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.

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.

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.

# CITY OF OPA-LOCKA, FLORIDA

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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 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.

**CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Assets or Fund Equity (Continued)**

**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”.

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.

## **CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Assets, Liabilities, and Net Assets or Fund Equity (Continued)**

##### **7. Inter-fund Transactions (Continued)**

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. Net Position and Fund Balance**

Net position in the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets plus unspent bond proceeds.

Restricted balances consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted balances indicate the portion of net position that is available to fund future operations.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## **CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **10. Net Position and Fund Balance (Continued)**

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 constraints placed on the use of resources by (a) creditors, grantors, contributors, 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 Commission 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 Commission 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.

#### **11. 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.

### **NOTE 2. DEFICIT FUND EQUITY**

The City reported fund balance deficit of (\$343,872), (\$419,509), (\$151,738), and (\$99,580), for the Opa-locka Police Youth Academy, Crime Prevention, STOP/VAWA, and CRA funds.

### **NOTE 3. PROPERTY TAXES**

Property taxes are levied on November 1<sup>st</sup> of each year, at which time taxes become an enforceable lien on property assessed as of the previous January 1<sup>st</sup>. 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.

## **CITY OF OPA-LOCKA, FLORIDA**

### **Notes to Basic Financial Statements Fiscal Year Ended September 30, 2014**

#### **NOTE 3. PROPERTY TAXES (Continued)**

The gross taxable value of property, as established by the Miami-Dade County Property Appraiser, at July 1, 2013 upon which the 2013-2014 levy, was approximately \$5.8 million. For the year ended September 30, 2014, the millage rate to finance general government services was 9.0890 (\$9.0890 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 2014 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 2014, and such taxes are collected to finance expenditures of the fiscal year ending September 30, 2014.

#### **NOTE 4. DEPOSITS AND INVESTMENTS**

As of September 30, 2014 the City's cash are considered to be cash on hand, demand deposits.

##### **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.

##### **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, 2014 the City has no investments.

**CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

**NOTE 5. DISAGGREGATION OF RECEIVABLES AND ACCOUNTS PAYABLE BALANCES**

**Receivable** balances as of September 30, 2014, were as follows:

Governmental activities:	Accounts	Taxes	Due from Other Agencies	Others	Allowance for uncollectibles	Net
General	\$ 295,319	\$ 102,902	\$ 1,234,093	\$ 23,234	\$ -	\$ 1,655,548
Safe neighborhood	-	-	-	-	-	-
Nonmajor funds	93,081	-	5,452	-	-	98,533
<b>Total governmental activities</b>	<b>\$ 388,400</b>	<b>\$ 102,902</b>	<b>\$ 1,239,545</b>	<b>\$ 23,234</b>	<b>\$ -</b>	<b>\$ 1,754,081</b>
Business-type activities:						
Water and sewer	\$ 2,219,851	\$ -	\$ -	\$ 219,675	\$ (168,956)	\$ 2,270,570
Stormwater	-	-	-	-	-	-
Solidwaste	3,080	-	-	-	(15,717)	(12,637)
<b>Total business-type activities</b>	<b>\$ 2,222,931</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 219,675</b>	<b>\$ (184,673)</b>	<b>\$ 2,257,933</b>

**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, 2014 consisted of the following:

	Due From Other Funds	Due to Other Funds
Major governmental fund:		
General fund	\$ 12,560,930	\$ 14,139,940
Safe Neighborhood capital projects	3,994,946	1,507,270
Nonmajor governmental funds	5,870,084	4,846,000
Major enterprise fund:		
Water and sewer	2,767,530	6,815,690
Nonmajor enterprise funds	2,913,468	798,506
<b>Total</b>	<b>\$ 28,106,958</b>	<b>\$ 28,107,406</b>

**CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

**NOTE 6. INTERFUND BALANCES AND TRANSFERS (Continued)**

Interfund transfers for the year ended September 30, 2014, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	4,182,275	-
CIP Debt Service Fund	-	(1,057,169)
Crime Prevention Fund	-	-
CRA	142,820	-
Water and Sewer Fund	-	(3,267,927)
Total	<u>4,325,095</u>	<u>(4,325,096)</u>

Transfers were used to cover excess expenditures that occurred in the general fund.

**CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

**NOTE 7. CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended September 30, 2014:

	Balance <u>09/30/13</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>09/30/14</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,042,475			\$ 3,042,475
Construction in progress	2,000,774	869,484	(1,828,030)	\$ 1,042,228
Total assets not being depreciated	<u>5,043,249</u>	<u>869,484</u>	<u>(1,828,030)</u>	\$ <u>4,084,703</u>
Capital assets being depreciated:				
Buildings and improvements	8,675,049	3,015,213		\$ 11,690,262
Furniture and equipment	5,032,786	35,609		\$ 5,068,396
Infrastructure	21,708,699			\$ 21,708,699
Total assets being depreciated	<u>35,416,534</u>	<u>3,050,822</u>	<u>-</u>	\$ <u>38,467,357</u>
Less accumulated depreciation:				
Buildings and improvements	(2,766,281)	(64,627)		\$ (2,830,908)
Furniture and equipment	(3,390,746)	(278,690)		\$ (3,669,438)
Infrastructure	(14,394,597)	(356,897)		\$ (14,751,494)
Total accumulated depreciation	<u>(20,551,624)</u>	<u>(700,214)</u>	<u>-</u>	\$ <u>(21,251,840)</u>
Total capital assets being depreciated, net	<u>14,864,909</u>	<u>2,350,608</u>	<u>-</u>	\$ <u>17,215,517</u>
Governmental activities capital assets, net	<u>\$ 19,908,158</u>	<u>\$ 3,220,092</u>	<u>\$ (1,828,030)</u>	\$ <u>21,300,221</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 14,762			\$ 14,762
Construction in progress	2,190,591	1,598,673	(572,868)	\$ 3,216,396
Total assets not being depreciated	<u>2,205,353</u>	<u>1,598,673</u>	<u>(572,868)</u>	\$ <u>3,231,158</u>
Capital assets being depreciated:				
Buildings and improvements	-			\$ -
Furniture and equipment	4,083,160	163,402		\$ 4,246,562
Infrastructure	21,125,459	572,868		\$ 21,698,327
Total assets being depreciated	<u>25,208,619</u>	<u>736,270</u>	<u>-</u>	\$ <u>25,944,889</u>
Less accumulated depreciation:				
Buildings and improvements	-			\$ -
Furniture and equipment	(4,837,970)	(126,083)		(4,964,053)
Infrastructure	(8,196,850)	(589,483)		(8,786,333)
Total accumulated depreciation	<u>(13,034,820)</u>	<u>(715,566)</u>	<u>-</u>	\$ <u>(13,750,386)</u>
Total capital assets being depreciated, net	<u>12,173,799</u>	<u>20,704</u>	<u>-</u>	\$ <u>12,194,503</u>
Business-type activities capital assets, net	<u>\$ 14,379,152</u>	<u>\$ 1,619,377</u>	<u>\$ (572,868)</u>	\$ <u>15,425,660</u>

**CITY OF OPA-LOCKA, FLORIDA**

Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

**NOTE 7. CAPITAL ASSETS (Continued)**

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

Governmental activities:

General government	214,362
Public safety	142,106
Transportation	338,823
Parks and recreation	4,922
Total	<u>700,213</u>

Business-type activities:

Water and sewer	634,042
Stormwater	81,524
Total	<u>715,566</u>

**NOTE 8. LEASES**

**Operating Leases**

The City leases building and office facilities under non-cancelable operating leases. Total costs for such leases were \$529,275.96 for the year ended September 30, 2014. The future minimum lease payments for the leases are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities	Total
2015	250,204	36,000	286,204
2016	81,024	-	81,024
2017	81,024	-	81,024
2018	81,024	-	81,024
2019	-	-	-
Total	<u>\$ 493,276</u>	<u>\$ 36,000</u>	<u>\$ 529,276</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 8. LEASES (Continued)**

**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, 2013 are as follows:

**Governmental Activities:**

Year Ending September 30,	Governmental Activities	Business-type Activities	Total
2015	150,325	77,958	228,283
2016	117,293	77,958	195,251
2017	60,182	77,958	138,140
2018	12,382	39,971	52,353
2019	-	-	-
Total minimum lease payments	\$ 340,182	\$ 273,845	\$ 614,027
Less: amount representing interest	(19,671)	(18,311)	(37,982)
Present value of minimum lease payments	<u>\$ 320,511</u>	<u>\$ 255,534</u>	<u>\$ 652,009</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9. LONG-TERM DEBT**

Long-term liability activity for the year ended September 30, 2014 was as follows:

	<u>Balance</u> <u>9/30/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/2014</u>	<u>Due in</u> <u>One year</u>
<b>Governmental activities</b>					
Capital improvement Revenue Bond, Series 2011	6,965,000	-	(403,000)	6,562,000	416,000
City National Bank, City Hall Construction Loan	-	84,000	-	84,000	-
Other liabilities:					
Capital leases obligation	467,115	-	(149,697)	317,418	135,557
	<u>7,432,115</u>	<u>84,000</u>	<u>(552,697)</u>	<u>6,963,418</u>	<u>551,557</u>
Compensated absences	1,271,344	177,120	(115,169)	1,333,295	333,324
OPEB Obligation	162,963	167,037	-	330,000	-
Total	<u><b>8,866,422</b></u>	<u><b>428,157</b></u>	<u><b>(667,866)</b></u>	<u><b>8,626,712</b></u>	<u><b>884,881</b></u>
	(112,059)				
<b>Business-type activities:</b>					
State Revolving Loan CS12080003P	873,254	-	(80,621)	792,633	83,082
State Revolving Loan WW800050	1,748,344	-	(112,915)	1,635,429	114,649
Total loans payable	<u>2,621,598</u>	<u>-</u>	<u>(193,536)</u>	<u>2,428,062</u>	<u>197,731</u>
Other Debt:					
Capital lease obligation	320,062	-	(64,530)	255,532	69,237
Suntrust Capital Lease Obligation	1,186,058	-	(378,881)	807,177	395,121
Liability to FDOT	10,550	-	(10,550)	-	-
	<u>4,138,268</u>	<u>-</u>	<u>(647,497)</u>	<u>3,490,771</u>	<u>662,089</u>
Compensated absences	171,921	11,555	(15,242)	168,234	57,200
OPEB Obligation	22,037	22,963	-	45,000	-
Total	<u><b>4,332,226</b></u>	<u><b>34,518</b></u>	<u><b>(662,739)</b></u>	<u><b>3,704,005</b></u>	<u><b>719,288</b></u>

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9. LONG-TERM DEBT (Continued)**

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

- (a) Series 2011A&B Capital Improvement Revenue bonds, bearing annual 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 \$403,000 in 2014 to \$670,000 through 2026.
- (b) Series 2014 Capital Improvement Revenue Note - qualified tax exempt loan – for \$8,500,000, bearing interest at a rate of 3.12%, with a maturity date of June 1, 2024, and are payable by a lien on Pledge Revenues as defined by the terms of the Series 2014 Note agreement.

**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. 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.
- b) 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.
- c) 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.
- d) Capital lease agreement dated May 30, 2006 with a bank in the original amount of \$3,400,000 for meter reading equipment. Interest payable 4.219% with principal and interest payments of approximately \$105,745 payable monthly beginning December 1, 2006 through September 1, 2016.

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9. LONG-TERM DEBT (Continued)**

- e) Various Capital agreements with the Ford Motor Company in the original total amount of \$354,863 commencing March 15, 2013 and June 14, 2013. Interest payable at 3.79% and 4.00% respectively. Principal and interest payments due monthly in the amounts of approximately \$4,001 and \$3,119 through May and February 2018, respectively.
- f) State Revolving Loan Note Project No. WW130300 – for \$512,806, bearing interest at a rate of 1.63%, due in 40 semi-annual payments of \$15,644, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.
- g) State Revolving Loan Note Project No. SW130320 – for \$197,035, bearing interest at a rate of 1.63%, due in 40 semi-annual payments of \$6,011, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.
- h) State Revolving Loan Note Project No. DW130330 – for \$240,000, bearing interest at a rate of 2.53%, due in 40 semi-annual payments of \$6,011, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

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

Fiscal Year ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	416,000	222,854	592,852	75,847
2016	430,000	208,621	614,085	54,614
2017	445,000	193,890	206,430	39,290
2018	510,000	177,679	210,939	34,781
2019	527,000	159,957	215,559	30,161
2020-2024	2,919,000	512,054	989,010	79,870
Thereafter	1,315,000	51,640	1,213,938	49,741
	<u>\$6,562,000</u>	<u>\$1,526,695</u>	<u>\$4,042,813</u>	<u>\$364,304</u>

**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, 2014 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.

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9. LONG-TERM DEBT (Continued)**

On June 3, 2014 - as authorized by City Ordinance No. 13-40 - the City entered into an agreement with City National Bank of Florida for the issuance of the Series 2014 Capital Improvement Revenue Note for the purpose of acquiring, construction, installation and equipping an administration building. Debt service is provided by a pledge of guaranteed state communications services tax revenues, public service tax revenues and all investment income except for Rebate fund.

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, 2014 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, 2013 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, 2014.

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").

Based on GASB Statement 67 which sets forth the guidelines and a future implementation timetable for reporting and disclosure reflecting the primary activities associated with the pension arrangement - determining pensions, accumulating and managing assets dedicated for pension and paying benefits to plan members as they come due.

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)**

Effective July 1, 2011, employees participating in either the Investment Plan or the Pension Plan are required to make contributions to establish service credit for work performed in a regularly established position. The uniform rates for Fiscal year 2013-2014 as it applies to the City are as follows:

<b>Class</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate*</b>	<b>Total Contribution Rate</b>
Regular	3.00%	4.91%	7.91%
Special Risk (Police)	3.00%	14.10%	17.10%
City, Elected Officers	3.00%	11.14%	14.14%
Senior Management (SMSC)	3.00%	6.27%	9.27%

\*These rates include the 1.11 percent contribution for the Retiree Health Insurance Subsidy, the fee of 0.03 percent for administration of the Florida Retirement System Investment Plan and provision of educational tools for both plans, and any applicable unfunded actuarial liability rates.

Source: Florida Retirement System Employer Handbook, July 2011 General Reporting of Wages and Retirement Contributions, page 2 - 17

Eligible members enrolled in 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. Prior to July 1, 2011, benefits under the Pension Plan are vested after six years of service. Enrollment on or after July 1, 2011 are vested after eight years of creditable 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.

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

	2014	2013	2012
Covered payroll	\$ 7,959,304	\$ 7,739,705	\$ 8,628,421
Contributions	1,082,447	871,084	1,064,057
% of Covered Payroll	13.60%	11.25%	13.00%

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)**

The City is required to contribute amounts necessary to pay benefits when due as defined by State Statute. Such contribution requirements ranged between 10% and 22% of gross salaries during fiscal year 2013. For the fiscal years ended September 30, 2013, 2012, and 2011 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.

**Funding Policy**

The posted contribution rates include the employer contribution rate, the employee contribution rate, any applicable unfunded actuarial liability rates, an administrative fee, and the retiree health insurance subsidy (HIS) contribution rate (except for the IFAS Supplemental Plan). City and Employee contributions for the year ended September 30, 2014 were \$845,867.27 and \$236,579.60 respectively.

**Actuarial Methods and Procedures**

The Florida Retirement System (FRS) Annual Actuarial Valuation was base on data as of June 30, 2014. The data used consisted of financial information and records of age, service and income of active members, annuitants, and other inactive members entitled to future benefits. The total cost of FRS, overtime, will be equal to the benefits paid and expenses less investment earnings and is not affected directly by the actuarial cost method.

Changes to assets and liabilities between July 1, 2013 and July 1, 2014 are described in this section.

**Assets:**

Changes in the smoothed Actuarial Value of Assets (AVA) during the plan year were due to:

• Contributions received	\$2.973	
• Payment of benefits and expenses	(8.846)	
• Assumed plan year investment returns	9.982	
• Investment plan year gain/(loss) experience	<u>2.832</u>	
Total plan year Actuarial Value of Assets increase	\$6.941	Billion

The actual plan investment return on the AVA was 9.95% compared to the 2013 valuation's assumed return of 7.75%. On a market value basis, the assets earned 17.54%.

On a year-by-year basis, asset returns were as follows:

	Rates of Return*		
	2011/2012	2012/2013	2013/2014
Market Value	0.21%	13.63%	17.54%
Actuarial Value	6.74%	8.02%	9.95%

*Assumes net cash flow occurs mid-year.*

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)**

**Liabilities:**

Changes in the Actuarial Liability during the plan year were due to:

• Expected increase, due to combined effects of Normal Cost plus interest-related growth in Actuarial Liability less benefit payments during plan year	\$4.517 0.535
• Changes in assumptions	1.334

Liability Plan Year (Gain) / Loss Experience

• Retired, disabled, & beneficiary mortality	0.255
• Salary increases (less) / more than assumption	(0.558)
• New active members (includes rehires)	0.412
• Other demographic sources not noted above <sup>1</sup>	<u>0.333</u>
• Liability plan year (gain) / loss experience	0.442

Total plan year Actuarial Liability increase \$6.828 Billion

*<sup>1</sup> Includes the net effects of DROP entry, retirement, second election transfers to the Investment Plan and all other cessations of active service, when compared against assumptions used in determining actuarially calculated contribution rates in the July 1, 2013 actuarial valuation*

**Unfunded Liability:**

The net change in the UAL of the FRS was a decrease of \$0.113 billion, from \$21.622 billion to \$21.509 billion. The net decrease is attributable to the following:

Change due to:

• Expected increase, based on the net combined effect of plan contributions received, assumed investment, and assumed demographic experience	\$0.408
• Investment plan year (gain)/loss experience	(2.832)
• Liability plan year (gain)/loss experience	0.442
• Changes in actuarial cost method and assumptions	<u>1.869</u>
Total plan year increase/(decrease) in UAL	\$(0.113) Billion

Source: Florida Retirement System Actuarial Valuation Report, July 2014.

