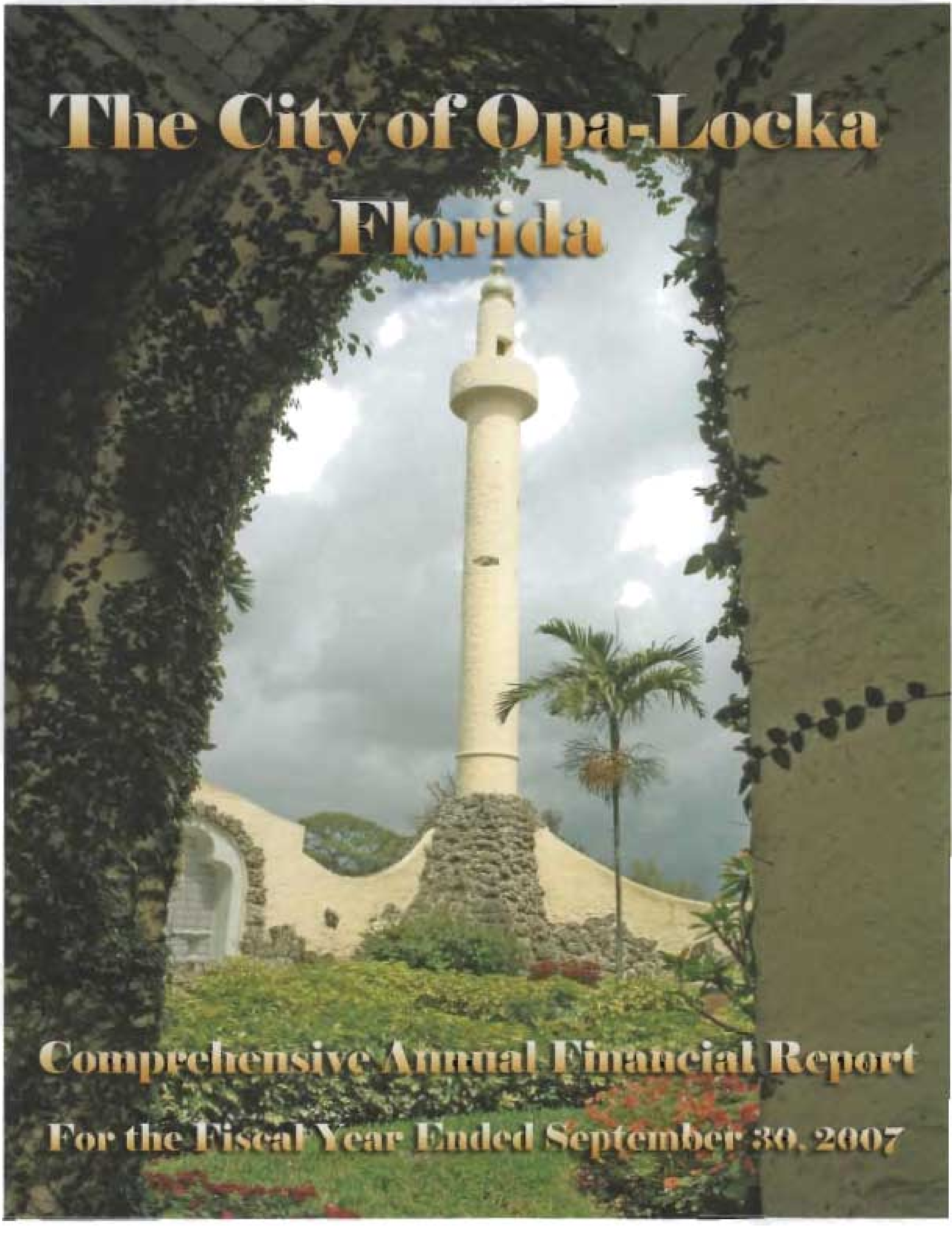
The City of Opa-Locka Florida



Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2007

Comprehensive
Annual Financial Report
of the

City of Opa-locka, Florida
Fiscal Year Ended September 30, 2007

Prepared by the
Finance Department
City of Opa-locka, Florida
Ezekiel Orji, Ph.D., CPA
Assistant City Manager/Finance Director

CITY OF OPA-LOCKA, FLORIDA

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2007

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CITY OF OPA-LOCKA, FLORIDA

Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

City of OPA-LOCKA Florida

LETTER OF TRANSMITTAL

March 1, 2008

The Honorable Mayor,
Members of the City Commission and City Manager
City of Opa-locka, Florida

Ladies and Gentlemen:

The City of Opa-locka, Florida (the "City") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2007 is submitted herewith pursuant to Florida Statutes, Chapter 11, Section 45, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This report is published to fulfill those requirements for the fiscal year ended September 30, 2007.

Responsibility for the accuracy and fairness of the presentation, including all disclosures rests with management of the City. We believe the data, as presented, is accurate in all material respects; that is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The financial statements have been audited by Harvey, Covington & Thomas (HCT), 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, 2007. The independent auditors' report is located at the front of the financial section of this report.

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, the City Manager, City Attorney and 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. The services include but are not limited to police, sanitation, water and sewer services, storm water services, maintenance of streets and infrastructure, and recreational activities.

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

Budgetary Process and Control

The City is required to prepare, approve, adopt and execute an annul 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 adopted budget 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.

Internal controls have been designed to provide reasonable, but not absolute, assurance about the achievement of the City's objectives in reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Significant Local Economic Events

The economy of the City of Opa-locka is strongly oriented towards service industry and light manufacturing. Major capital projects essential to the growth of the City have been vigorously pursued. These projects include the following:

- Curtis Drive Infrastructure Improvements – Phase I & II
  Location: Curtis Drive East and West/Perviz Ave from NW 151st Street to Sharazad Blvd.
  Expected Completion Date: April 2008

- Sherbondy Park Rehabilitation – Phase I and II
  Location: 777 Sharazad Blvd
  Phase I Expected Completion Date: December 2009

- Citywide Wastewater Improvements
  Phase I (Pump Stations 3, 4, 6, and 15 – Manhole Repairs-Lateral Repairs)
  Location: Citywide
  Status: Substantially Completed

- Town Center II Mixed-Use, Retail/Residential Project

Location: Downtown
Expected Completion Date: 2010

- Villa Francine Townhouse Ownership Residential Development (72) units
  Location: NW 132nd St and 28th Ave
  Status: Construction On-going

- Sail Boat Cove – Townhouse/Condo ownership project (172 units)
  Location: NW 143rd St and 17th Ave
  Status: Construction On-going

- Serenity Lake Industrial project
  Location: 19th Ave North of Opa-locka Blvd
  Status: On-going

- Landscaping and Beautification Project
  NW 27th Ave from NW 135th Street to NW 151st Street and
  SR9 from NW 27th Avenue to NW 17th Avenue
  Status: Completed

- Water Meter Replacement Program
  Approximately 4,700 meters citywide
  Status: On going

Cash Management.

The City Charter provides for the adoption of an investment policy of all City non-pension funds. In 1995, the Florida Legislature passed a law creating State Statute 218.415 which mandated that if local governments desired to invest outside the parameters of a narrowly defined list, they must adopt a written policy. The law further defines 14 parameters that any written investment policy must include in order to be in compliance with the law. The law became effective October 1, 1996.

In order to achieve maximum financial return and to ensure that cash is readily available to meet current obligations of the City all cash are deposited in interest earning demand accounts.

Debt Administration

The City's outstanding debt is classified and reported according to the type of resources pledged to satisfy the individual debt series.

The City has no general obligation debt (debt secured by ad valorem taxes) outstanding. General long-term debt consists of bonds supported by general revenues that are obligations of the City as a whole and not of its individual funds. The Enterprise Funds debt encompasses the water and sewer State Revolving Loan Fund indebtedness and is comprised of obligations incurred in the course of financing extensions and improvements to its water and sewer system payable solely from water and sewer system's revenues.

All requirements mandated by bond covenants have been made. Additional information on the City's debt administration can be found in Note 9 in the notes to the basic financial statements.

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. The government obtained general liability insurance at a cost it considered to be economically justifiable. The City contracts with the Florida League of Cities Municipal Insurance Trust for its general insurance and workers' compensation coverage.

The government continues to carry commercial insurance for all other risks of loss, including automobile insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The risk management department, which is under the purview of the City Attorney, continues to implement and monitor various risk control techniques to minimize accidents and losses to City personnel and property.

Future Outlook

The City of Opa-locka has faced many challenges, but despite the obstacles the City remains a good and strategic place for new business development. The City is currently faced with several exciting and aggressive initiatives. They include annexation, creation of a Community Redevelopment Agency (C.R.A.), imposing impact fees, development of the downtown area, transportation plan, and street improvements. We also continue to make improvements to our water and sewer infrastructure system. The City would then be in a position to offer more timely services to residents and to the many new businesses, which have shown an interest in locating within the City limits. Robust economic activity will only begin after the City's infrastructure is fixed.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2006. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and legal requirements.

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

Acknowledgments

The preparation of this report would not have been accomplished without the efficient and dedicated service of the entire staff of the Finance Department and members of various departments throughout the City, who participated in the compilation of the report, along with the excellent cooperation and assistance of the accounting firm associated with the audit of the City's operation.

Due credit also should be given to the Mayor and the Commissioners for their cooperation and assistance in matters pertaining to the financial affairs of the City.

Sincerely,

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

CITY OF OPA-LOCKA, FLORIDA
List of Principal Officials
As of September 30, 2007

CITY COMMISSION

JOSEPH KELLY
Mayor

DOROTHY JOHNSON
Vice Mayor

TIMOTHY HOLMES
Commissioner

GAIL MILLER
Commissioner

ROSE TYDUS
Commissioner

Jannie Beverly
City Manager

Deborah S. Irby
City Clerk

A. Quinn Jones
City Attorney

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Opa-Locka
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

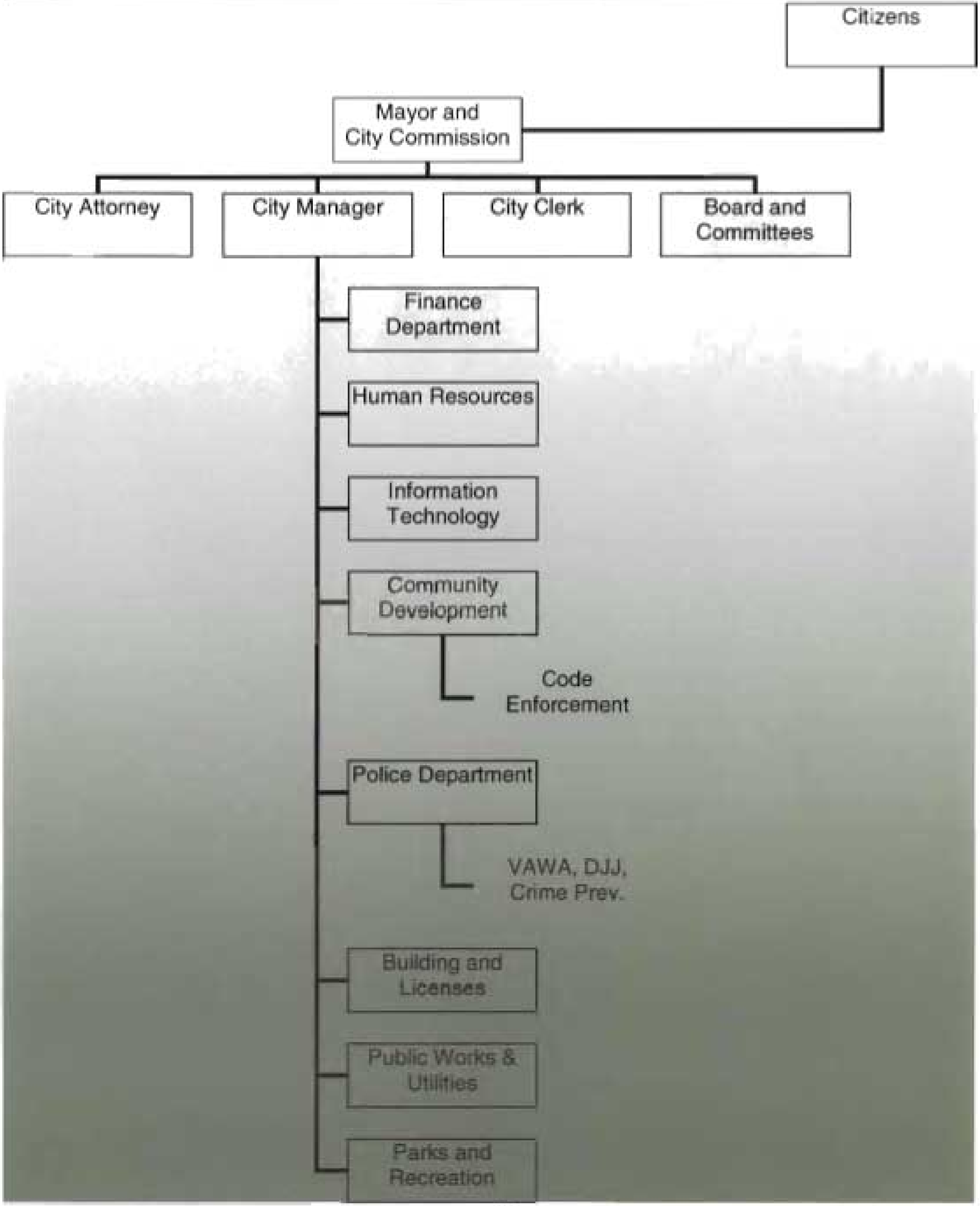
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

President

Executive Director

CITY OF OPA-LOCKA, FLORIDA

ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, "in-relation to" reports, and the aggregate remaining fund information of the City of Opa-locka, Florida (the "City") as of and for the fiscal year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the City adopted provisions of the Governmental Accounting Standards Board Statement (GASB) No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments; GASB No. 37, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus; GASB No. 38, Certain Financial Statement Note Disclosures; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements; as of October 1, 2002. This resulted in a change in the format and content of the basic financial statements. GASB 39 Determining whether Certain Organizations are Component Units, GASB Statement No. 40, Deposit and Risk Disclosures, GASB 41 Budgetary Comparison Schedules were also implemented.