**CITY OF OPA-LOCKA, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

**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 countywide 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**

***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, 2014 and 2013, the City purchased water and sewer services totaling \$3,036,697 and \$4,461,438 respectively, from the Authority under the terms of this agreement.

***Solid Waste Collection and Disposal Contract Cont'd.***

On November 25, 2013, 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 on September 30, 2016. The contract maybe 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.

**CITY OF OPA-LOCKA, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

**NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)**

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. OTHER POST-EMPLOYMENT BENEFITS**

Pursuant to Section 112.081, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The City does not provide retirees with any subsidy for this benefit.

The City elected to establish an irrevocable other post-employment benefit ("OPEB") trust and began funding the obligation during fiscal year 2009, leaving no unfunded obligation.

Plan Description: On September 17, 2008, the City established the OPEB Trust, a single employer defined benefit health care plan to all of its employees except for part-time employees and full-time employees who either resign or are terminated. The City is authorized to establish and amend benefit levels, subject to minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The plan does not issue a separate financial report.

Based on GASB Statement 45 which sets forth the guidelines and a future implementation timetable for reporting and disclosure of Other Post-Employment Benefits ("OPEB"), the City had an actuary calculate future funding requirements for fiscal year 2014. The actuary's estimate, using the projected unit credit cost method, included other actuarial assumptions as classified below. The City elected to implement the provisions of GASB 45 prospectively.

**Actuarial Methods and Assumptions**

The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time and has elected to fund the plan on a pay-as-you go method.

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Actuarial Methods and Assumptions (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

<i>Actuarial valuation date</i>	April 1, 2014
<i>Actuarial cost method</i>	Projected unit credit
<i>Amortization method</i>	Level-dollar payment
<i>Remaining amortization period</i>	15-year, open period; level-dollar payment
<i>Investment Return</i>	4.00% per annum (includes 2.75% inflation)
<i>Healthcare cost trend rate(s)</i>	
<i>Select rates</i>	<u>Insurance Premiums</u> 8.50% for 2014/15 graded to 5.50% for 2020/21
<i>Ultimate rate</i>	5.00% per annum

**Funding Policy**

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

**Annual OPEB Cost and Net OPEB Obligation**

The annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed twenty years.

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

Required Contribution rates:

Employer	Pay-as-you-go
Plan Member	N/A
<hr/>	
Annual Required Contribution (ARC)	\$ 219,000
Interest on net OPEB Obligation	7,000
Adjustments to the ARC	(16,000)
Annual OPEB cost	<u>\$ 210,000</u>
Interest on Employer Contributions	-
Employer Contributions *	<u>(20,000)</u>
Increase in net OPEB obligation (asset)	\$ 190,000
Net OPEB obligation (asset) - beginning of year	185,000
Net OPEB obligation (asset) - end of year	<u>\$ 375,000</u>

The \$20,000 represents an actuarial estimate only and does not represent a physical contribution.

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Two year information (three year is not available) for fiscal years ended September 30, is presented as follows:

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
<hr/>			
2013	\$ 205,000	10%	\$ 185,000
2014	\$ 210,000	10%	\$ 375,000

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Funded Status and Funding Progress: The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of funding progress (the last plan year valuation date) is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1-Apr-14	\$0	\$766,000	\$766,000	0.00%	\$9,139,000	8.40%

**NOTE 14. 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, 2014.

**NOTE 15. 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, 2014**

**NOTE 16. 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 17. PRIOR PERIOD ADJUSTMENT**

There were no material prior period adjustments.

**NOTE 18. PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future that may impact future financial presentations. Management has not currently determined what, if any, effect implementation of the following statements may have on the financial statements of the City.

GASB Statement 68, *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27* was issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was issued January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions and transfers of operations. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

**CITY OF OPA-LOCKA, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 18. PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE (Continued)**

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of the GASB Statement No. 68*, was issued November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

**NOTE 19. SUBSEQUENT EVENTS**

The City by way of Ordinance 15-07 authorized the issuance of \$8,600,000 Series 2015 Note which is comprised of Series 2015A Capital Improvement Revenue and Refunding Note and Series 2015B Capital Improvement Revenue Note - for the purpose of acquiring, installation and equipping the City's administration building (City Hall). Debt service is provided by a pledge of guaranteed state communications services tax revenues, public service tax revenues and all investment income except for Rebate funds. Series 2014 Capital Improvement Revenue Note was refunded and the agreement satisfied. Series 2015 took effect May 30, 2015.

**NOTE 20. MANAGEMENT'S REVIEW**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 12, 2015, the date the financial statements were available to be issued. There were no other significant events that management believed require disclosure.

---

**REQUIRED  
SUPPLEMENTAL INFORMATION**

---

**CITY OF OPA-LOCKA, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes:				
Property taxes	\$ 5,696,300	\$ 5,696,300	\$ 6,359,842	\$ 663,542
Utility taxes	1,021,900	1,021,900	1,186,277	164,377
Communications service taxes	502,790	502,790	469,614	(33,176)
Local option gas tax	271,205	271,205	279,767	8,562
Local business taxes	216,315	216,315	247,810	31,495
Franchise fees	1,526,790	1,526,790	1,377,856	(148,934)
Permits and fees	664,625	664,625	590,480	(74,145)
Intergovernmental	705,534	705,534	413,104	(292,430)
Charges for services	165,300	165,300	112,013	(53,287)
Fines and forfeitures	953,500	953,500	413,678	(539,822)
Interest	8,000	8,000	314	(7,686)
Other	151,800	151,800	1,577,530	1,425,730
Total revenues	<u>11,884,059</u>	<u>11,884,059</u>	<u>13,028,285</u>	<u>1,144,226</u>
Expenditures:				
General government:				
City commission	167,920	167,920	171,106	3,186
City manager	1,284,495	1,284,495	880,095	(404,400)
City clerk	434,315	434,315	400,609	(33,706)
City attorney	690,035	690,035	603,316	(86,719)
Finance/Utility billing	527,055	527,055	660,401	133,346
Information technology	277,655	277,655	304,100	26,445
Human resources	325,625	325,625	397,004	71,379
Building licenses	430,020	430,020	307,620	(122,400)
Community development	582,985	582,985	505,607	(77,378)
Total general government	<u>4,720,105</u>	<u>4,720,105</u>	<u>4,229,858</u>	<u>(490,247)</u>
Public safety:				
Police	5,230,155	5,230,155	6,274,593	1,044,438
Code enforcement	261,895	261,895	351,485	89,590
Total public safety	<u>5,492,050</u>	<u>5,492,050</u>	<u>6,626,078</u>	<u>1,134,028</u>
Public works:				
Administration	282,995	282,995	514,847	231,852
Street maintenance	570,135	570,135	620,921	50,786
Building maintenance	204,745	204,745	331,440	126,695
Vehicle maintenance	693,340	693,340	968,010	274,670
Total public works	<u>1,751,215</u>	<u>1,751,215</u>	<u>2,435,218</u>	<u>684,003</u>

Parks and recreation:				
Parks	956,420	956,420	1,095,728	139,308
Special events	<u>30,000</u>	<u>30,000</u>	<u>108,480</u>	<u>78,480</u>
Total parks and recreation	<u>986,420</u>	<u>986,420</u>	<u>1,204,208</u>	<u>217,788</u>
Non-departmental	<u>933,884</u>	<u>933,884</u>	<u>1,359,427</u>	<u>425,543</u>
Total non-departmental	<u>933,884</u>	<u>933,884</u>	<u>1,359,427</u>	<u>425,543</u>
Total expenditures	<u>13,883,674</u>	<u>13,883,674</u>	<u>15,854,789</u>	<u>1,971,115</u>
Excess of revenues over expenditures	(1,999,615)	(1,999,615)	(2,826,504)	(826,889)
Other financing sources (uses):				
Loan/Capital lease proceeds	-	-	-	-
Transfers in	1,999,615	1,999,615	4,182,275	2,182,660
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	1,355,771	
Fund balance, beginning			<u>1,225,310</u>	
Fund balance, ending			<u><u>\$ 2,581,081</u></u>	

**CITY OF OPA-LOCKA, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**PEOPLE TRANSPORTATION TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Taxes:				
Intergovernmental	420,000	420,000	572,297	152,297
Total revenues	<u>420,000</u>	<u>420,000</u>	<u>572,297</u>	<u>152,297</u>
Expenditures:				
Current:				
General government:				
Public works:				
Administration	-	-	-	-
Street maintenance	725,000	725,000	856,782	(131,782)
Building maintenance	-	-	-	-
Vehicle maintenance	-	-	-	-
Total public works	<u>725,000</u>	<u>725,000</u>	<u>856,782</u>	<u>(131,782)</u>
Total expenditures	<u>725,000</u>	<u>725,000</u>	<u>856,782</u>	<u>(131,782)</u>
Excess of revenues over expenditures	(305,000)	(305,000)	(284,485)	20,515
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	305,000	305,000	-	(305,000)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(284,485)	
Fund balance, beginning			<u>1,339,427</u>	
Fund balance, ending			<u>\$ 1,054,942</u>	