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Central Florida (407) 475-1000 Phone
West Florida (813) 221-5111 Phone
South Florida (954) 966-4435 Phone

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, "in-relation to" reports, and the aggregate remaining fund information of the City of Opa-locka, Florida as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2008 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 18 and the schedules of budgetary comparison on pages 49 through 61 respectively are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on such information.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the City of Opa-Locka's basic financial statements taken as a whole. The accompanying combining financial statements are presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal & state financial assistance projects 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,* Chapter 10.550, Rules of the Auditor General and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information included in the introduction section and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Harvey, Covington & Thomas, L.L.C.

February 15, 2008
Hollywood, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Opa-locka's (the "City") financial performance provides an overview of the City's financial activities for the year ended September 30, 2006.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City exceeded its liabilities by $18,818,837 (net assets) at the close of the most recent fiscal year.

- The City's total net assets increased by $3,267,102. Approximately half of the increase is attributable to capital grants.

- The City's governmental funds reported combined ending fund balances of $8,075,417 an increase of $2,711,566 in comparison with the prior year. Approximately $5,591,648 of this amount is available for spending at the City's discretion (unreserved, undesignated fund balance).

- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was $5,591,648, or 48% of total general fund expenditures.

Overview of the Financial Statements

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

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

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

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

Both the *statement of net assets* and the *statement of activities* of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities of the City include general government, public safety, highways and streets, and parks and recreation. The business-type activities of the City include water and sewer, solid waste, and storm water operations.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements

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

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

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

The City maintains sixteen (16) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, safe neighborhood capital improvement fund and FEMA fund which are considered to be major funds. Data from the other thirteen (13) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for the general fund and FEMA fund. A budgetary comparison statement has been provided for the general fund and FEMA fund to demonstrate compliance with budget.
The basic governmental fund financial statements can be found on pages 20-23.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, stormwater and solid waste operations. Water and sewer and stormwater are major enterprise funds of the City.

The basic proprietary fund financial statements can be found on pages 24-25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-46 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $18.8 million at September 30, 2007 at the close of the most recent fiscal year.

City of Opa-locka, Florida
Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 9,762,239	$ 7,488,313	$ 5,230,143	$ 13,991,544	$ 14,992,382	$ 21,479,857
Capital assets, net	8,602,377	6,618,474	11,799,486	5,814,531	20,401,863	12,433,005
Total assets	18,364,616	14,106,787	17,029,629	19,806,075	35,394,245	33,912,862
Long-term liabilities	7,721,574	7,565,848	5,483,822	4,713,284	13,205,396	12,279,132
Other liabilities	1,686,822	2,500,437	1,683,190	3,581,558	3,370,012	6,081,995
Total liabilities	9,408,396	10,066,285	7,167,012	8,294,842	16,575,408	18,361,127
Net Assets						
Invested in capital assets, net of related debt	1,856,232	173,474	6,824,327	355,205	8,680,559	528,679
Restricted	1,648,369	349,600	1,344,966	562,555	2,993,335	912,155
Unrestricted	5,451,619	3,517,428	1,693,324	10,593,473	7,144,943	14,110,901
Total net assets	$ 8,956,220	$ 4,040,502	$ 9,862,617	$ 11,511,233	$ 18,818,837	$ 15,551,735

By far the largest portion of the City's net assets (46%) reflects its investment in capital assets (e.g., land, buildings and building improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (38%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

The City's net assets increased by $3.267 million during the current year. Governmental activities account for $4.916 million of the increase (150%) which is offset by the decrease in net assets of the business-type activities of $(1.649) million (50%). The increase in net assets of the governmental activities is primarily due to substantial decrease in cost of drainage and roadway improvements as this project was substantially completed in prior year. The business-type activities decrease in net assets was primarily due to the write-off of customers' accounts of approximately $3.932 million. This was offset by increase in revenues due to increase in rates.

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Governmental Activities

The table below summarizes the changes in net assets - Governmental Activities.

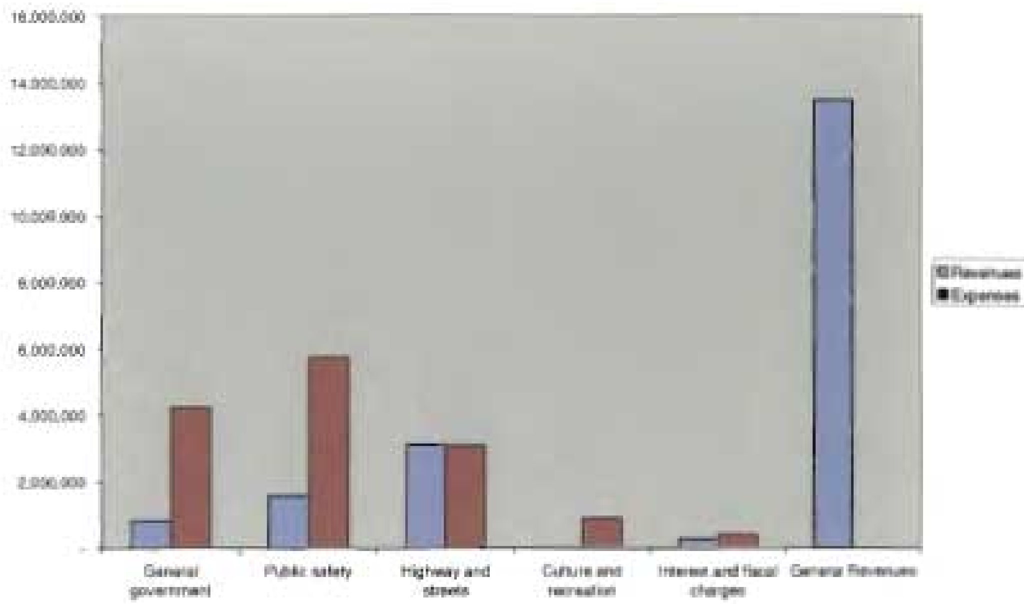
	2007	2006
Revenues:		
Program revenues:		
Charges for Services	$ 816,979	$ 949,613
Grants and Contributions	4,691,815	6,229,660
General revenues:		
Property taxes	7,207,046	5,802,009
Utility taxes	1,544,532	1,467,039
Franchise fees	1,919,542	1,941,938
Other taxes	635,496	356,931
Intergovernmental, unrestricted	1,764,906	2,227,585
Unrestricted interest earnings	283,431	89,567
Miscellaneous	397,185	209,409
Total revenues	19,260,932	19,273,751
Expenses		
General government	4,221,761	4,051,643
Public safety	5,746,353	5,278,005
Highway and streets	3,079,201	9,200,709
Parks and recreation	889,461	758,395
Interest and fiscal charges	408,438	421,563
Total Expenses	14,345,214	19,710,315
Change in Net assets	4,915,718	(436,564)
Net Assets beginning	4,040,502	4,477,066
Net Assets ending	$ 8,956,220	$ 4,040,502

Governmental activities increased the City's net assets by $4.916 million, thereby accounting for 150% of the total growth of the net assets of the City. Key elements of this increase are as follows:

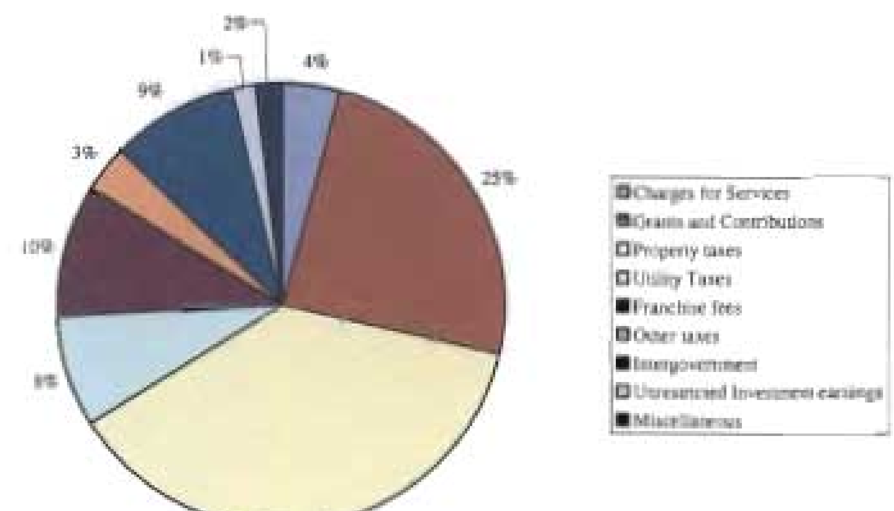
- Property taxes increased $1.405 million (24%) primarily due to new and increased assessments of taxable property values.
- Grant and contributions decreased by $1.538 million
- While total revenues for the current fiscal year is at the same level as prior year, total expenses substantially decreased by $5.365. This decrease in expenes is primarily due to substantial decrease in cost of drainage and roadway improvements as this project was substantially completed in prior year.

The charts below show a comparison of expenses to revenues; and a comparison of revenues by source of the governmental activities.

Expenses and Program Revenues - Governmental Activities
For the Year Ended September 30, 2007



Revenues by Source - Governmental Activities
For the Year Ended September 30, 2007



Business-type Activities

The table below summarizes the changes in net assets - Business-type Activities.

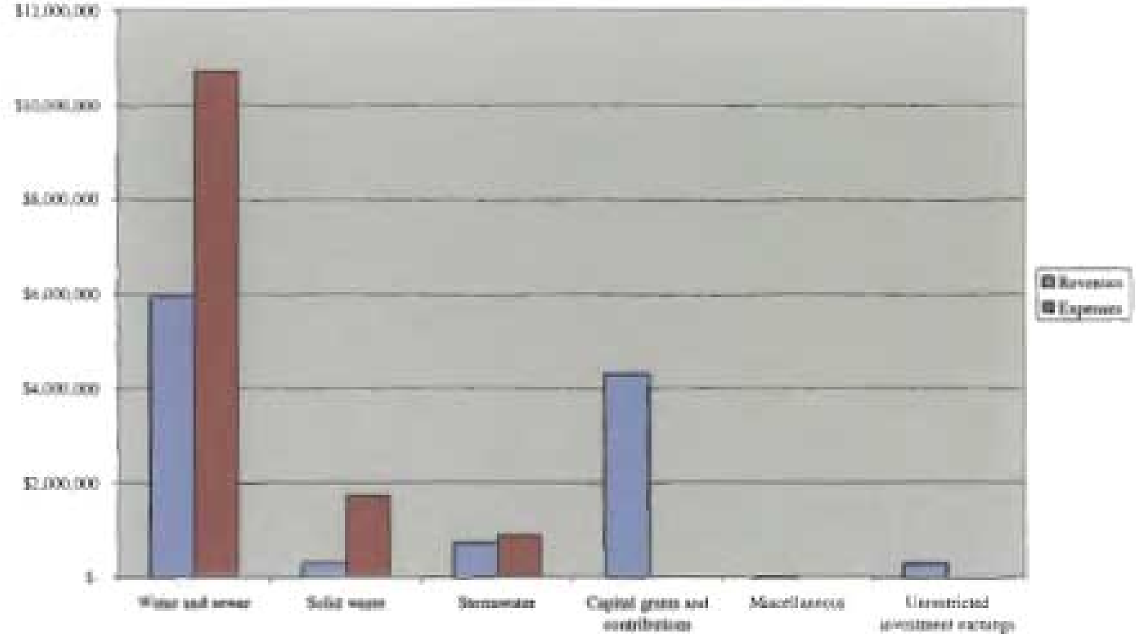
		2007		2006
Revenues:				
Charges for services				
Water and sewer	$	5,974,213	$	7,732,804
Solid waste		729,059		583,408
Storm water		303,308		332,822
Capital grants and contributions		4,307,851		92,864
Miscellaneous		22,268		258,915
Interest		304,702		273,781
Total revenues		11,641,401		9,274,594
Expenses:				
Water and sewer		10,699,290		8,223,846
Solid waste		873,783		747,215
Storm water		1,716,944		509,627
Total expenses		13,290,017		9,480,688
Increase (decrease) in net assets		(1,648,616)		(206,094)
Net assets beginning		11,511,233		11,717,327
Net assets ending	$	9,862,617	$	11,511,233

Business-type activities decreased the City's net assets by $(1.649) million (50%). Key elements of this decrease are as follows:

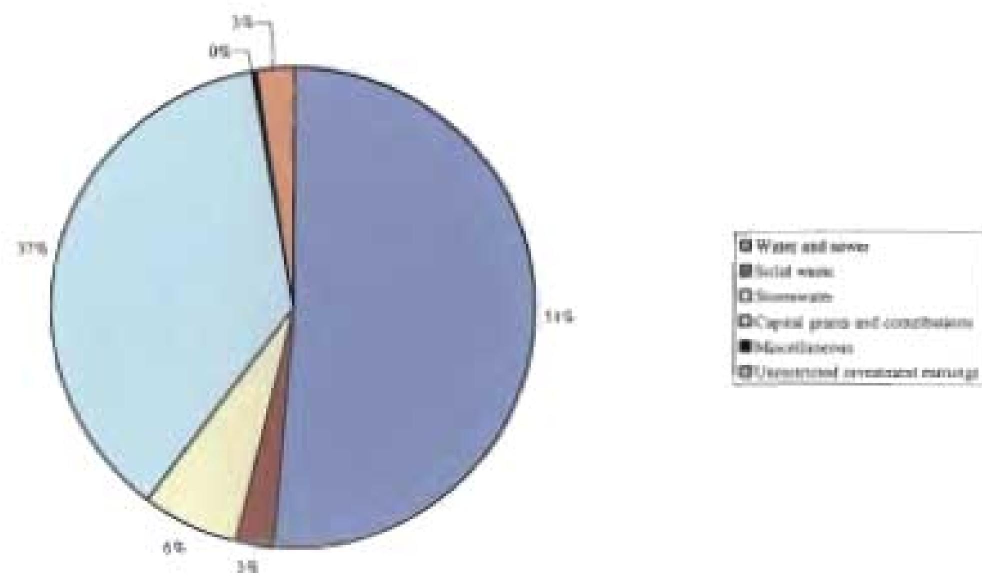
- A total of $2.947 million of water and sewer outstanding customers' accounts, representing penalties charged to customers in prior years, which were deemed to be uncollectible were written off and charged to the current operations. Approximately $.985 million of the current year's penalty charges were also written off contributing to the decrease in water and sewer revenue for the current year of $1.758 million. Approximately 50% of the decrease of the water and sewer revenue was due to decrease in customers' demand.
- The write-off of customers' accounts was offset by the increase in capital grant and contributions by $4.215 million from the US Environmental Protection Agency ($3.168 million) and FEMA ($1.047 million).
- Water and sewer expenses increased by $2.476 million due primarily to outstanding customers' accounts that were written off.

The following charts shows a comparison of expenses to program revenues and a comparison of revenues by source of the business-type activities for fiscal year 2007:

Expenses and Program Revenues - Business-type Activities
For the Year Ended September 30, 2007



Revenue by Source - Business-type Activities
For the Year Ended September 30, 2007



Governmental Funds Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds.

Governmental Funds

	General	FEMA	Safe Neighborhood Capital Project	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances Sept. 30, 2006	$ 5,042,419	$ 23,034	$ 100,377	$ 198,021	$ 5,363,851
Revenues	12,849,324	1,580,831	2,156,931	2,673,846	19,260,932
Expenditures	(11,745,594)	(992,837)	(2,674,580)	(1,268,555)	(16,681,566)
Other financing Sources (uses), net	1,006,459	-	-	(874,259)	132,200
Fund Balances Sept. 30, 2007	$ 7,152,608	$ 611,028	$ (417,272)	$ 729,053	$ 8,075,417

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $8.075 million, an increase of $2.712 million in comparison with the prior year. Approximately 69% of this amount ($5.592 million) constitutes *unreserved, undesignated* fund balance, which is available for spending at the City's discretion. The remainder of the fund balance *is reserved or designated* to indicate that it is not available for new spending because it has already been committed to 1) pay debt service ($.565 million), 2) pay capital project costs ($1.019 million), and 3) various other restricted purposes $(.445 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was $6.317 million, while total fund balance reached $7.152 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 48% of total general fund expenditures, while total fund balance represents 61% of the same amount.

The fund balance of the City's general fund, increased by $2.110 million during the current fiscal year. A key factor in this growth is increase in property taxes by $1.405 million due to new and increased assessments of taxable property values. In addition, the City was able to maintain expenditures under budgeted amounts.

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 at the end of the current fiscal year amounted to $837,970, $1,220,838 and $(100,751), respectively. The total decrease in net assets for all enterprise funds was $1.648 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

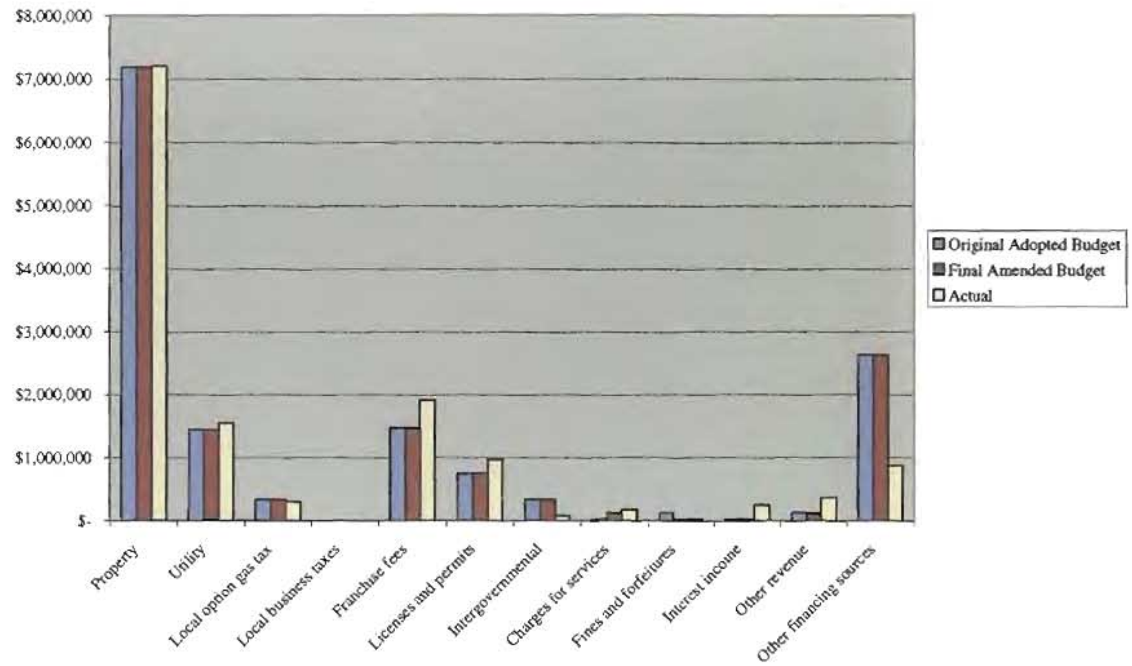
The following information is presented to assist the reader in comparing the original budget (Adopted Budget), and the final amended budget (amended budget) and how actual results compared with these budgeted amounts. The amended budget can be modified subsequent to the end of the fiscal year.

Revenues

Actual general fund revenues were $.890 million higher than the budgeted amount. The increase is primarily due to 1) increase in property taxes resulting from an increase in property taxes due to higher assessed values; 2) increases in utility tax, franchise fess, licenses and permits, and charges for services due to increase activity in each of these categories; and 3) increase in interest income due to favorable interest rate. These increases were slightly offset by decreases in the remaining revenue categories.

The following chart and table summarizes actual revenues by category for fiscal year 2007 and compare revenues with Adopted Budget, Amended Budget, and Actual.

General Fund Revenues
For the Year Ended September 30, 2007



General Fund Revenues
For the Year Ended September 30, 2007

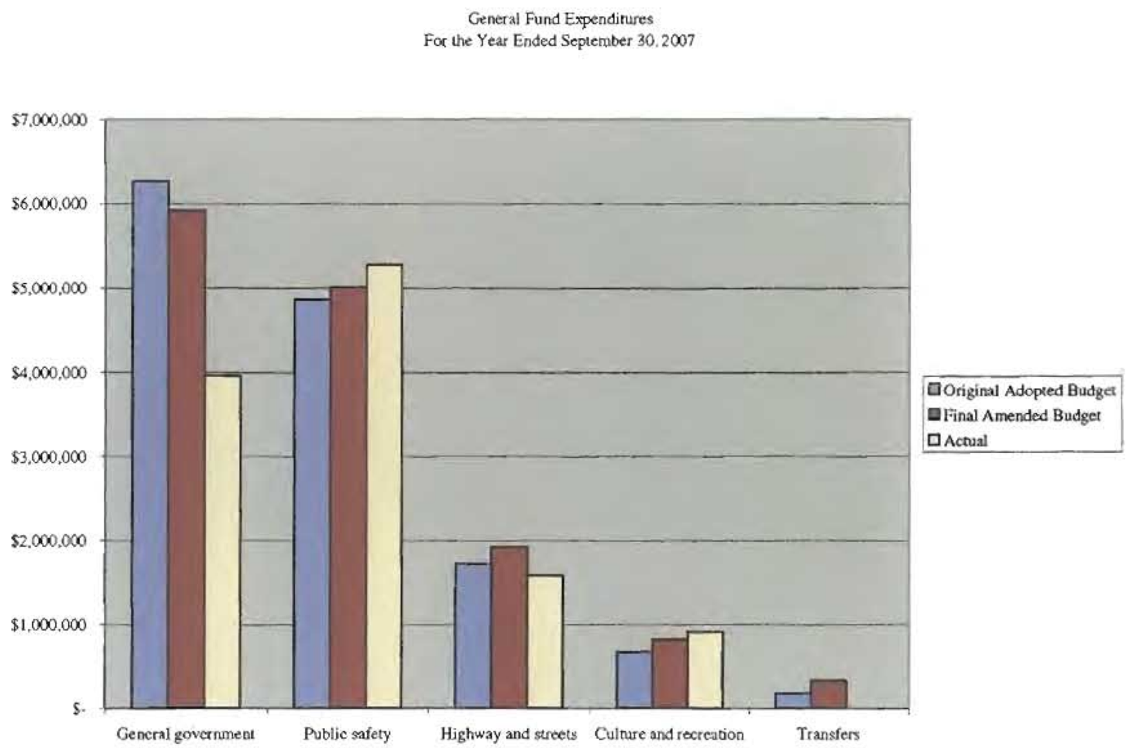
	Original Adopted Budget	Final Amended Budget	Actual
Property	$ 7,187,380	$ 7,102,635	$ 7,207,046
Utility	1,440,005	1,440,005	1,544,532
Local option gas tax	338,360	338,360	308,170
Local business taxes	316,900	266,900	327,326
Franchise fees	1,480,500	1,480,500	1,919,542
Licenses and permits	434,500	434,500	638,268
Intergovernmental	333,730	564,075	79,304
Charges for services	25,450	25,450	178,711
Fines and forfeitures	126,630	76,630	27,065
Interest income	28,500	28,500	253,015
Other revenue	129,300	83,700	366,345
Other financing sources	992,455	992,455	874,259
Total Revenues	$ 12,833,710	$12,833,710	$ 13,723,583

Expenditures

During the year there was an amendment made to the original budget to transfer budgeted amounts among different functions. The budget transfer was made for the acquisition of various vehicles for the public works, police and parks departments. This was made possible by reducing the budgeted amounts for various line expenditures.

The general fund actual expenditures were $1.008 million less than the final budgeted amount. This budgetary savings is due largely to the City being able to contain expenditures under budgeted amounts.

The following chart and table summarizes actual expenditures by function/program for fiscal year 2006 and compared expenditures with Adopted Budget, Amended Budget and Actual.



General Fund Expenditures
For the Year Ended September 30, 2007

	Original Adopted Budget	Final Amended Budget	Actual
General government	$ 6,267,765	$ 5,923,815	$ 3,958,654
Public safety	4,866,470	5,013,055	5,282,393
Highways and streets	1,725,325	1,921,325	1,591,181
Parks and recreation	676,600	825,600	913,366
Transfers	182,830	335,195	-
Total expenditures	$ 13,718,990	$ 14,018,990	$ 11,745,594

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, 2007 amounts to $20.401 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and buildings improvement, machinery and equipment, park facilities, roads and utility systems. The total increase in the City's investment in capital assets for the current fiscal year was 64% (a 30% increase for governmental activities and a 103% for business-type activities).

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

- Completed upgrade of pump stations 3, 4, 6 and 12.
- Completed drainage improvement within the Superior Gardens Community.
- Completed renovations to City canals damaged by hurricane/tropical storms.
- Completed upgrade to water meters from manual to automated
- Started the drainage improvements on Curtiss Drive and Perviz Avenue.
- Started installation of new bud benches and bus shelters citywide.

Additional information on the City's capital assets can be found in Note 7 on pages 37-38 of this report.

Long Term Debt

At the end of the current fiscal year the city had total debt outstanding of $12.116 million, a decrease of 3.37% from prior year.

During the current fiscal year the City obtained additional debt under a capital lease agreement for the acquisition of various vehicles in the amount of $132,200. The City also was granted another loan funds, in the amount of $232,118, to fund the cost of upgrading the water and sewer system. The total new debt of $455,318 was offset by decreased in long-term debt due to debt service payments by $877,554.

Additional information on the City's long-term debt can be found on Note 9 on pages 39-41 of this report.