**CITY OF OPA-LOCKA, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT DEBT SERVICE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental	1,563,030	1,563,030	1,656,055	\$ 93,025
Interest	-	-	-	-
Total revenues	<u>1,563,030</u>	<u>1,563,030</u>	<u>1,656,055</u>	<u>93,025</u>
Expenditures:				
Capital outlay	-	-	-	-
Debt service				-
Principal	403,000	403,000	403,000	-
Interest	236,625	236,625	261,086	24,461
Other debt service costs	1,345	1,345	-	(1,345)
Bond issuance costs	-	-	-	-
Total expenditures	<u>640,970</u>	<u>640,970</u>	<u>664,086</u>	<u>23,116</u>
Excess of revenues over expenditures	922,060	922,060	991,969	69,909
Other financing sources (uses):				
Debt proceeds	-	-	84,000	84,000
Transfers in	-	-	-	-
Transfers out	<u>(922,060)</u>	<u>(922,060)</u>	<u>(1,057,169)</u>	<u>(135,109)</u>
Net change in fund balance	-	-	18,800	18,800
Fund balance, beginning			-	-
			<u>\$ 18,800</u>	<u>\$ 18,800</u>

## **CITY OF OPA-LOCKA**

Notes to the budgetary comparison schedules  
For the Year Ended September 30, 2014

### **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.

### **NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS**

For the year ended September 30, 2014 expenditures exceeded appropriations in the finance/UB, public safety, public works, parks and recreation, and non-departments of the general fund by \$133,346, \$1,134,028, \$684,003, \$217,788, and \$425,544. Interfund transfer exceeded the budget by \$2,182,660. Overall, General Fund exceeded its budget by approximately \$2.0 million.

For the year ended September 30, 2014 expenditures exceeded appropriations in the People Transportation Tax fund by approximately \$132,000. The over expenditures were funded by available fund balance.

**NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS (Continued)**

**Other Post Employment Benefits**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percenta of Payroll ((b-a)/c)
1-Apr-14	\$0	\$766,000	\$766,000	0.00%	\$9,139,000	8.40%

Schedule of Employers Contributions

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2013	\$ 205,000	10%	\$ 185,000
2014	\$ 210,000	10%	\$ 375,000

---

---

# **SUPPLEMENTAL INFORMATION**

---

---

**CITY OF OPA-LOCKA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	Special Law Enforcement	Boy Scout	FEMA	Opa-locka Police Youth Academy	Crime Prevention	STOP/ VAWA Program	South FL Water Mgmt	Local Law Enforcement	Comm Redev Agency	Total
<b>ASSETS</b>										
Cash and equity in pooled cash	\$ 134,358	\$ -	\$ 18,976	\$ 84,541	\$ 50,509	\$ -	\$ -	\$ -	\$ -	\$ 288,384
Receivables, net	-	-	-	-	-	-	-	-	-	-
Other Gov't account receivables	-	-	-	5,451	-	-	-	-	-	5,451
Prepays and other	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Due from other funds	32,855	17,395	57,007	-	-	-	263,012	235	-	370,504
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 167,213</u>	<u>\$ 17,395</u>	<u>\$ 75,983</u>	<u>\$ 89,992</u>	<u>\$ 50,509</u>	<u>\$ -</u>	<u>\$ 263,012</u>	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 664,339</u>
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ (51)	\$ -	\$ -	\$ -	\$ 2,797	\$ 2,746
Due to other funds	-	-	-	433,864	470,069	151,738	-	-	96,783	1,152,454
Other Gov't account payables	-	-	20,937	-	-	-	-	-	-	20,937
Deferred revenues	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>20,937</u>	<u>433,864</u>	<u>470,018</u>	<u>151,738</u>	<u>-</u>	<u>-</u>	<u>99,580</u>	<u>1,176,137</u>
<b>FUND BALANCES Reserved for:</b>										
Public safety	167,213	-	55,046	-	-	-	-	235	-	222,494
Capital projects	-	-	-	-	-	-	263,012	-	-	263,012
Unreserved	-	17,395	-	(343,872)	(419,509)	(151,738)	-	-	(99,580)	(997,304)
<b>Total fund balances</b>	<u>167,213</u>	<u>17,395</u>	<u>55,046</u>	<u>(343,872)</u>	<u>(419,509)</u>	<u>(151,738)</u>	<u>263,012</u>	<u>235</u>	<u>(99,580)</u>	<u>(511,798)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 167,213</u>	<u>\$ 17,395</u>	<u>\$ 75,983</u>	<u>\$ 89,992</u>	<u>\$ 50,509</u>	<u>\$ -</u>	<u>\$ 263,012</u>	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 664,339</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, 2014**

	Special Law Enforcement	Boy Scout	Opa-locka Police Youth Academy	Crime Prevention	STOP/ VAWA Program	FEMA	South FL Water Mgmt	Local Law Enforcement	Comm Redev Agency	Total
<b>Revenues:</b>										
Intergovernmental	\$ 97,782	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,782
Charges for Services	-	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	4,000	-	-	-	-	-	-	-	-	4,000
Interest	-	-	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>101,782</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,782</u>
<b>Expenditures:</b>										
Current:										
General government	-	-	-	-	-	-	-	-	139,576	139,576
Public safety	6,000	-	(456)	37,493	-	-	-	-	-	43,037
Utilities	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest & issuance costs	-	-	-	-	-	-	-	-	-	-
Capital outlay	25,636	-	-	-	-	-	-	-	688	26,324
Total expenditures	<u>31,636</u>	<u>-</u>	<u>(456)</u>	<u>37,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,264</u>	<u>208,937</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>70,146</u>	<u>-</u>	<u>456</u>	<u>(36,493)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,264)</u>	<u>(106,155)</u>
<b>Other financing sources:</b>										
Transfers in	-	-	-	-	-	-	-	-	142,820	142,820
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,820</u>	<u>142,820</u>
Net change in fund balance	70,146	-	456	(36,493)	-	-	-	-	2,556	36,665
Fund balance - beginning	<u>97,067</u>	<u>17,395</u>	<u>(344,328)</u>	<u>(383,016)</u>	<u>(151,738)</u>	<u>55,046</u>	<u>263,012</u>	<u>235</u>	<u>(102,136)</u>	<u>(548,463)</u>
<b>Fund balance - ending</b>	<u>\$167,213</u>	<u>\$ 17,395</u>	<u>\$ (343,872)</u>	<u>\$ (419,509)</u>	<u>\$ (151,738)</u>	<u>\$ 55,046</u>	<u>\$ 263,012</u>	<u>\$ 235</u>	<u>\$ (99,580)</u>	<u>\$ (511,798)</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

<b>ASSETS</b>	Stormwater	Solid Waste	Total
Current assets:			
Cash and equity in pooled cash	\$ 654,229	\$ -	\$ 654,229
Estimated unbilled services	(5,413)	-	(5,413)
Prepays and other	3,194	-	3,194
Due from other funds	<u>-</u>	<u>3,252,592</u>	<u>3,252,592</u>
Total current assets	<u>652,010</u>	<u>3,252,592</u>	<u>3,904,602</u>
Noncurrent assets:			
Capital assets, net	<u>143,787</u>	<u>-</u>	<u>143,787</u>
Total noncurrent assets	<u>143,787</u>	<u>-</u>	<u>143,787</u>
Total assets	<u>\$ 795,797</u>	<u>\$ 3,252,592</u>	<u>\$ 4,048,389</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 245,420	\$ 32,907	\$ 278,327
Overdrawn cash	-	3,956,545	3,956,545
Due to other funds	180,325	-	180,325
Customers' deposits	1	113,400	113,401
Current portion of long term debt	<u>42,894</u>	<u>-</u>	<u>42,894</u>
Total current liabilities	<u>468,640</u>	<u>4,102,852</u>	<u>4,571,492</u>
Long term debt			
Compensated absences	12,863	-	12,863
OPEB Obligation	3,750	-	3,750
Notes and capital leases payable	<u>110,678</u>	<u>-</u>	<u>110,678</u>
Total long term debt	<u>127,291</u>	<u>-</u>	<u>127,291</u>
Total liabilities	<u>595,931</u>	<u>4,102,852</u>	<u>4,698,783</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	143,787	-	143,787
Unrestricted	<u>56,079</u>	<u>(850,260)</u>	<u>(794,181)</u>
<b>Total net position</b>	<u>\$ 199,866</u>	<u>\$ (850,260)</u>	<u>\$ (650,394)</u>