City of Opa Locka, Florida
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue Bonds	$ 6,250,000	$ 6,445,000	$ -	$ -	$ 6,250,000	$ 6,445,000
Capital Leases	496,145	619,110	3,169,436	3,425,681	3,665,581	4,044,791
Loans	-	-	1,805,723	1,574,754	1,805,723	1,574,754
Liability to FDOT	-	-	395,596	458,892	395,596	458,892
Liability to State of Florida	-	15,679	-	-	-	15,679
Total	$ 6,746,145	$ 7,079,789	$ 5,370,755	$ 5,459,327	$ 12,116,900	$ 12,539,116

Next Year's Budgets and Rates

The adopted budget of the general fund for fiscal year 2008 at $16.020 million represents a 10.7% increase over fiscal year 2007. This increase reflects a modest estimated increase in revenues particularly franchise fees and interest. Millage rate is 8.0084.

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, 215 Perviz Ave, Opa Locka, Florida 33054.

Basic Financial Statements

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 3,832,541	$ 3,910,633	$ 7,743,174
Receivables, net	2,914,483	1,527,934	4,442,417
Estimated unbilled services	-	446,230	446,230
Inventories	48,709	4,654	53,363
Prepaid items and other assets	331,671	5,275	336,946
Restricted cash and cash equivalents	625,286	1,344,966	1,970,252
Internal balances	2,009,549	(2,009,549)	-
Capital assets, not being depreciated	2,805,291	14,762	2,820,053
Capital assets, being depreciated, net	5,797,086	11,784,724	17,581,810
Total assets	18,364,616	17,029,629	35,394,245
LIABILITIES			
Accounts payable and accrued liabilities	1,576,357	736,331	2,312,688
Customer deposits	-	946,859	946,859
Deferred revenues	110,465	-	110,465
Noncurrent liabilities:			
Due within one year	357,507	723,597	1,081,104
Due in more than one year	7,364,067	4,760,225	12,124,292
Total liabilities	9,408,396	7,167,012	16,575,408
NET ASSETS			
Invested in capital assets, net of related debt	1,856,232	6,824,327	8,680,559
Restricted for:			
Capital projects	1,018,859	-	1,018,859
Public safety	63,696	-	63,696
Debt covenants	565,814	1,344,966	1,910,780
Unrestricted	5,451,619	1,693,324	7,144,943
Total net assets	$ 8,956,220	$ 9,862,617	$ 18,818,837

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
General government	$ 4,221,761	$ 172,853	$ -	$ -	$ (4,048,908)	$ -	$ (4,048,908)
Public safety	5,746,353	-	-	1,573,668	(4,172,685)	-	(4,172,685)
Highways and streets	3,079,201	-	-	3,118,147	38,946	-	38,946
Parks and recreation	889,461	5,858	-	-	(883,603)	-	(883,603)
Interest on long term debt	408,438	-	-	-	(408,438)	-	(408,438)
Total governmental activities	14,345,214	178,711	-	4,691,815	(9,474,688)	-	(9,474,688)
Business-type activities:							
Water and sewer	10,699,290	5,996,478	-	3,167,851	-	(1,534,961)	(1,534,961)
Solid waste	873,783	729,062	-	-	-	(144,721)	(144,721)
Stormwater	1,716,944	303,308	-	1,140,000	-	(273,636)	(273,636)
Total business activities	13,290,017	7,028,848	-	4,307,851	-	(1,953,318)	(1,953,318)
Total	$ 27,635,231	$ 7,207,559	$ -	$ 8,999,666	(9,474,688)	(1,953,318)	(11,428,006)
		General revenues:					
		Property taxes			7,207,046	-	7,207,046
		Utility taxes			1,544,532	-	1,544,532
		Local option, use and fuel taxes			308,170	-	308,170
		Franchise fees			1,919,542	-	1,919,542
		Permits, licenses and fees			965,594	-	965,594
		Fines and forfeitures			27,065	-	27,065
		Intergovernmental revenue - unrestricted			1,764,906	-	1,764,906
		Unrestricted interest earnings			283,431	304,702	588,133
		Miscellaneous			370,120	-	370,120
		Total general revenues			14,390,406	304,702	14,695,108
		Change in net assets			4,915,718	(1,648,616)	3,267,102
		Net assets, beginning			4,040,502	11,511,233	15,551,735
		Net assets, ending			$ 8,956,220	$ 9,862,617	$ 18,818,837

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	General	FEMA	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,919,859	$ 866,213	$ -	$ 46,469	$ 3,832,541
Accounts receivable, net	367,440	-	-	4,206	371,646
Due from other funds	4,096,670	36,071	84,800	545,333	4,762,874
Due from other governments	143,386	679,845	1,339,231	380,375	2,542,837
Inventories	48,709	-	-	-	48,709
Prepaid items and other assets	331,671	-	-	-	331,671
Restricted cash and cash equivalents	-	-	-	625,286	625,286
Total assets	$ 7,907,735	$ 1,582,129	$ 1,424,031	$ 1,601,669	$ 12,515,564
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 515,437	$ 971,101	$ 32,250	$ 57,569	$ 1,576,357
Due to other funds	129,225	-	1,809,053	815,047	2,753,325
Deferred revenues	110,465	-	-	-	110,465
Total liabilities	755,127	971,101	1,841,303	872,616	4,440,147
Fund balances:					
Reserved for:					
Inventories	48,709	-	-	-	48,709
Prepaid costs	331,671	-	-	-	331,671
Public safety	-	-	-	63,696	63,696
Capital projects	-	611,028	-	407,831	1,018,859
Debt service	-	-	-	565,814	565,814
Unreserved reported in:					
General fund					
Designated for compensated absences	455,020				455,020
Undesignated	6,317,208				6,317,208
Undesignated reported in:					
Special revenue funds	-	-	-	(308,288)	(308,288)
Capital projects funds	-	-	(417,272)	-	(417,272)
Total fund balances	7,152,608	611,028	(417,272)	729,053	8,075,417
Total liabilities and fund balances	$ 7,907,735	$ 1,582,129	$ 1,424,031	$ 1,601,669	$ 12,515,564

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

Fund balances - total governmental funds (Page 20)	$	8,075,417
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets		24,304,951
Less accumulated depreciation		(15,702,574)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable		(6,250,000)
Capital leases		(496,145)
Compensated absences		(975,429)
Net assets of governmental activities (Page 18)	$	8,956,220

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	General	FEMA	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Property taxes	$ 7,207,046	$ -	$ -	$ -	$ 7,207,046
Utility taxes	1,544,532	-	-	-	1,544,532
Local option, use and fuel taxes	308,170	-	-	-	308,170
Franchise fees	1,919,542	-	-	-	1,919,542
Licenses and permits	965,594	-	-	-	965,594
Intergovernmental	79,304	1,573,668	2,156,931	2,646,818	6,456,721
Charges for services	178,711	-	-	-	178,711
Fines and forfeitures	27,065	-	-	-	27,065
Interest	253,015	7,163	-	23,253	283,431
Other	366,345	-	-	3,775	370,120
Total revenues	12,849,324	1,580,831	2,156,931	2,673,846	19,260,932
EXPENDITURES:					
Current:					
General government	3,951,414	-	-	-	3,951,414
Public safety	4,842,834	-	-	615,768	5,458,602
Highway and streets	1,508,536	992,837	22,700	49,349	2,573,422
Park and recreation	868,588	-	-	-	868,588
Capital outlay	352,708	-	2,651,880	-	3,004,588
Debt service:					
Principal	221,514	-	-	195,000	416,514
Interest	-	-	-	408,438	408,438
Total expenditures	11,745,594	992,837	2,674,580	1,268,555	16,681,566
Excess (deficiency) of revenues over expenditures	1,103,730	587,994	(517,649)	1,405,291	2,579,366
OTHER FINANCING SOURCES (USES):					
Capital lease proceeds	132,200	-	-	-	132,200
Transfers in	874,259	-	-	-	874,259
Transfers out	-	-	-	(874,259)	(874,259)
Total other financing sources (uses)	1,006,459	-	-	(874,259)	132,200
Net change in fund balances	2,110,189	587,994	(517,649)	531,032	2,711,566
Fund balances, beginning	5,042,419	23,034	100,377	198,021	5,363,851
Fund balances, ending	$ 7,152,608	$ 611,028	$ (417,272)	$ 729,053	$ 8,075,417

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Amounts reported for governmental activities in the statement of activities (Page 19) are different because:		
Net change in fund balances - total governmental funds (page 22)	$	2,711,566
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		3,004,588
Less current depreciation		(872,865)
The net effect of disposal of capital assets		(147,821)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments of bonds payable		195,000
Principal payments of capital leases		221,514
Capital lease proceeds		(132,200)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:		
Change in compensated absences		(64,064)
Change in net assets of governmental activities (Page 19)	$	4,915,718

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2007

	Business-Type - Enterprise Funds			
	Water and Sewer	**Stormwater**	**Nonmajor Solid Waste**	**Total**
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,910,633	$ -	$ -	$ 3,910,633
Accounts receivable:				
Customers' accounts, net	769,453	86,219	-	855,672
Due from other governments	-	672,262	-	672,262
Estimated unbilled services	429,089	17,141	-	446,230
Due from other funds	33,648	811,267	45,085	890,000
Inventories	4,654	-	-	4,654
Prepaid costs	5,275	-	-	5,275
Total current assets	5,152,752	1,586,889	45,085	6,784,726
Noncurrent assets:				
Restricted cash and cash equivalents	1,344,966	-	-	1,344,966
Capital assets, net	11,497,644	301,842	-	11,799,486
Total noncurrent assets	12,842,610	301,842	-	13,144,452
Total assets	17,995,362	1,888,731	45,085	19,929,178
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	706,062	3,912	26,357	736,331
Due to other funds	2,552,403	347,146	-	2,899,549
Customers' deposits	827,380	-	119,479	946,859
Compensated absences	98,074	14,993	-	113,067
Current portion of loans/capital lease payable	610,530	-	-	610,530
Total current liabilities	4,794,449	366,051	145,836	5,306,336
Noncurrent liabilities:				
Loans payable	1,590,790	-	-	1,590,790
Capital lease payable	3,169,435	-	-	3,169,435
Total noncurrent liabilities	4,760,225	-	-	4,760,225
Total liabilities	9,554,674	366,051	145,836	10,066,561
NET ASSETS				
Invested in capital assets, net of related debt	6,257,752	301,842	-	6,559,594
Restricted for capital projects	-	-	-	-
Restricted for debt covenants	1,344,966	-	-	1,344,966
Unrestricted	837,970	1,220,838	(100,751)	1,958,057
Total net assets	$ 8,440,688	$ 1,522,680	$ (100,751)	$ 9,862,617

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Business-Type - Enterprise Funds			
	Water and Sewer	Stormwater	Nonmajor Solid Waste	Total
Operating revenues:				
Charges for services	$ 5,974,213	$ 303,308	$ 729,059	$ 7,006,580
Other revenues	22,265	-	3	22,268
Total operating revenues	5,996,478	303,308	729,062	7,028,848
Operating expenses:				
Operating, administrative and maintenance	10,026,687	1,659,200	873,783	12,559,670
Depreciation	434,308	57,744	-	492,052
Total operating expenses	10,460,995	1,716,944	873,783	13,051,722
Operating income	(4,464,517)	(1,413,636)	(144,721)	(6,022,874)
Non-operating revenues (expenses)				
Intergovernmental	3,167,851	1,140,000	-	4,307,851
Interest earned	304,702	-	-	304,702
Interest and fiscal charges	(238,295)	-	-	(238,295)
Total non-operating revenues (expenses)	3,234,258	1,140,000	-	4,374,258
Income before transfers	(1,230,259)	(273,636)	(144,721)	(1,648,616)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in net assets	(1,230,259)	(273,636)	(144,721)	(1,648,616)
Total net assets, beginning	9,670,947	1,796,316	43,970	11,511,233
Total net assets, ending	$ 8,440,688	$ 1,522,680	$ (100,751)	$ 9,862,617

See notes to basic financial statements.

CITY OF OPALOCKA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Business-Type - Enterprise Funds			
	Water and Sewer	Stormwater	Nonmajor Solidwaste	Total
Cash flows from operating activities:				
Cash received from customers	6,516,433	364,532	729,062	7,610,027
Cash paid to suppliers	(5,883,193)	(1,279,276)	(970,677)	(8,133,146)
Cash paid to employees	(4,552,249)	(380,477)	-	(4,932,726)
Internal activity payments from (to) other funds, net	3,533,881	155,221	201,886	3,890,988
Net cash provided by (used in) operating activities	(385,128)	(1,140,000)	(39,729)	(1,564,857)
Cash flows from noncapital financing activities:				
Principal paid on loans	(63,296)	-	-	(63,296)
Net cash provided by (used in) noncapital financing activities	(63,296)	-	-	(63,296)
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	(6,477,457)	-	-	(6,477,457)
Proceeds from capital borrowings	323,118	-	-	323,118
Capital grants received	3,167,851	1,140,000		4,307,851
Principal paid on long-term debt	(348,394)	-	-	(348,394)
Interest paid on capital debt	(238,295)	-	-	(238,295)
Net cash provided by (used in) capital and related financing activities	(3,573,177)	1,140,000	-	(2,433,177)
Cash flows from investing activities:				
Interest on investments	304,702	-	-	304,702
Net cash provided by investing activities	304,702	-	-	304,702
Net increase (decrease) in cash and cash equivalents	(3,716,899)	-	(39,729)	(3,756,629)
Cash and cash equivalents, beginning	8,972,498	-	39,729	9,012,227
Cash and cash equivalents, ending	$ 5,255,599	$ -	$ -	$ 5,255,599
Displayed as:				
Unrestricted	$ 3,910,633	$ -	$ -	$ 3,910,633
Restricted	1,344,966	-	-	1,344,966
Total, September 30	$ 5,255,599	$ -	$ -	$ 5,255,599
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (4,464,517)	$ (1,413,636)	$ (144,721)	$ (6,022,874)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	434,308	57,744	-	492,052
Customers' accounts written off	3,932,290	-	-	3,932,290
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	449,232	61,224	-	510,456
Due from other governments	-	(672,262)	-	(672,262)
Estimated unbilled services	(9,700)	780	-	(8,920)
Due from other funds	354,429	864,272	408,985	1,627,686
Increase (decrease) in:				
Accounts payable and accrued expenses	(441,582)	(553)	(96,894)	(539,029)
Due to other funds	(145,255)	(32,124)	(207,098)	(384,477)
Due to other governments	(597,883)	-	-	(597,883)
Customers' deposits	70,723	-	(1)	70,722
Compensated absences	32,827	(5,445)	-	27,382
Net cash provided by (used in) operating activities	$ (385,128)	$ (1,140,000)	$ (39,729)	$ (1,564,857)

See notes to basic financial statements.