**CITY OF OPA-LOCKA, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Stormwater	Solid Waste	Total
<b>Operating revenues:</b>			
Charges for services	\$ 268,001	\$ 1,137,874	\$ 1,405,875
Total operating revenues	<u>268,001</u>	<u>1,137,874</u>	<u>1,405,875</u>
<b>Operating expenses:</b>			
Operating, administrative and maintenance	606,892	1,225,943	1,832,835
Interest and other debt costs	13,543	-	13,543
Bad debts and Other		(113,400)	(113,400)
Depreciation	<u>81,524</u>	<u>-</u>	<u>81,524</u>
Total operating expenses	<u>701,959</u>	<u>1,112,543</u>	<u>1,814,502</u>
Change in net position	(433,958)	25,331	(408,627)
Net position, beginning			
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning	<u>633,824</u>	<u>(875,591)</u>	<u>(241,767)</u>
<b>Net position, ending</b>	<u>\$ 199,866</u>	<u>\$ (850,260)</u>	<u>\$ (650,394)</u>

**CITY OF OPA-LOCKA, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

	Stormwater	Solid Waste	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 280,812	\$ 1,137,874	\$ 1,418,686
Cash paid to vendors	(459,976)	(7,038)	(467,014)
Cash paid to employees	(62,030)	(7,843)	(69,873)
Payments from (to) other funds, net	<u>75,351</u>	<u>(1,009,593)</u>	<u>(934,242)</u>
Net cash provided by operating activities	<u>(165,843)</u>	<u>113,400</u>	<u>(52,443)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition on construction of capital assets	(28,949)	(126,706)	(155,655)
Proceeds from compensated absences and OPEB	-	13,306	13,306
Proceeds from debt	-	-	-
Payments made on debt	<u>6,726</u>	<u>-</u>	<u>6,726</u>
Net cash used in capital and related financing activities	<u>(22,223)</u>	<u>(113,400)</u>	<u>(135,623)</u>
Net decrease in cash	(188,066)	-	(188,066)
Cash, beginning	<u>859,892</u>	<u>-</u>	<u>859,892</u>
<b>Cash, ending</b>	<u>671,826</u>	<u>-</u>	<u>671,826</u>
<b>Display as:</b>			
Unrestricted	654,229	-	654,229
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 654,229</u>	<u>\$ -</u>	<u>\$ 654,229</u>
<b>Reconciliation of operating income to cash provided by operating activities:</b>			
Operating (loss)	\$ (433,958)	\$ 25,331	\$ (408,627)
Adjustment to reconciled operating income to net cash provided by (used in) operating activities:			
Depreciation expenses	81,524	-	81,524
(Increase) decrease in:			
Cash drawn in excess of bank	-	1,174,750	1,174,750
Accounts receivable	12,811	-	12,811
Due from other funds	-	(1,009,593)	(1,009,593)
Increase (decrease) in:			
Accounts payable and accrued liabilities	98,429	(72,934)	25,495
Due to other funds	75,351	-	75,351
Other liabilities	<u>-</u>	<u>(4,154)</u>	<u>(4,154)</u>
Net cash provided by operating activities	<u>\$ (165,843)</u>	<u>\$ 113,400</u>	<u>\$ (52,443)</u>

---

## **STATISTICAL SECTION**

---

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

	Fiscal Year							
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
				(Restated)				
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 14,594,553	\$ 12,730,145	\$ 9,735,712	\$ 8,402,867	\$ 6,412,870	\$ 5,647,558	\$ 5,509,644	\$ 1,856,232
Restricted	1,142,662	2,878,649	3,524,297	2,651,381	3,028,572	1,455,562	1,618,813	1,648,369
Unrestricted	(161,763)	(2,269,190)	(1,293,239)	(1,536,472)	1,427,083	3,735,623	3,337,336	5,451,619
<b>Total governmental activities net assets</b>	<u>\$ 15,575,452</u>	<u>\$ 13,339,604</u>	<u>\$ 11,966,770</u>	<u>\$ 9,517,776</u>	<u>\$ 10,868,525</u>	<u>\$ 10,838,743</u>	<u>\$ 10,465,793</u>	<u>\$ 8,956,220</u>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 11,934,493	\$ 10,240,844	\$ 8,256,492	\$ 6,733,269	\$ 5,719,464	\$ 5,422,334	\$ 5,098,389	\$ 6,559,594
Restricted	-	-	411,671	411,671	397,355	396,472	393,842	1,344,966
Unrestricted	(1,835,446)	3,644,159	7,391,926	6,729,636	6,279,180	5,835,374	5,499,567	1,958,057
<b>Total business-type activities net assets</b>	<u>\$ 10,099,047</u>	<u>\$ 13,885,003</u>	<u>\$ 16,060,089</u>	<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>
<b>Primary government</b>								
Invested in capital assets, net of related debt	\$ 26,529,046	\$ 22,970,989	\$ 17,992,204	\$ 15,136,136	\$ 12,132,334	\$ 11,069,892	\$ 10,608,033	\$ 8,415,826
Restricted	1,142,662	2,878,649	3,935,968	3,063,052	3,425,927	1,852,034	2,012,655	2,993,335
Unrestricted	(1,997,209)	1,374,969	6,098,687	5,193,164	7,706,263	9,570,997	8,836,903	7,409,676
<b>Total primary government net assets</b>	<u>\$ 25,674,499</u>	<u>\$ 27,224,607</u>	<u>\$ 28,026,859</u>	<u>\$ 23,392,352</u>	<u>\$ 23,264,524</u>	<u>\$ 22,492,923</u>	<u>\$ 21,457,591</u>	<u>\$ 18,818,837</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							
	2014	2013	2012	2011 (Restated)	2010	2009	2008	2007
Governmental activities:								
General government	\$ 6,254,996	\$ 7,009,819	\$ 5,402,679	\$ 5,258,247	\$ 4,109,593	\$ 4,690,986	\$ 4,603,861	\$ 4,221,761
Public safety	7,349,488	6,636,968	5,570,149	5,856,372	6,708,963	5,565,672	6,062,394	5,746,353
Economic environment	-	-	-	-	-	-	-	-
Highways and streets	2,901,231	2,567,979	1,744,207	3,000,577	3,045,651	3,084,070	2,664,432	3,079,201
Human services	-	-	-	278,733	260,737	535,075	-	-
Culture and recreation	1,299,002	1,137,575	982,440	1,179,470	1,190,536	939,357	892,599	889,461
Interest on long-term debt	279,737	432,419	302,948	361,712	377,528	388,244	389,219	408,438
Total governmental activities expenses	18,084,454	17,784,760	14,002,423	15,935,111	15,693,008	15,203,404	14,612,505	14,345,214
Business-type activities:								
Water and sewer	8,838,015	6,442,588	5,954,797	5,446,235	6,244,689	6,460,679	5,342,491	10,699,290
Solid waste	1,225,943	1,214,902	1,145,855	1,203,020	1,070,098	1,047,524	1,207,689	873,783
Stormwater	701,959	299,209	362,205	291,418	508,494	388,804	534,378	1,716,944
Total Business-type activities expenses	10,765,917	7,956,699	7,462,857	6,940,673	7,823,281	7,897,007	7,084,558	13,290,017
Total primary government expenses	\$ 28,850,371	\$ 25,741,459	\$ 21,465,280	\$ 22,875,784	\$ 23,516,289	\$ 23,100,411	\$ 21,697,063	\$ 27,635,231
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
General government	\$ 632,500	\$ 193,686	\$ 831,545	\$ 333,549	\$ 193,686	\$ 392,263	\$ 404,826	\$ 811,121
Public safety	\$ 472,796	32,937	1,069,226	523,110	192,370	442,823	220,846	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	35,357	17,822	15,419	14,575	17,822	14,607	12,585	5,858
Operating grants and contributions	409,621	571,048	968,586	780,437	775,112	779,371	435,019	-
Capital grants and contributions	1,117,060	2,322,929	947,442	1,025,134	1,599,910	717,540	1,599,939	4,691,815
Total governmental activities program revenues	2,667,334	3,138,422	3,832,218	2,676,805	2,778,900	2,346,604	2,673,215	5,508,794
Business-type Activities:								
Charges for services:								
Water and sewer	8,290,049	8,504,623	9,849,295	7,256,189	7,217,522	7,206,735	6,963,170	5,996,478
Solid waste	1,137,874	975,544	1,260,520	1,142,852	1,014,622	885,964	793,534	729,062
Stormwater	268,001	242,628	259,982	235,423	234,934	283,731	271,277	303,308
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	551,963	207,031	-	-	-	-	-	4,307,851
Total Business-type activities program revenues	10,247,887	9,929,826	11,369,797	8,634,464	8,467,078	8,376,430	8,027,981	11,336,699
Total primary government program revenues	\$ 12,915,221	\$ 13,068,248	\$ 15,202,015	\$ 11,311,269	\$ 11,245,978	\$ 10,723,034	\$ 10,701,196	\$ 16,845,493

(continued)

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

	Fiscal Year							
	2014	2013	2012	2011	2010	2009	2008	2007
<b>Net (expense)/revenue</b>	Restated							
Governmental activities	\$ (15,417,119)	\$ (14,816,846)	\$ (14,646,338)	\$ (10,170,205)	\$ (13,258,306)	\$ (12,914,108)	\$ (12,856,800)	\$ (9,474,688)
Business-type activities	(518,029)	1,973,127	9,912,748	1,693,791	1,693,791	643,797	479,423	(1,953,318)
Total primary government net expense	<u>\$ (15,935,149)</u>	<u>\$ (12,843,719)</u>	<u>\$ (4,733,590)</u>	<u>\$ (8,476,414)</u>	<u>\$ (11,564,515)</u>	<u>\$ (12,270,311)</u>	<u>\$ (12,377,377)</u>	<u>\$ (11,428,006)</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities:								
Taxes								
Property taxes	\$ 6,359,842	\$ 5,842,217	\$ 6,736,248	\$ 6,429,836	\$ 7,184,822	\$ 7,667,287	\$ 7,441,927	\$ 7,207,046
Utility taxes	1,186,277	1,040,076	863,608	1,100,645	870,185	741,164	894,359	1,544,532
Communications service taxes (1)	469,614	526,127	559,299	611,700	654,141	717,858	637,712	-
Local option gas tax	279,767	274,189	275,054	284,901	261,644	281,095	295,194	308,170
Franchise fees	1,377,856	1,484,133	1,452,012	1,499,291	1,487,057	1,656,094	1,540,751	1,919,542
Local business taxes	247,810	305,236	206,873	223,949	215,477	229,627	281,975	327,326
Intergovernmental revenue	2,801,946	2,219,388	524,198	1,606,396	1,678,883	1,884,800	2,092,307	1,764,906
Investment earnings	398	84	1,908	8,761	8,345	18,043	131,469	283,431
Miscellaneous	1,577,530	812,977	-	198,704	120,939	156,067	133,169	397,185
Gain on disposal of capital assets	-	-	-	-	628	-	-	-
Debt proceeds	84,000	3,685,262	2,000,000	275,000	-	(122,285)	-	-
Transfer	3,267,927							
Total governmental activities	<u>17,652,967</u>	<u>16,189,689</u>	<u>12,619,200</u>	<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>
Business Type Activities:								
Investment earnings	-	-	1,608	22,501	20,890	42,914	185,758	304,702
Miscellaneous	-	-	276,966	37,283	78,314	17,760	-	-
Loss on disposal of capital assets	-	-	-	-	(1,182)	-	-	-
Transfer	(3,267,927)	(3,685,262)	(2,000,000)	(275,000)	-	122,285	-	-
Total business-type activities	<u>(3,267,927)</u>	<u>(3,685,262)</u>	<u>(1,721,426)</u>	<u>(215,216)</u>	<u>98,022</u>	<u>182,959</u>	<u>185,758</u>	<u>304,702</u>
Total primary government	<u>\$ 14,385,040</u>	<u>\$ 12,504,427</u>	<u>\$ 10,897,774</u>	<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>
<b>Change in Net Assets</b>								
Governmental activities	\$ 2,235,848	\$ 1,372,834	\$ (2,027,138)	\$ 2,068,978	\$ (776,185)	\$ 315,642	\$ 592,063	\$ 4,277,450
Business-type activities	(3,785,956)	(1,712,135)	8,191,322	1,478,575	1,791,813	826,756	665,181	(1,648,616)
Total primary government	<u>\$ (1,550,109)</u>	<u>\$ (339,301)</u>	<u>\$ 6,164,184</u>	<u>\$ 3,547,553</u>	<u>\$ 1,015,628</u>	<u>\$ 1,142,398</u>	<u>\$ 1,257,244</u>	<u>\$ 2,628,834</u>

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

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

Fiscal Year	Property	Utility	Communications Service Taxes (1)	Sales and Use	Local Business Tax (2)	Franchise	Total
2005	4,877,060	1,794,845	-	1,479,783	-	1,313,694	9,465,382
2006	5,802,009	1,224,316	599,654	356,931	200,837	1,941,938	10,125,685
2007	7,207,046	892,002	652,530	308,170	327,326	1,919,542	11,306,616
2008	7,441,927	894,359	637,712	295,194	281,975	1,540,751	11,091,918
2009	7,667,287	741,164	717,858	281,095	229,627	1,656,094	11,293,125
2010	7,184,822	870,185	654,141	261,644	215,477	1,487,057	10,673,326
2011	6,429,836	1,100,645	611,700	284,901	223,949	1,499,291	10,150,322
2012	6,736,248	863,608	559,299	275,054	206,873	1,452,012	10,093,094
2013	5,842,217	1,040,076	526,127	274,189	305,236	1,484,133	9,471,978
2014	1,377,856	469,614	279,767	247,810	2,801,946	1,186,277	6,363,270

(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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund										
Reserved	\$ -	\$ -		\$ -	\$ 256,751	\$ 247,330	\$ 340,679	\$ 380,380	\$ 389,118	\$ 386,120
Unreserved	-	-		-	3,316,289	4,414,425	4,908,350	6,772,228	4,653,301	3,884,621
Nonspendable	167,639	56,808	142,100	200,065	-	-	-	-	-	-
Restricted	-	-		-	-	-	-	-	-	-
Committed	-	-		-	-	-	-	-	-	-
Unassigned	1,924,642	1,168,502	1,091,885	2,048,947	-	-	-	-	-	-
Total General Fund	<u>\$ 2,092,281</u>	<u>\$ 1,225,310</u>	<u>\$ 1,233,985</u>	<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>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 3,028,572	\$ 2,134,292	\$ 1,636,464	\$ 1,648,369	\$ 340,785	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	(320,786)	(397,395)	(289,336)	(308,288)	(117,431)	935,287
Capital projects funds	-	-	-	-	(347,729)	(8,841)	(664,346)	(417,272)	98,078	385,320
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,142,662	1,123,862	1,128,608	2,651,381	-	-	-	-	-	-
Committed	1,277,436	1,491,775	2,295,494	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(1,316,637)	(1,246,499)	(897,670)	(2,383,253)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,103,461</u>	<u>\$ 1,369,138</u>	<u>\$ 2,526,432</u>	<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>

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)*

	<b>Fiscal Year</b>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Revenues:</b>										
Taxes	\$ 9,921,166	\$ 9,471,978	\$ 10,093,094	\$ 10,150,322	\$ 10,673,326	\$ 11,293,124	\$ 11,091,918	\$ 11,306,616	\$ 9,567,917	\$ 6,653,005
Licenses and permits	\$ 590,480	552,400	624,671	317,689	188,692	378,086	385,123	638,268	813,503	503,181
Fines and forfeitures	\$ 417,678	311,346	843,115	478,417	178,391	438,123	216,124	27,065	31,584	123,479
Intergovernmental	\$ 4,328,628	5,113,365	3,390,820	3,411,967	4,053,904	3,381,713	4,127,265	6,456,721	8,457,245	20,284,816
Charges for services	\$ 112,013	73,937	32,788	75,128	36,795	33,483	37,010	178,711	104,535	41,280
Interest	\$ 398	84	1,908	8,761	8,345	18,043	131,469	283,431	89,567	47,667
Miscellaneous	\$ 1,577,530	916,818	459,094	198,704	144,982	156,067	133,169	370,120	209,409	2,550,203
<b>Total revenues</b>	<b>16,947,893</b>	<b>16,439,928</b>	<b>15,445,490</b>	<b>14,640,988</b>	<b>15,284,435</b>	<b>15,698,639</b>	<b>16,122,078</b>	<b>19,260,932</b>	<b>19,273,760</b>	<b>30,203,631</b>
<b>Expenditures:</b>										
General government	\$ 5,670,868	6,619,886	5,384,514	5,570,801	4,012,365	4,604,911	4,520,068	3,951,414	3,813,756	6,523,196
Public safety	\$ 6,796,429	6,274,637	6,108,005	5,680,424	6,331,246	5,269,093	5,966,913	5,458,602	5,153,511	3,898,324
Highways and streets	\$ 2,687,241	2,543,862	1,751,208	2,433,842	2,379,870	2,279,406	1,937,045	2,573,422	8,768,977	16,977,785
Culture and recreation	\$ 1,204,208	1,126,892	1,029,359	1,147,780	1,132,959	900,056	881,189	868,588	758,395	496,612
Human services	\$ -	-	-	277,663	263,618	504,425	-	-	-	-
Capital outlay	\$ 2,413,451	3,912,455	1,148,728	4,934,410	1,414,042	853,785	4,257,057	3,004,588	513,766	288,043
Debt service: Principal	\$ 646,842	548,385	358,000	-	440,894	373,168	349,699	416,514	492,762	170,000
Debt Service: Interest	\$ 279,737	265,041	302,948	361,712	377,528	388,244	401,364	408,438	421,563	437,718
Bond issuance cost	\$ -	-	-	63,314	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 19,698,776</b>	<b>21,291,158</b>	<b>16,082,762</b>	<b>20,469,946</b>	<b>16,352,522</b>	<b>15,173,088</b>	<b>18,313,335</b>	<b>16,681,566</b>	<b>19,922,730</b>	<b>28,791,678</b>
Excess (deficiency) of revenues over expenditures	\$ (2,750,883)	(4,851,230)	(637,272)	(5,828,958)	(1,068,087)	525,551	(2,191,257)	2,579,366	(648,970)	1,411,953
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	\$ -	-	212,176	7,713,000	-	-	-	-	-	-
Payment to refunded bond escrow	\$ -	-	-	(5,575,000)	-	-	-	-	-	-
Capital lease proceeds	\$ 84,000	-	-	-	149,604	54,734	47,650	132,200	421,470	16,844
Transfers in	\$ 4,325,095	4,654,362	2,000,000	1,998,799	699,359	1,140,550	3,280,569	874,259	1,259,709	949,083
Transfers out	\$ (1,057,169)	(969,100)	-	(1,723,799)	(699,359)	(1,262,834)	(3,280,568)	(874,259)	(1,259,709)	(949,083)
<b>Total other financing sources (uses)</b>	<b>\$ 3,351,926</b>	<b>3,685,262</b>	<b>2,212,176</b>	<b>2,413,000</b>	<b>149,604</b>	<b>(67,550)</b>	<b>47,651</b>	<b>132,200</b>	<b>421,470</b>	<b>16,844</b>
<b>Net change in fund balances</b>	<b>\$ 601,043</b>	<b>\$ (1,165,968)</b>	<b>\$ 1,574,904</b>	<b>\$ (3,415,958)</b>	<b>\$ (918,483)</b>	<b>\$ 458,001</b>	<b>\$ (2,143,606)</b>	<b>\$ 2,711,566</b>	<b>\$ (227,500)</b>	<b>\$ 1,428,797</b>
Debt service as a percentage of noncapital expenditures	5%	5%	4%	2%	5%	5%	5%	6%	5%	2%