Notes to Basic Financial Statements

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, highways and streets (public works), 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 non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

c. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The City reports the following major governmental funds:

The **general fund** is the general operation fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City's general service departments; street and highway maintenance; public safety, parks, and recreation programs, are accounted for in this fund.

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

The **Safe Neighborhood Capital Projects Fund** accounts for revenue and expenditure 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.

The **stormwater fund** is used to account for the operation and maintenance of the City's storm water utility.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund 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.

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, repurchase agreements, 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 receivable.

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 expendable supplies held for consumption. The costs of Governmental Fund type inventories are recorded as expenditures when consumed rather than when purchased.

5. *Restricted Assets*

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

6. *Capital Assets*

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.
Buildings, improvements, infrastructure and equipment assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
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.

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

Employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Sick leave is payable when used, or upon 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. There were no matured compensated absences as of September 30, 2007.

10. Fund Equity

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

11. Net Assets

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

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

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

12. Deferred Compensation Plan

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

13. Reclassifications

Certain accounts in the 2006 financial statements were reclassified to conform with the 2007 financial statement presentation.

NOTE 2. FINANCIAL EMERGENCY

On February 28, 2002 the Mayor and City Commissioners notified the Governor of the State of Florida that the City was in a state of financial emergency as defined by Part V of Chapter 218, Florida Statutes (the "Local Government Financial Emergencies Act"). As of September 30, 2007, the City did not meet any of the conditions described in Section 218.503(1)(e), Florida Statutes.

NOTE 3. PROPERTY TAXES

Property tax bills are mailed in October of each fiscal year on the assessed taxable value of all property located within the City listed as of the prior January 1 and are payable upon receipt, with discounts of one to four percent allowed if paid prior to March 1 of the following calendar year. Assessed values are established by the Miami-Dade County Property Appraiser's Office. The assessed taxable value of property at July 1, 2006, upon which the 2006-2007 levies were based, was approximately $746,493,000.

The millage rate to finance general government services for the fiscal year ended September 30, 2007 was 9.80 ($9.80 per $1,000 of assessed taxable value). The City is permitted by the State to levy a maximum of 10.00 mills for general government services, leaving a tax margin of 0.20 mills. Total property taxes levied for the year ended

September 30, 2007, net of a 5% allowance for uncollectible, were approximately $7,207,000.

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. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment. No accrual for the property tax levy becoming due in November 2007 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 2007, and such taxes are collected to finance expenditures of the fiscal year ending September 30, 2008.

NOTE 4. DEPOSITS AND INVESTMENTS

At September 30, 2007, the City's cash are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

Deposits

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

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. Investments made by the City, including repurchase agreements, are summarized below.

As of September 30, 2007 the City has no investments.

NOTE 5. DISAGGREGATION OF ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE BALANCES

Accounts Receivable balances as of September 30, 2007, were as follows:

	Accounts	Taxes	Due from Other government	Others	Allowance for uncollectible accounts	Net
Governmental activities:						
General	$-	$265,906	$143,386	$524,027	$(422,493)	$510,826
FEMA	-	-	679,845	-	-	679,845
Safe neighborhood	-	-	1,339,231	-	-	1,339,231
Nonmajor funds	-	-	380,375	4,206	-	384,581
Total governmental activities	$-	$265,906	$2,542,837	$528,233	$(422,493)	$2,914,483
Business-type activities:						
Water and sewer	$960,960	$-	$-	$-	$(191,507)	$769,453
Stormwater	107,774	-	672,262	-	(21,555)	758,481
Solidwaste	-	-	-	-	-	-
Total business-type activities	$1,068,734	$	$672,262	$-	$(213,062)	$1,527,934

Accounts Payable and Accrued Expenses balances as of September 30, 2007, were as follows:

	Vendors	Salaries and Benefits	Other Accrued Expenses	Total
Governmental activities:				
General	$203,492	$291,945	$20,000	$515,437
FEMA	971,101	-	-	971,101
Safe neighborhood	32,250	-	-	32,250
Nonmajor funds	57,569	-	-	57,569
Total government-type activities	$1,264,412	$291,945	$20,000	$1,576,357
Business-type activities:				
Water and sewer	$616,588	$-	$89,474	$706,062
Stormwater	3,912	-	-	3,912
Solidwaste	26,357	-	-	26,357
Total business-type activities	$646,857	$-	$89,474	$736,331

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, 2007 consisted of the following:

Receivable Fund	Payable Fund	Amount	Purpose
General fund	Water and sewer	1,591,266	Provide temporary resources
General fund	Nonmajor funds	418,283	Provide temporary resources
Total		$2,009,549	

Interfund transfers for the year ended September 30, 2007, consisted of the following:

Transfer in:	Transfer out	Amount	Purpose
General fund	Capital Imp. Debt Service	$874,259	Transfer excess funds

NOTE 7. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2007:

	Balance October 1, 2006	Increases/ Adjustments	Decreases	Balance September 30, 2007
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,805,291	$-	$-	$ 2,805,291
Construction in progress	-	-	-	-
Total assets not being depreciated	2,805,291	-	-	2,805,291
Capital assets being depreciated:				
Buildings and building improvements	2,865,855	-	-	2,865,855
Furniture and equipment	3,624,030	322,708	(1,088,671)	2,858,067
Infrastructure	13,093,813	2,681,881	-	15,775,694
Total assets being depreciated	19,583,698	3,004,589	(1,088,671)	21,499,616
Less accumulated depreciation for:				
Buildings	(2,394,645)	(41,430)	-	(2,436,075)
Furniture and equipment	(10,793,304)	(301,770)	-	(11,095,074)
Infrastructure	(2,582,566)	(529,665)	940,850	(2,171,381)
Total accumulated depreciation	(15,770,515)	(872,865)	940,850	(15,702,530)
Total capital assets being depreciated, net	3,813,183	2,131,724	(147,821)	5,797,086
Governmental activities capital assets, net	$ 6,618,474	$ 2,131,724	$ (147,821)	$ 8,602,377
Business-Type Activities:				
Capital Assets not being depreciated:				
Land	$ 14,762	$ -	$ -	$ 14,762
Total assets not being depreciated	14,762	-	-	14,762
Capital assets being depreciated:				
Buildings and building improvements	991,006	-	-	991,006
Utility plant and systems	11,958,688	6,477,009	-	18,435,697
Machinery and equipment	2,628,110	56,032	(6,380)	2,677,762
Total assets being depreciated	15,577,804	6,533,041	(6,380)	22,104,465
Less accumulated depreciation for:				
Building and building improvements	(1,036,189)	-	-	(1,036,189)
Utility plant and systems	(5,717,692)	(237,376)	-	(5,955,068)
Machinery and equipment	(3,024,155)	(310,709)	6,380	(3,328,484)
Total accumulated depreciation	(9,778,036)	(548,085)	6,380	(10,319,741)
Total capital assets being depreciated, net	5,799,768	5,984,956	-	11,784,724
Business-type activities capital assets, net	$ 5,814,530	$ 5,984,956	$ -	$ 11,799,486

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

Governmental activities:	
General government	$84,941
Public safety	245,051
Highways and streets	529,667
Parks and recreation	13,206
Total	$872,865
Business-type activities:	
Water and sewer	$434,308
Stormwater	57,744
Solidwaste	-
Total	$492,052

NOTE 8. LEASES

Operating Leases

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were $74,272 for the year ended September 30, 2007. The future minimum lease payments for the leases are as follows:

Year Ending September 30	Amount
2008	$280,621
2009	486,970
2010	486,970
2011	486,970
2012	412,698
2013-2016	1,650,792
Total	$3,805,021

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 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, 2007 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2008	$162,534	$434,405
2009	142,299	427,935
2010	124,881	422,978
2011	89,428	422,978
2012	-	422,978
2013-2016	-	1,691,915
Total minimum lease payments	519,142	3,823,189
Less: amount representing interest	(22,997)	(653,753)
Present value of minimum lease payments	$496,145	$3,169,435

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Machinery and equipment	$1,016,741	$45,635
Utility plant and systems	-	2,968,650
Less: Accumulated depreciation	(483,987)	(29,471)
Net	$532,754	$2,984,814

NOTE 9. LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2007 was as follows:

	Balance September 30, 2006	Additions	Reductions	Balance September 30, 2007	Due within One year
Governmental activities:					
Capital Improvement Revenue Bond, Series 1994A	$6,445,000	$-	$(195,000)	$6,250,000	$210,000
Other liabilities:					
Capital leases obligation	619,110	132,200	(255,165)	496,145	147,507
Liability to State of Florida, Division of Retirement	15,679	-	(15,679)	-	-
Compensated absences	862,040	200,288	(86,899)	975,429	-
Total governmental activities long-term liabilities	$7,941,829	$332,488	$(552,743)	$7,721,574	$357,507
Business-type activities:					
State Revolving Loan No. CS120800020	$200,188	$-	$(26,827)	$173,361	$32,365
State Revolving Loan No. CS12080003P	1,374,566	-	(65,322)	1,309,244	67,316
State Revolving Loan No. WW800050	-	323,118	-	323,118	142,286
Total loans payable	1,574,754	323,118	(92,149)	1,805,723	241,967
Other liabilities:					
Capital lease	3,425,681	-	(256,245)	3,169,436	305,268
Liability to Florida Department of Transportation	458,892	-	(63,296)	395,596	63,295
Accrued compensated absences	85,686	28,399	(1,018)	113,067	113,067
Total business-type activities long-term debt	$5,545,013	$351,517	$(412,708)	$5,483,822	$723,597

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

Long-Term Debt – Governmental Activities

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

The payable to State of Florida, Division of Retirement represents retroactive retirement contributions in arrears under a repayment plan. The payment agreement requires sixty (60) monthly payments of $15,679, including interest, from November 15, 2001 to September 30, 2007. As of September 30, 2007 the remaining balance is zero.

Long-Term Debt - Business-Type Activities

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

a) State Revolving Loan Note Project No. CS120800020 - for $480,816, bearing interest at rates ranging from 2.89% to 3.75% due in 20 annual payments of $32,365, including interest, from July 31, 1994 through July 31, 2013, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

b) State Revolving Loan Note Project No. CS12080003P as amended - for $1.827 million, bearing interest at a rate of 2.56% and 1.54%, due in 40 semi-annual payments of $53,240, including interest, from June 15, 2003 through December 15, 2022, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

c) State Revolving Loan Note Project No. WW800050 - for $2.375 million, bearing interest at a rate of 1.53%, due in 40 semi-annual payments of $71,143, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement. The first loan disbursement of $323,118 under the loan agreement was made during the fiscal year 2007.

d) Settlement with the Florida Department of Transportation (FDOT) - for $632,954, bearing an implied interest rate of 4.11%, due in 119 monthly payments of $5,319, including interest, from January 2001 through November 2010.

Debt Service Requirements

The annual requirements to amortize all long-term debt outstanding at September 30, 2007, other than the liability for accumulated vacation and sick leave and the capital leases, are as follows:

Fiscal Year ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2008	$210,000	$391,300	$299,507	$44,919
2009	225,000	376,075	302,444	41,982
2010	240,000	359,800	201,734	38,953
2011	255,000	342,475	166,312	35,828
2012	275,000	323,925	200,714	19,585
2013-2017	1,670,000	1,307,578	493,905	117,612
2018-2021	2,160,000	703,609	484,258	48,140
Thereafter	1,215,000	152,513	52,445	107,275
	$6,250,000	$3,957,275	$2,201,319	$454,294

Summary of Debt Covenants

Series 1994A 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, 2007 the City had on deposit with the trustee for these bonds, a reserve account insurance policy which unconditionally and irrevocably guarantees the full and complete payment required to be made by or on the behalf of the City.

Pledge Revenues - the City's agreement under the State of Florida Revolving Loan Fund Program requires the City to generate Pledged Revenues, as defined by the agreement, from the services furnished by its Water and Sewer Systems equal to or exceeding 1.15 times the sum of the semiannual loan payments. As of September 30, 2007 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, 2007 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, 2007.

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 1994A Capital Improvement Revenue Bonds.