**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
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
2012	6,736,248	275,054	1,452,012	863,608	559,299	206,873	10,093,094
2013	5,842,217	274,189	1,484,133	1,040,076	526,127	305,236	9,471,978
2014	6,359,842	279,767	1,377,856	1,186,277	469,614	247,810	9,921,166

(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
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
2012	628,398,430	84,895,159	1,384,071	714,677,660	364,113	714,313,547	9.1000
2013	608,102,734	88,324,301	1,403,115	697,830,150	846,258	696,983,892	9.1000
2014	569,275,327	\$ 88,907,381	1,527,144	659,709,852	\$ 268,158	659,441,694	9.0890

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 <u>Year</u>	<u>City of Opa-locka, Florida</u>			<u>Overlapping Rates</u>			
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total Millage</u>	<u>Miami- Dade County</u>	<u>School District</u>	<u>State</u>	<u>Total</u>
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
2012	9.1526	-	9.1526	7.732	8.476	0.500	25.861
2013	9.1000	-	9.1000	8.461	7.624	0.500	25.685
2014	9.0890	-	9.0890	8.206	7.977	0.500	25.772

Source: Miami-Dade County Property Appraiser

**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
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	90.04
2012	6,541,159	6,656,167	100.02	80,081	6,736,248	102.98
2013	6,032,745	5,721,217	95.00	121,000	5,842,217	96.84
2014	5,696,300	6,092,128	107.00	267,714	6,359,842	112.00

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	Population (1)(3)	Per Capita
	Revenue Bonds(4)	Notes Payable	Capital Leases	Revenue Bonds	Revolving Loans	Notes Payable	Capital Leases	Primary Government		
2005	6,625,000	203,822	343,578	-	1,042,197	772,650	35,143	9,022,390	14,951	603
2006	6,445,000	15,679	619,110	-	1,574,754	458,892	3,425,681	12,539,116	14,951	839
2007	6,250,000	-	496,145	-	1,805,723	395,596	3,169,436	12,116,900	14,951	810
2008	6,040,000	-	391,951	-	3,645,900	327,026	2,864,166	13,269,043	14,951	888
2009	5,815,000	-	298,517	-	3,423,405	269,185	2,552,129	12,358,236	14,951	827
2010	5,575,000	-	247,227	-	3,231,219	205,710	2,231,801	11,490,957	14,951	769
2011	7,713,000	-	96,679	-	3,016,463	137,140	1,897,743	12,861,025	15,219	845
2012	7,355,000	-	186,458	-	2,796,668	73,845	1,549,367	11,961,338	15,718	761
2013	6,965,000	-	468,191	-	2,621,598	10,550	1,508,192	11,573,531	15,967	725
2014	6,562,000	84,000	317,418	-	2,428,062	-	1,062,709	10,454,189	15,967	655

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.

(3) American Community Survey 2008-2012. (5 year estimate)

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

Fiscal Year	Capital Improvement Revenue Refunding Bonds					State Revolving Loan					Coverage Ratio Percentage
	State Shared	Debt Service			Coverage Ratio Percentage	Water and	Less: Operating Expenses	Net Available	Debt Service		
	Revenue/ 1/2 Cent Sales Tax	Principal	Interest	Other Cost		Sewer Gross Revenue		Revenue	Principal	Interest	
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		2.60	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	-	7.64
2012	1,463,342	358,000	302,948		2.21	10,126,261	5,954,798	4,171,463	-	-	n/a
2013	1,606,880	390,000	247,780		2.52	8,711,654	6,279,156	2,432,498	161,690	1,742	6.72
2014	1,656,055	403,000	236,626		2.59	8,823,729	8,921,440	(97,711)	193,535	50,967	(0.40)

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) (6) Per Capita Personal <u>Income</u>	(3) (7) Median <u>Age</u>	(4) School <u>Enrollment</u>	(5) Unemployment <u>Rate</u>
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	19,631	9,538	27.3	368,453	17.5
2012	15,718	20,757	11,375	31.5	349,945	17.5
2013	15,967	20,757	11,375	31.5	352,790	17.5
2014	15,967	20,757	11,375	31.5	355,268	17.5

(1) University of Florida, Bureau of Economic & Business Research

(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.

(7) American Community Survey 2008-2012. (5 year estimate)

**CITY OF OPA-LOCKA, FLORIDA**  
**PRINCIPAL EMPLOYERS**  
**FISCAL YEAR 2013 AND NINE YEARS AGO**

<u>Employer</u>	<u>2014</u>			<u>2005</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
City of Opa-locka	191	2	4%	N/A	N/A	N/A
Sherwood Food Dist FKA Don Greene Poultry	150	3	3%	N/A	N/A	N/A
Republic Metals	140	4	2%	N/A	N/A	N/A
Ecological Services	120	5	2%	N/A	N/A	N/A
American Fruit	100	6	2%	N/A	N/A	N/A
Combined Servies	100	7	2%	N/A	N/A	N/A
Atlantic Hosiery	93	8	2%	N/A	N/A	N/A
Cigarette Racing	93	9	2%	N/A	N/A	N/A
Ter Prints	75	10	2%	N/A	N/A	N/A
Ingram Elementary	<u>73</u>	11	<u>1%</u>	N/A	N/A	N/A
Total	<u><u>1,335</u></u>		<u><u>26%</u></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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:										
General Government	45	48	56	49	48	49	64	43	39	59
Public Safety	76	80	88	59	65	62	73	68	79	83
Highways & Streets	19	22	27	26	29	29	6	21	29	32
Culture & Recreation	6	14	7	11	11	15	14	12	18	22
Human services (1)	0	0	0	0	8	8	4	4	4	1
Business-type activities:										
Water & sewer utility	15	15	17	15	15	12	17	21	22	42
Solid waste (2)	0	0	0	0	0	0	0	0	1	1
Stormwater	2	2	2	4	4	4	3	3	3	2
Total	163	181	197	164	180	179	181	172	195	242

Source: City Finance/Payroll/Human Resources 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Police (1)</b>				
Physical arrests	1,252	1,332	1,428	1,500
Parking violations	125	139	142	519
Traffic violations	9,025	9,298	9,105	1,400
No. of calls for service	13,485	14,492	14,259	14,109
<b>Solidwaste(2)</b>				
Street resurfacing (miles)	15	0	0	0
Potholes repaired	172	300	275	400
<b>Parks and recreation (4)</b>				
Youth athletic program participants	375	350	300	225
Adults athletic program participants	51	52	35	24
Senior's program average monthly participants	73	75	53	49
Special events	12	12	16	16
<b>Water (3)</b>				
New connections	7	5	4	3
Water main breaks	13	2	3	4
Average daily consumption (millions of gallons)	2.45	2.25	2.5	2.5
Peak daily consumption millions of gallons)	3	3	3	3

(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.

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	22	22	22	22	22	22	22	22	22
<b>Other Public Works</b>										
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
<b>Water</b>										
Miles of water mains	71	71	71	71	71	71	71	71	71	89
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	500
Daily average consumption in gallons(millions)	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8		2.45
<b>Wastewater</b>										
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	3,765	3,765	3,675	3,675	3,675	3,675
<b>Culture &amp; Recreation</b>										
Number of community centers	1	1	1	1	1	1	1	1	1	2
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of libraries (1)	0	0	1	1	1	1	1	1	1	1
Number of tennis courts	1	1	1	1	1	1	1	1	1	2

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.

---

# **Compliance**

---

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Opa-Locka, Florida (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 12, 2015.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We did not note any material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not note any significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items **2014-01**.

### **The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
June 12, 2015

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

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

**Report on Compliance for Each Major Federal Program**

We have audited City's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Opa-Locka, Florida's (the City) major federal programs for the year ended September 30, 2014. 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.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

### ***Other Matters***

The results of our auditing procedures did not disclose any instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

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

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

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

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
June 12, 2015

**CITY OF OPA LOCKA, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2014**

<u>Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA/CSFA Number</u>	<u>Contract or Identifying Number</u>	<u>Total Award</u>	<u>9/30/2014 Expenditures</u>
<b>U.S. Department of Justice</b>				
Community Oriented Policing Services (COPS) - Hiring Grant	16.710	2013UMWX0070	250,000.00	66,566.55
US Department of Justice (JAG)	16.595	2011DJBX2993	36,097.00	36,097.00
US Department of Justice (JAG)	16.595	2013DJBX0680	27,704.00	27,704.00
US Department of Justice (JAG)	16.595	2014DJBX0521	32,647.00	32,647.00
<b>U.S. Department of Transportation</b>				
Job Access & Reverse Commute (JARC) and New Freedom Grant Pass through - South Florida Regional Transportation Authority	20.516	FL37X06500	169,223.00	74,214.40
<b>U.S. Department of Housing and Urban Development</b>				
Community Challenge Grant	14.704	CCPFL0050-11	624,479.00	138,386.83
Miami Dade County Public Housing and Community Development - Non-Housing Community Development Block Grant	14.218	083111823	2,777,474.93	966,643.79
<b>U.S. Department of Environmental Protection Agency</b>				
Pass Through: Florida Department of Environmental Protection Capitalization Grants for Drinking Water	66.468	FS984522-013 DW13033	240,000.00	11,700.00
<b>National Endowment of the Arts</b>				
Arts Works: Community Planning and Design	45.024	13-4200-7022	30,000.00	7,906.55
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS/LOAN BALANCE</b>			<b>\$ 4,523,398.93</b>	<b>\$ 1,361,866.12</b>
<b>Florida Department of Environmental Protection</b>				
Florida Department of Environmental Protection Bureau of Water Facilities Wastewater Treatment and Stormwater Management	37.077	SW13032	197,035.00	28,930.40
Florida Department of Environmental Protection Bureau of Water Facilities Wastewater Treatment and Stormwater Management	37.077	WW130300	512,806.00	71,404.15
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>\$ 709,841.00</b>	<b>\$ 100,334.55</b>
<b>Miami Dade County</b>				
Historic City Hall Restoration Project		293.3-76677	2,000,000.00	402,882.72
<b>TOTAL EXPENDITURES FROM LOCAL AGENCIES</b>			<b>\$ 2,000,000.00</b>	<b>\$ 402,882.72</b>
<b>GRAND TOTAL</b>			<b>\$ 7,233,239.93</b>	<b>\$ 1,865,083.39</b>

**CITY OF OPA LOCKA, FLORIDA**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2014**

**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 sub recipients during the fiscal year ended September 30, 2014.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost principles for State, Local and Indian Tribal Governments wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**CITY OF OPA-LOCKA, FLORIDA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

**SECTION 1 – SUMMARY OF AUDITORS RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Opa-Locka.
2. There were no significant deficiencies disclosed during the audit of the financial statements are reported in the 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. There were no material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the City of Opa-locka were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the report on compliance for each major program and on internal control over compliance required by OMB circular a-133. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for the City of Opa-locka expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs were:
  - CFDA 16.710 Public Safety Partnership and Community policing Grants
  - CFDA 14.218 Community Development Block Grants/Entitlement Grants
8. The threshold for distinguishing Types A and B programs was \$300,000
9. The City of Opa-Locka was not determined to be a low-risk auditee.

**CITY OF OPA-LOCKA, FLORIDA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

**SECTION II - PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

2013-01 Journal Entries and Account Reconciliations (Repeat finding from FY2012)

*Status – Implemented*

2013-02 Utility Billings and Receivables (Repeat finding from FY2012)

*Status – Implemented*

2013-03 Interim Reporting (Repeat finding from FY2012)

*Status – Implemented*

2013-04 Licenses and Permits (Repeat finding from FY2012)

*Status – Implemented*

2013-05 Capital Leases

*Status – Implemented*

2013-06 Accrued Compensated Absences

*Status – Implemented*

2013-07 Budgets

*Status – Not Implemented*

2013-08 Deteriorating Financial Condition

*Status – Not Implemented*

2013-09 Grant File Documentation

*Status – Implemented*

2013-10 Federal Clearing House Submissions and Submission to the Auditor General

*Status – Implemented*

2013-11 Statistical Information

*Status – Implemented*

**CITY OF OPA-LOCKA, FLORIDA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

**SECTION III – CURRENT YEAR FINANCIAL STATEMENT FINDINGS**

**2014-01 Checks outstanding for over 12 months**

*Condition:* Stale checks dating to the prior fiscal year are still being tracked in monthly bank reconciliations

*Criteria:* While performing its monthly bank reconciliations, the City should monitor old outstanding checks as required by the City's policies and procedures

*Cause:* The City did not perform a complete monthly bank reconciliation.

*Effect:* Cash balances are not accurately stated to reflect the true cash balance at the reported date.

*Recommendation:* We recommend the City to research stale checks dating over a year and follow the City's policies and procedures regarding stale checks.

*Management Response:* Management concurs. The value of these checks is about 1% of the total value of checks issued by the City during a fiscal year. Staff will continue to research and address.

**2014-02 Budgets (Repeat finding from FY2013)**

*Condition:* Budgets are not being adhered to, properly balanced or being utilized by management as they should be.

*Criteria:* The budget is an important legal requirement for the City and is a public document. City management and officials are held accountable for any budget overages or amendments, since the budget demonstrates how the City is going to spend its tax payers money.

*Cause:* Staff is not being held accountable for the budget and there is no monitoring from budget to actual expenditures.

*Effect:* The City may be out of compliance with the Florida Statutes if expenditures exceed budgeted amendments and poor decisions may be made if budgets are not being followed correctly which could place the City in financial difficulty.

*Recommendation:* We recommend that the City appoint someone within the finance department to take responsibility for the budget and to track budget to actual expenditures on a monthly basis in order to make informed financial decisions as well as any necessary budget amendments.

**CITY OF OPA-LOCKA, FLORIDA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

**SECTION III – FINANCIAL STATEMENT FINDINGS (Continued)**  
**2014-02 Budgets (Repeat finding from FY2013)**

*View of Responsible Officials and Planned Corrective Actions:* Management concurs. The Finance department and the Budget Administrator along with the City Manager will continue to work closely with the Department Directors to monitor their expenses. Management will have to make the decision to amend budget to be in line with the expenditures at year end.

**2014-03 Deteriorating Financial Condition (Repeat finding from FY2013)**

*Condition:* There has been a lack of information for timely reporting

*Criteria:* The City needs to be able to keep the revenues in line with expenditures and not rely on revenues from utility funds.

*Cause:* There have been significant staff turnovers at the highest level, which has disrupted continuity and has caused ineffective training for finance staff as well as a general lack of experience with specific matters related to the City. Property values continue to decline which causes a loss in property tax assessments and a reduction of a significant revenue stream. Unemployment levels remain very high at 17.5% and household incomes are not increasing.

*Effect:* If financial conditions continue to deteriorate, the City may require state assistance which would then be deemed a financial emergency pursuant to Section 218.503(1), Florida Statutes

*Recommendation:* We recommend that management develop a five year plan to address its financial condition and stabilize the City before financial emergency conditions could potentially take effect.

*View of responsible official and planned corrective action:*  
Response from management remains open

**SECTION IV- FEDERAL AWARD FINDINGS**

None noted.

**SECTION V - OTHER MATTERS**

None Noted.

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

To the Honorable Mayor and 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, 2014, and have issued our report thereon dated June 12, 2015.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project (as applicable) and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Florida Auditor General; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated September 30, 2014, 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 below under the heading Prior Year Findings and Recommendations.

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2012-13 FY Finding #</b>	<b>2011-12 FY Finding #</b>
2014-02	2013-01	2012-04
2014-03	2013-02 (modified)	2012-01
	2013-03	2012-02
	2013-04	2012-06

□ 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.

□ Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

□ Section 10.554(1)(i)5., 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. (See Note 1 of the financial statements).

□ Section 10.554(1)(i)6.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)6.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, 2014, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.

□ Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the City of Opa-Locka, Florida and the personnel associated with it for the opportunity to be of service to them in this engagement as well as engagements in the future and the courtesies extended to us.

*HCT Certified Public Accountants & Consultants, LLC*

HCT Certified Public Accountants and Consultants, LLC

June 12, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Honorable Mayor and 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 year ended September 30, 2014, and have issued our report thereon dated June 12, 2015.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; (if applicable) OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; (as applicable) Schedule of Findings and Questioned Costs; the Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated June 12, 2015, should be considered in conjunction with this report.

**Local Government Investment Policies**

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2014. Management is responsible for City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*ACT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

June 12, 2015