NOTE 10. DEFINED BENEFIT PENSION PLAN

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

Benefit provisions and all other requirements are established by Chapter 121, Florida Statutes and any amendments thereto can be made only by an act of the Florida Legislature. Employees of the FRS may participate in either the Public Employee Optional Retirement Program (the "Investment Plan"), a defined contribution retirement program or in the defined benefit retirement plan (the "Pension Plan").

Eligible members of the Investment Plan are vested after one year of service and are directed to choose their investment product with a third party administrator selected by the State Board of Administration.

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

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

	2007	2006	2005
Covered payroll	$6,524,545	$5,678,123	$5,370,073
Contributions	1,029,819	667,147	597,706
% of Covered Payroll	15.8%	11.7%	11.1%

The City is required to contribute amounts necessary to pay benefits when due as defined by State Statute. Such contribution requirements ranged between 7.89% and 8.53% of gross salaries during fiscal year 2007. For the fiscal years ended September 30, 2007, 2006 and 2005, 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) 448-5706.

NOTE 11. RELATIONSHIP WITH THE COUNTY

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

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

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

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.

In A. Griffin vs. City of Opa Locka, the plaintiff, a former City of Opa Locka employee, filed suit alleging sex discrimination based on sexual harassment. The plaintiff also named a former City Manager individually as a defendant. The case resulted in a jury verdict in favor of the defendant together with an appeal which affirmed in part and reversed in part the final judgment against the City of Opa-Locka. A final judgment for compensatory damages together with attorney's fees and costs was entered against the City. The unsatisfied portion of these judgments totals approximately \$500,000 with interest at 6.29% per annum. A Writ of Mandamus was issued on May 27, 2004 which requires the City to make payments of \$176,011 and \$187,202 on or before January 14, 2006 and 2007, respectively.

In A. Griffin and Sonnet R. Kapila, as Trustee of the Bankruptcy of Earniest P. Neal vs. City of Opa-Locka, the plaintiffs are seeking to recover from the City of Opa-locka, the amount of $1.5 million awarded by a jury in the federal sexual assault claim against the City's former City Manager. The plaintiffs seek recovery pursuant to the employment agreement entered into by the City and Neal, while City Manager, wherein the City agreed to indemnify Neal for any claims, judgments, and attorneys' fees whether in his individual or representative capacity. The case is presently in the discovery stage. The City has filed a motion to dismiss based on a Release of Claims executed by Neal in 1997, upon leaving the employ of the City. A hearing on the City's Motion for Summary judgment is pending. The Court Granted the City's Motion to Dismiss based on the indemnification agreement. The Plaintiffs filed a Notice of Appeal on January 13, 2004.

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.

Commitments

Water Supply and Sewer Services Contract
In February 1985, the City entered into an agreement with Miami-Dade Water and Sewer Authority (the "Authority") for the purpose of providing to the City all of its potable water supply and sewer services for a period of thirty (30) years subject to termination at any time by operation of law or by mutual consent of the City and the Authority. For the year ended September 30, 2007 and 2006, the City purchased water and sewer services totaling $3,435,617 and $3,140,053 respectively, from the Authority under the terms of this agreement.

Construction Commitments
As of September 30, 2007 the City has outstanding construction commitments amounting to approximately $2,169,434. These commitments are entirely funded from Federal sources through the State of Florida.

Solid Waste Collection and Disposal Contract
On November 1, 2006, the City entered into a Residential Solid Waste Collection and Disposal Agreement (the Agreement) with a third party. The Agreement is for a period of three years terminating on October 31, 2006 and is renewable automatically for additional one (1) year.

NOTE 13. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the "Plan"), which is administered by two administrators. The portion of the plan administered by the International City Management Association Retirement Corporation ("ICMA") was created in accordance with

Internal Revenue Code Section 457 (a qualified plan). The other portion constitutes a nonqualified plan benefit and is administered by the Equitable Life Assurance Society ("Equitable"). The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in this plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the Plan are held in trust for the exclusive benefits of the participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan; therefore, the assets and liabilities of the Plan are not included in the City's financial statements as September 30, 2007.

NOTE 14. RISK MANAGEMENT

The government is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government obtained general liability insurance at a cost it considered to be economically justifiable. The Florida League of Cities provides the City's insurance coverage.

The government continues to carry commercial insurance for all other risks of loss, including automobile insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The risk management department is under the purview of the Human Resources Director, and continues to implement and monitor various risk control techniques to minimize accidents and losses to City personnel and property.

NOTE 15. REQUIRED SUPPLEMENTARY INFORMATION

Budget and actual comparison for the General Fund and the FEMA Fund are 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 16. NEW ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) issued statement No. 43, *Financial Reporting for Post Employment Benefits Other Than Pension Plans,* effective for the City's fiscal year beginning October 1, 2007. Statement 43 addresses the reporting requirements for costs and obligations resulting from post employment healthcare and other non-pension benefits. It establishes uniform financial reporting standards for other post employment benefits (OPEB) plans. The City does not believe this statement will have a material effect on its financial statements.

The GASB issued statement No. 45, *Accounting* and *Financial Reporting by Employers for Post Employment Benefits Other Than Pensions,* effective for the City's fiscal year beginning October 1, 2008. Statement 45 requires accrual-based measurement, recognition and disclosure of OPEB expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The City does not believe this statement will have a material effect on its financial statements.

NOTE 17. SUBSEQUENT EVENT

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current $25,000 homestead exemption by another $25,000 (for property values between $50,000 - $75,000), except for school district taxes. Since the new $25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a $15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of $240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to $500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a $25,000 exemption for tangible personal property.

Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from the Miami-Dade County Property Appraiser's Office, the estimated annual loss of property tax revenues for the City from the additional homestead exemption and the $25,000 exemption for tangible personal property is approximately $1,170,000. This amount includes an estimate of the impact of portability and the cap on non-homestead properties.

NOTE 18. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended September 30, 2007 expenditures for the City Clerk, Police, and Parks departments exceeded appropriations by $32,725, $383,088, and $87,766, respectively. The expenditures in excess of appropriations were due to unanticipated legal advertising costs for the City Clerk, overtime costs for the Police, and additional personnel costs in the Parks department. These excesses were funded by greater than anticipated revenues. In the future, the City will ensure that budgetary amendments are made in a timely basis.

Required Supplementary Information

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts			Variance with Final Budget Positive
Revenues:	**Original**	**Final**	**Actual**	**(Negative)**
Taxes:				
Property taxes	$ 7,187,380	$ 7,187,380	$ 7,207,046	$ 19,666
Utility taxes	1,440,005	1,440,005	1,544,532	104,527
Local option gas tax	338,360	338,360	308,170	(30,190)
Franchise fees	1,480,550	1,480,550	1,919,542	438,992
Licenses and permits	751,400	751,400	965,594	214,194
Intergovernmental	333,730	333,730	79,304	(254,426)
Charges for services	25,450	127,380	178,711	51,331
Fines and forfeitures	126,630	24,700	27,065	2,365
Interest	28,500	28,500	253,015	224,515
Other	129,300	129,300	366,345	237,045
Total revenues	11,841,305	11,841,305	12,849,324	1,008,019
Expenditures:				
Current:				
General government:				
City commission	114,495	139,295	138,905	390
City manager	2,302,495	1,993,745	1,708,907	284,838
City clerk	433,280	433,280	466,005	(32,725)
City attorney	1,053,885	993,885	850,578	143,307
Finance/Utility billing	1,238,565	1,238,565	219,913	1,018,652
Human resources	292,015	292,015	198,199	93,816
Community development	833,030	833,030	376,147	456,883
Total general government	6,267,765	5,923,815	3,958,654	1,965,161
Public safety:				
Police	4,405,530	4,552,115	4,935,203	(383,088)
Building and licenses	460,940	460,940	347,190	113,750
Total public safety	4,866,470	5,013,055	5,282,393	(269,338)
Public works:				
Administration	363,905	363,905	259,279	104,626
Street maintenance	534,415	730,415	587,451	142,964
Building maintenance	337,665	337,665	332,622	5,043
Vehicle maintenance	489,340	489,340	411,829	77,511
Total public works	1,725,325	1,921,325	1,591,181	330,144
Parks and recreation:				
Special events	676,600	825,600	913,366	(87,766)
Total parks and recreation	676,600	825,600	913,366	(87,766)
Non-departmental:				
Contingencies	-	-	-	-
Total non-departmental	-	-	-	-
Total expenditures	13,536,160	13,683,795	11,745,594	1,938,201
Excess of revenues over expenditures	(1,694,855)	(1,842,490)	1,103,730	2,946,220
Other financing sources (uses):				
Transfers in	2,632,755	2,632,755	874,259	(1,758,496)
Transfers out	(182,830)	(335,195)	-	335,195
Net change in fund balance	755,070	455,070	1,977,989	1,522,919
Fund balance, beginning	5,042,419	5,042,419	5,042,419	-
Fund balance, end	$ 5,797,489	$ 5,497,489	$ 7,020,408	$ 1,522,919

See notes to budgetary comparison schedule.

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FEMA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Grants	$ 1,300,000	$ 1,300,000	$ 1,573,668	$ 273,668
Interest	-	-	7,163	7,163
Total revenues	1,300,000	1,300,000	1,580,831	280,831
Expenditures:				
Current:				
Highways and streets	1,300,000	1,300,000	992,837	307,163
Total expenditures	1,300,000	1,300,000	992,837	307,163
Deficiency of revenues over expenditures	-	-	587,994	587,994
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	587,994	587,994
Fund balance, beginning	23,034	23,034	23,034	-
Fund balance, end	$ 23,034	$ 23,034	$ 611,028	$ 587,994

See notes to budgetary comparison schedule.

CITY OF OPA-LOCKA, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Budgetary control is maintained at the departmental and fund level, with finance department providing support to departments in the administration of their budgets. In accordance with the City's budget transfer policy, the City Manager is authorized to transfer budgeted amounts within any fund or functions; however, any supplemental appropriations or revisions that amend the total expenditure of any fund must be approved by the City Commission. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at the balance sheet date are canceled.
5. Annual operating budgets are legally adopted for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds. All budgets are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the department level. This is the level at which expenditures may not exceed appropriations.
6. All annual appropriations lapse at fiscal year end.
7. During the year there was an amendment made to the original budget to transfer budgeted amounts among different functions. The budget transfer was made for the acquisition of various vehicles for the public works, police and parks departments. This was made possible by reducing the budgeted amounts for various line expenditures.

For the year ended September 30, 2007 expenditures for the City Clerk, Police, and Parks departments exceeded appropriations by $32,725, $383,088, and $87,766, respectively. The expenditures in excess of appropriations were due to unanticipated legal advertising costs for the City Clerk, overtime costs for the Police, and additional personnel costs in the Parks department. These excesses were funded by greater than anticipated revenues.

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

Police Special Law Enforcement – accounts for the receipt and disbursement of the State's special law enforcement trust fund, fines and forfeitures.

Boy Scout – accounts for the proceeds from donations to the City's Police Explorer Program.

Crime Prevention – accounts for the special state grants to the City to develop a crime prevention program.

Youth Crime Prevention – to account for grants to the City to provide service to the Department of Juvenile Justice court mandated juveniles for care after release from incarceration.

People's Transportation Fund – accounts for revenues received from the half-cent transportation sales tax used to support transportation operations, transportation related capital projects and acquisition of capital transportation assets.

STOP VAWA Grant – accounts for grants from the Department of Children and Families to provide domestic violence law enforcement services to victims.

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

DEP Waste Water and South Florida Water Management Grant – accounts for grant money received from the Department of Environmental Protection to assist in the upgrade of our drainage systems.

Community Redevelopment – accounts for the redevelopment within the City.

Capital Projects Fund

Capital Acquisition – accounts for capital assets (including infrastructure) acquisition and construction from proceeds of the Series 1994A Capital Improvement Revenue Bonds.

Debt Service Fund

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

CITY OF OPA-LOCKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	Special Revenue Funds							
	Special Law Enforcement	Boy Scout	DJJ Aftercare Program	Crime Prevention	STOP/VAWA Program	Transportation Tax	DEP Wastewater System Improvement	South Florida Water Management
ASSETS								
Cash and cash equivalents	$ 46,469	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receivables	-	-	-	-	-	-	-	-
Due from other governments	-	-	22,984	-	7,267	149,071	-	-
Due from other funds	-	17,515				37,221	143,215	347,146
Prepaid Items and other assets	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	100,146	-	-	-	-	-	-	-
Total assets	$ 146,615	$ 17,515	$ 22,984	$ -	$ 7,267	$ 186,292	$ 143,215	$ 347,146
LIABILITIES								
Accounts payable and accrued liabilities	$ -	$ -	$ 9,783	$ 2,228	$ -	$ 43,303	$ -	$ -
Due to other funds	100,570	100	76,030	98,760	151,738	-	143,215	84,134
Total liabilities	100,570	100	85,813	100,988	151,738	43,303	143,215	84,134
FUND BALANCES								
Reserved for:								
Public safety	46,045	17,415	-	-	-	-	-	-
Capital projects	-	-	-	-	-	142,989	-	263,012
Debt service	-	-	-	-	-	-	-	-
Unreserved	-	-	(62,829)	(100,988)	(144,471)	-	-	-
Total fund balances	46,045	17,415	(62,829)	(100,988)	(144,471)	142,989	-	263,012
Total liabilities and fund balances	$ 146,615	$ 17,515	$ 22,984	$ -	$ 7,267	$ 186,292	$ 143,215	$ 347,146

(continued)

CITY OF OPA-LOCKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
(Continued)

	Special Revenue Funds		Capital Project Fund	Debt Service Funds		
	Local Law Enforcement	Community Redevelopment	Capital Acquisition	Capital Improvement Debt Service	Debt Service	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 46,469
Receivables	-	-	-	4,206	-	4,206
Due from other governments	-	-	-	201,053	-	380,375
Due from other funds	236			-		545,333
Prepaid items and other assets	-	-	-	-	-	-
49	-	-	21,242	499,138	4,760	625,286
Total assets	$ 236	$ -	$ 21,242	$ 704,397	$ 4,760	$ 1,601,669
LIABILITIES						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 2,255	$ -	$ 57,569
Due to other funds	-	-	19,412	141,088	-	815,047
Total liabilities	-	-	19,412	143,343	-	872,616
FUND BALANCES						
Reserved for:						
Public safety	236	-	-	-	-	63,696
Capital projects	-	-	1,830	-	-	407,831
Debt service	-	-	-	561,054	4,760	565,814
Unreserved	-	-	-	-	-	(308,288)
Total fund balances	236	-	1,830	561,054	4,760	729,053
Total liabilities and fund balances	$ 236	$ -	$ 21,242	$ 704,397	$ 4,760	$ 1,601,669

CITY OF OPA-LOCKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Funds							
	Special Law Enforcement	Boy Scout	DJJ Aftercare Program	Crime Prevention	STOP/VAWA Program	Transportation Tax	DEP Wastewater System Improvement	South Florida Water Management
Revenues:								
Intergovernmental	$ 42,689	$ -	$ 231,966	$ 85,886	$ 7,267	$ 593,408	$ -	$ -
Interest	1,992	2	-	-	-	-	-	-
Other	3,775	-	-	-	-	-	-	-
Total revenues	48,456	2	231,966	85,886	7,267	593,408	-	-
Expenditures:								
Current:								
Public safety	2,411	221	434,620	170,888	7,628	-	-	-
Highway and streets	-	-	-	-	-	49,132	-	217
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	2,411	221	434,620	170,888	7,628	49,132	-	217
Excess (deficiency) of revenues over expenditures	46,045	(219)	(202,654)	(85,002)	(361)	544,276	-	(217)
Other financing sources:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	46,045	(219)	(202,654)	(85,002)	(361)	544,276	-	(217)
Fund balance, beginning	-	17,634	139,826	(15,987)	(144,110)	(401,287)	-	263,229
Fund balance, ending	$ 46,045	$ 17,415	$ (62,828)	$ (100,989)	$ (144,471)	$ 142,989	$ -	$ 263,012

(continued)

CITY OF OPA-LOCKA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Continued)

	Special Revenue Funds		Capital Projects Fund	Debt Service Funds		
	Local Law Enforcement	Community Redevelopment	Capital Acquisition	Capital Improvement Debt Service	Debt Service	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental	$ -	$ -	$ -	$ 1,685,602	$ -	$ 2,646,818
Interest	6	-	839	20,414		23,253
Other	-	-	-	-	-	3,775
Total revenues	6	-	839	1,706,016	-	2,673,846
Expenditures:						
Current:						
Public safety	-	-	-	-	-	615,768
Highway and streets				-		49,349
Debt service:						
Principal	-	-	-	195,000	-	195,000
Interest	-	-	-	408,438	-	408,438
Total expenditures	-	-	-	603,438	-	1,268,555
Excess (deficiency) of revenues over expenditures	6	-	839	1,102,578	-	1,405,291
Other financing sources:						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(874,259)	-	(874,259)
Total other financing sources	-	-	-	(874,259)	-	(874,259)
Net change in fund balance	6	-	839	228,319	-	531,032
Fund balance, beginning	230	-	991	332,735	4,760	198,021
Fund balance, ending	$ 236	$ -	$ 1,830	$ 561,054	$ 4,760	$ 729,053

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Funds							
	Special Law Enforcement				Boy Scout			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget Positive (Negative)	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Revenues:								
Intergovernmetnal	$ 8,000	$ 8,000	$ 42,689	$ 34,689	$ -	$ -	$ -	$ -
Interest	-	-	1,992	1,992	-	-	2	2
Other	-	-	3,775	3,775	-	-	-	-
Total revenues	8,000	8,000	48,456	40,456	-	-	2	2
Expenditures:								
Current:								
Public safety	8,000	8,000	2,411	5,589	2,500	2,500	221	2,279
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	8,000	8,000	2,411	5,589	2,500	2,500	221	2,279
Excess (deficiency) of revenues over expenditures	-	-	46,045	46,045	(2,500)	(2,500)	(219)	2,281
Other financing sources (uses):								
Transfers in	-	-	-	-	2,500	2,500	-	(2,500)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	2,500	2,500	-	(2,500)
Net change in fund balance	-	-	46,045	46,045	-	-	(219)	(219)
Fund balance, beginning	-	-	-	-	17,634	17,634	17,634	-
Fund balance, end	$ -	$ -	$ 46,045	$ 46,045	$ 17,634	$ 17,634	$ 17,415	$ (219)

(continued)

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

(Continued)

	Sprecial Revenue Funds							
	DJJ Aftercare Program				Crime Prevention			
	Budgeted Amounts			Variance With Final Budget Positive	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ 482,650	$ 493,500	$ 231,966	$ (261,534)	$ 70,000	$ 94,015	$ 85,886	$ (8,129)
Interest	-	-	-	-	-	-	-	-
Total revenues	482,650	493,500	231,966	(261,534)	70,000	94,015	85,886	(8,129)
Expenditures:								
Current:								
Public safety	482,650	493,500	434,620	58,880	70,000	94,015	170,888	(76,873)
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	482,650	493,500	434,620	58,880	70,000	94,015	170,888	(76,873)
Deficiency of revenues over expenditures	-	-	(202,654)	(202,654)	-	-	(85,002)	(85,002)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	(202,654)	(202,654)	-	-	(85,002)	(85,002)
Fund balance, beginning	139,826	139,826	139,826	-	(15,987)	(15,987)	(15,987)	-
Fund balance, end	$ 139,826	$ 139,826	$ (62,828)	$ (202,654)	$ (15,987)	$ (15,987)	$ (100,989)	$ (85,002)

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Continued)

	Sprecial Revenue Funds							
	STOP/VAWA				Peoples' Transportation Tax			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget Positive (Negative)	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Revenues:								
Intergovernmental	$ 121,883	$ 121,883	$ 7,267	$ (114,616)	$ 505,500	$ 505,500	$ 593,408	$ 87,908
Interest	-	-	-	-	-	-	-	-
Total revenues	121,883	121,883	7,267	(114,616)	505,500	505,500	593,408	87,908
Expenditures:								
Current:								
Public safety	162,511	162,511	7,628	154,883	-	-	-	-
Highways and streets	-	-	-	-	891,935	891,935	49,132	842,803
Total expenditures	162,511	162,511	7,628	154,883	891,935	891,935	49,132	842,803
Deficiency of revenues over expenditures	(40,628)	(40,628)	(361)	40,267	(386,435)	(386,435)	544,276	930,711
Other financing sources (uses):								
Transfers in	-	-	-	-	386,435	386,435	-	(386,435)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	386,435	386,435	-	(386,435)
Net change in fund balance	(40,628)	(40,628)	(361)	40,267	-	-	544,276	544,276
Fund balance, beginning	(144,110)	(144,110)	(144,110)	-	(401,287)	(401,287)	(401,287)	-
Fund balance, end	$ (184,738)	$ (184,738)	$ (144,471)	$ 40,267	$ (401,287)	$ (401,287)	$ 142,989	$ 544,276

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Continued)

	Sprecial Revenue Funds							
	DEP Wastewater System Improvement				South Florida Water Management			
	Budgeted Amounts			Variance With Final Budget Positive	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ 300,000	$ 300,000	$ -	$ (300,000)	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-	-
Total revenues	300,000	300,000	-	(300,000)	-	-	-	-
Expenditures:								
Current:								
Highways and streets	300,000	300,000	-	300,000	-	-	217	(217)
Total expenditures	300,000	300,000	-	300,000	-	-	217	(217)
Deficiency of revenues over expenditures	-	-	-	-	-	-	(217)	(217)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	(217)	(217)
Fund balance, beginning	-	-	-	-	263,229	263,229	263,229	-
Fund balance, end	$ -	$ -	$ -	$ -	$ 263,229	$ 263,229	$ 263,012	$ (217)

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Continued)

	Sprecial Revenue Funds							
	Local Law Enforcement				Community Redevelopment			
	Budgeted Amounts			Variance With Final Budget Positive	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest			6	6				-
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	6	6	-	-	-	-
Expenditures:								
Current:								
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Deficiency of revenues over expenditures	-	-	6	6	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	6	6	-	-	-	-
Fund balance, beginning	230	230	230	-	-	-	-	-
Fund balance, end	$ 230	$ 230	$ 236	$ 6	$ -	$ -	$ -	$ -

(continued)

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Continued)

	Capital Project Fund				Debt Service			
	Capital Acquisition				Capital Improvement Debt Service			
	Budgeted Amounts			Variance With Final Budget Positive	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ -	$ -	$ -	$ -	$ 1,582,930	$ 1,582,930	$ 1,685,602	$ 102,672
Interest	-	-	839	839	15,000	15,000	20,414	5,414
Total revenues	-	-	839	839	1,597,930	1,597,930	1,706,016	108,086
Expenditures:								
Current:								
Highways and streets	-	-	-	-	-	-	-	-
Debt service:								-
Principal	-	-	-	-	195,000	195,000	195,000	-
Interest	-	-	-	-	410,475	410,475	408,438	2,037
Total expenditures	-	-	-	-	605,475	605,475	603,438	2,037
Deficiency of revenues over expenditures	-	-	839	839	992,455	992,455	1,102,578	110,123
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(992,455)	(992,455)	(874,259)	118,196
Total other financing sources	-	-	-	-	(992,455)	(992,455)	(874,259)	118,196
Net change in fund balance	-	-	839	839	-	-	228,319	228,319
Fund balance, beginning	991	991	991	-	332,735	332,735	332,735	-
Fund balance, end	$ 991	$ 991	$ 1,830	$ 839	$ 332,735	$ 332,735	$ 561,054	$ 228,319

STATISTICAL SECTION

CITY OF OPA-LOCKA, FLORIDA

STATISTICAL SECTION

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

Contents

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

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

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

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

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CITY OF OPA-LOCKA, FLORIDA

STATISTICAL SECTION
(Continued)

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

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

CITY OF OPA-LOCKA, FLORIDA
Net Assets By Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2007	**2006**	**2005**	**2004**	**2003**
Governmental activities					
Invested in capital assets, net of related debt	$ 1,856,232	$ 173,474	$ 2,881,664	$ 796,149	$ 870,098
Restricted	1,648,369	349,600	340,785	340,785	340,785
Unrestricted	5,451,619	3,517,428	1,254,617	2,363,225	524,997
Total governemntal activities net assets	$ 8,956,220	$ 4,040,502	$ 4,477,066	$ 3,500,159	$ 1,735,880
Business-type activities					
Invested in capital assets, net of related debt	$ 6,824,327	$ 707,159	$ 306,435	$ 3,925,622	$ 4,318,731
Restricted	1,344,966	562,555	371,568	371,568	190,922
Unrestricted	1,693,324	10,241,234	11,039,324	4,829,304	2,228,003
Total business-type activities net assets	$ 9,862,617	$ 11,510,948	$ 11,717,327	$ 9,126,494	$ 6,737,656
Primary government					
Invested in capital assets, net of related debt	$ 8,680,559	$ 880,633	$ 3,188,099	$ 4,721,771	$ 5,188,829
Restricted	2,993,335	912,155	712,353	712,353	531,707
Unrestricted	7,144,943	13,758,662	12,293,941	7,192,529	2,753,000
Total primary government net assets	$ 18,818,837	$ 15,551,450	$ 16,194,393	$ 12,626,653	$ 8,473,536

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 Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year 2007	2006	2005	2004	2003
Expenses					
Governmental activities:					
General government	$ 4,221,761	$ 4,051,643	$ 4,349,856	$ 3,047,149	$ 3,483,349
Public safety	5,746,353	5,278,005	4,865,651	4,830,590	4,411,455
Economic environment	-	-	-	-	179,588
Highways and streets	3,079,201	9,200,709	18,637,182	7,393,917	6,574,144
Parks and recreation	889,461	758,395	496,612	295,795	379,390
Interest on long-term debt	408,438	421,563	455,432	478,145	506,055
Total governmental activities expenses	14,345,214	19,710,315	28,804,733	16,045,596	15,533,981
Business-type activities:					
Water and sewer	10,699,290	8,223,846	4,537,539	5,013,772	5,312,483
Solid waste	873,783	747,215	872,006	1,070,181	1,594,006
Storm water	1,716,944	509,627	495,818	303,032	215,172
Total business-type activities expenses	13,290,017	9,480,688	5,905,363	6,386,985	7,121,661
Total primary government expenses	$ 27,635,231	$ 29,191,003	$ 34,710,096	$ 22,432,581	$ 22,655,642
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 172,853	$ 839,762	$ 41,280	$ 687,446	$ 938,315
Public safety	-	97,549	-	6,766	11,384
Highways and streets	-	-	-	16,137	32,904
Parks and recreation	5,858	12,311	-	53,153	66,269
Operating grants and contributions	-	1,107,935	1,415,067	830,604	1,239,134
Capital grants and contributions	4,691,815	5,121,725	17,762,358	5,804,895	5,537,112
Total governmental activities program revenues	4,870,526	7,179,282	19,218,705	7,399,001	7,825,118
Business-type Activities:					
Charges for services:					
Water and sewer	5,996,478	7,732,804	7,817,072	6,695,298	5,949,701
Solid waste	729,062	583,123	812,946	724,169	1,720,377
Storm water	303,308	332,821	337,874	336,351	316,364
Operating grants and contributions	-	92,864	-	-	-
Capital grants and contributions	4,307,851	-	-	768,215	1,630,250
Total business-type activities program revenues	11,336,699	8,741,612	8,967,892	8,524,033	9,616,692
Total primary government program revenues	$ 16,207,225	$ 15,920,894	$ 28,186,597	$ 15,923,034	$ 17,441,810

(continued)

City of Opa-locka, Florida
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2007	2006	2005	2004	2003
Net (Expense)/Revenue					
Governmental activities	$ (9,474,688)	$ (12,531,033)	$ (9,586,029)	$ (8,646,595)	$ (7,708,863)
Business-type activities	(1,953,318)	(739,076)	3,062,529	2,137,048	2,494,491
Total primary government net expense	$ (11,428,006)	$ (13,270,109)	$ (6,523,500)	$ (6,509,547)	$ (5,214,372)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property taxes	$ 7,207,046	$ 5,802,009	$ 4,877,060	$ 4,679,897	$ 4,314,652
Utility taxes	1,544,532	1,467,039	503,181	836,173	816,519
Local option gas tax	308,170	356,931	-	318,589	327,810
Franchise fees	1,919,542	1,941,938	1,313,694	1,674,120	1,198,858
Permits, licenses and fees	965,594	-	-	-	-
Intergovernmental revenue	1,764,906	2,227,585	3,662,889	2,710,536	2,019,880
Investment earnings	283,431	89,567	41,352	17,334	18,244
Miscellaneous	397,185	209,409	164,759	174,225	235,304
Total governmental activities	14,390,406	12,094,478	10,562,935	10,410,874	8,931,267
Business type activities:					
Investment earnings	304,702	273,781	18,046	30,690	15,299
Miscellaneous	-	258,915	-	221,100	14,268
Total business-type activities	304,702	532,696	18,046	251,790	29,567
Total primary goverenment	$ 14,695,108	$ 12,627,174	$ 10,580,981	$ 10,662,664	$ 8,960,834
Change in Net Assets					
Governmental activities	$ 4,915,718	$ (436,555)	$ 976,906	$ 1,764,279	$ 1,222,404
Business-type activities	(1,648,616)	(206,380)	3,080,575	2,388,838	2,524,058
Total primary government	$ 3,267,102	$ (642,935)	$ 4,057,481	$ 4,153,117	$ 3,746,462

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

City of Opa-locka, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2207	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	$ 380,380	$ 389,118	$ 386,120	$ 347,297	$ 114,723	$ 41,642	$ 50,869	$ 31,315	$ 34,796	$ 22,580
Unreserved	6,772,228	4,653,301	3,884,621	2,645,448	1,846,740	1,162,531	(58,240)	(440,802)	221,231	576,411
Total General Fund	7,152,608	5,042,419	4,270,741	2,992,745	1,961,463	1,204,173	(7,371)	(409,487)	256,027	598,991
All Other Governmental Funds										
Reserved	1,648,369	340,785	-	637,374	340,785	122,569	122,569	650,721	650,721	650,721
Unreserved, reported in:										
Special revenue funds	(308,288)	(117,431)	935,287	768,224	323,820	(581,741)	(540,407)	(286,501)	(243,336)	(258,246)
Capital Projects Funds	(417,272)	98,078	385,320	(235,793)	22,904	(307,757)	(270,577)	(727,993)	(947,110)	(796,490)
Debt Service Funds	-	-	-	-	-	-	-	-	310,312	310,312
Total all other governmental funds	922,809	321,432	1,320,607	1,169,805	687,509	(766,929)	(688,415)	(363,773)	(229,413)	(93,703)
Total Governmental Funds	$ 8,075,417	$ 5,363,851	$ 5,591,348	$ 4,162,550	$ 2,648,972	$ 437,244	$ (695,786)	$ (773,260)	$ 26,614	$ 505,288

City of Opa-locka, Florida
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues										
Taxes	$ 11,306,616	$ 9,567,917	$ 6,653,005	$ 8,409,049	$ 7,382,105	$ 6,797,515	$ 6,207,599	$ 6,083,828	$ 6,117,701	$ 6,143,481
Licenses and permits	638,268	813,503	503,181	538,792	821,714	580,939	431,198	450,760	512,760	461,271
Fines and forefeitures	27,065	31,584	123,479	149,548	116,519	129,198	94,210	197,073	171,541	153,497
Intergovernmental revenues	6,456,721	8,447,803	20,284,816	8,497,712	8,158,238	2,897,003	2,698,412	2,158,013	1,979,423	2,215,149
Charges for services	178,711	104,535	41,280	26,694	54,060	51,454	23,013	39,272	36,123	96,412
Interest earnings	283,431	99,009	47,667	17,334	18,243	27,583	15,921	30,434	29,657	89,028
Miscellaneous	370,120	209,409	2,550,203	170,747	205,505	160,071	118,072	446,611	685,673	509,723
Total revenues	19,260,932	19,273,760	30,203,631	17,809,876	16,756,384	10,643,763	9,588,425	9,405,991	9,532,878	9,668,561
Expenditures										
General government	3,951,414	3,813,756	6,523,196	2,991,081	2,374,650	3,399,603	2,948,300	3,334,152	2,730,699	2,526,137
Public safety	5,458,602	5,153,511	3,898,324	4,775,745	4,310,132	4,596,407	4,060,155	4,588,005	4,435,725	4,161,355
Economic environment	-	-	-	-	179,588	-	-	-	89,982	187,814
Highways andstreets	2,573,422	8,768,977	16,977,785	6,961,686	6,574,144	924,199	1,401,235	1,581,890	1,768,309	1,727,114
Parks and recreation	868,588	758,395	496,612	300,414	379,390	494,495	486,609	822,410	628,969	275,010
Capital outlay	3,004,588	513,766	288,043	934,139	-	-	-	-	-	-
Debt Service:										
Principal	416,514	492,762	170,000	321,233	401,762	145,000	640,000	130,000	125,000	120,000
Interest	408,438	421,563	437,718	474,335	506,055	613,189	479,412	397,672	482,869	569,751
Total expenditures	16,681,566	19,922,730	28,791,678	16,758,633	14,725,721	10,172,893	10,015,711	10,854,129	10,261,553	9,567,181
Excess (deficiency) of revenues over expenditures	2,579,366	(648,970)	1,411,953	1,051,243	2,030,663	470,870	(427,286)	(1,448,138)	(728,675)	101,380
Other Financing Sources (Uses)										
Capital eases	132,200	421,470	16,844	462,334	-	-	-		-	
Other credits	-	-	-	-	-	662,161	500,000		-	
Transfers in	874,259	1,259,709	949,083	1,048,387	683,710	687,044	753,983	1641763	988,043	1,493,766
Transfers out	(874,259)	(1,259,709)	(949,083)	(1,048,387)	(683,710)	(687,044)	(753,983)	-993499	(738,043)	(31,053)
Other financing sources (uses), net	132,200	421,470	16,844	462,334	-	662,161	500,000	648,264	250,000	1,462,713
Net change in fund balance	$ 2,711,566	$ (227,500)	$ 1,428,797	$ 1,513,577	$ 2,030,663	$ 1,133,031	$ 72,714	$ (799,874)	$ (478,675)	$ 1,564,093
Debt Service as a percentage of non capital expenditures	6%	5%	2%	5%	7%	8%	13%	5%	6%	8%

City of Opa-locka, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assesed Value as a Percentage of of Actual Value
1998	280,137,000	100,068,000	N/A	1,622,000	378,583,000	9.8000	380,205,000	100%
1999	296,899,000	94,086,000	N/A	5,038,000	385,947,000	9.8000	390,985,000	99%
2000	303,915,000	97,212,000	N/A	4,297,000	396,830,000	9.8000	401,127,000	99%
2001	317,469,000	84,083,000	N/A	10,157,000	391,395,000	9.8000	401,552,000	97%
2002	337,721,469	81,094,116	1,271,453	10,162,000	409,925,038	9.8000	420,087,038	98%
2003	357,301,495	87,946,659	1,133,008	8,326,000	438,055,162	9.8000	446,381,162	98%
2004	394,926,966	90,984,153	1,104,373	2,801,905	484,213,587	9.8000	487,015,492	99%
2005	434,282,541	88,332,831	1,948,311	13,277,720	511,285,963	9.8000	524,563,683	97%
2006	514,575,250	93,121,243	1,363,003	18,622,416	590,437,080	9.8000	609,059,496	97%
2007	668,025,734	102,636,497	1,343,829	25,512,624	746,493,436	9.8000	772,006,060	97%

Source: Miami-Dade County Property Appraiser's Office

Note: 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 calendar year.

City of Opa-locka, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	City of Opa-locka, Florida			Overlapping Rates						
				County						
Fiscal Year	(1) Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	(2) Schools	State	Municipal Service	Total
1998	9.8000	-	9.8000	8.989	1.004 (3)	9.993	10.462	0.747	2.683	33.685
1999	9.8000	-	9.8000	9.153	0.905 (3)	10.058	10.160	0.744	2.517	33.279
2000	9.8000	-	9.8000	8.813	0.885	9.698	9.640	0.741	2.447	32.326
2001	9.8000	-	9.8000	8.785	0.721	9.506	9.620	0.738	2.447	32.111
2002	9.8000	-	9.8000	8.847	0.621	9.468	9.380	1.082	2.447	32.177
2003	9.8000	-	9.8000	8.957	0.621	9.578	9.250	0.736	2.447	31.811
2004	9.8000	-	9.8000	9.040	0.285	9.325	8.687	0.736	2.447	30.995
2005	9.8000	-	9.8000	8.925	0.285	9.210	8.438	0.736	2.447	30.630
2006	9.8000	-	9.8000	9.174	0.285	9.459	8.105	0.736	-	28.100
2007	9.8000	-	9.8000	7.635	0.285	7.920	7.948	0.736	-	26.403

Source: Miami-Dade County Property Appraiser's Office

Note: Overlapping rates are those of local and county governments that apply to property owners within the City.
Tax rates are per $1,000 of taxable assessed value.

(1) Statutory limit of 10 mills consist of Countywide, Fire & Rescue and Library districts.

(2) Includes additional Millage of .750 for two years voted by the County's electors in 1992 to maintain, improve, and expand the occupational, vocational, and educational program at Miami-Dade Community College.

(3) Includes Millage for Fire Rescue District voted debt.

City of Opa-locka, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

	2007			1998		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sahara Properties Inc.	$ 16,289,853	1	2.18%	-		
Lejeune-Douglas Industrial PK LLC	12,122,893	2	1.62%	-		
Creative Choice Homes II	11,650,942	3	1.56%	6,262,852	3	1.65%
Bellsouth Telecommunications Inc.	11,146,814	4	1.49%	-		
Bodwin LTD Partnership	9,723,510	5	1.30%	10,052,431	1	2.66%
American Fuits & Produce	9,364,146	6	1.25%	-		
Florida Power & Light	9,195,990	7	1.23%	-		
4370 Realty Corp	8,893,263	8	1.19%	-		
12725 LLC	8,456,664	9	1.13%	-		
St. Ives Inc Avanti	7,963	10	0.00%	5,391,798	4	1.42%
Alterman Transport Lines, Inc.				7,400,000	2	1.95%
Robert C Schwebke				4,889,867	5	1.29%
Bridsall Inc.				4,669,665	6	1.23%
J R Realty Corp.				4,050,000	7	1.07%
Beatrice Bernkrant				3,600,000	8	0.95%
Steve Raffa TR				3,428,804	9	0.91%
F A Zorovich & Greene				3,400,000	10	0.90%
Total	$ 96,852,038		12.97%	$ 53,145,417		14.04%

Source: Miami-Dade County Property Appraiser's Office

City of Opa-locka, Florida
Property Taxes and Collections
Last Ten Fiscal years

Fiscal Year Ended Sept 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of levy
1998	$ 3,755,405	$ 3,635,333	96.80%	$ 120,072	$ 3,755,405	100.00%
1999	3,831,650	3,835,714	100.11%	-	3,835,714	100.11%
2000	3,931,000	3,619,392	92.07%	60,581	3,679,973	93.61%
2001	3,857,589	3,760,247	97.48%	74,349	3,834,596	99.40%
2002	4,116,853	3,846,425	93.43%	86,538	3,932,963	95.53%
2003	4,240,621	4,377,548	103.23%	-	4,377,548	103.23%
2004	4,772,752	4,679,897	98.05%	19,843	4,699,740	98.47%
2005	5,140,724	4,680,089	91.04%	26,647	4,706,736	91.56%
2006	5,968,783	5,802,009	97.21%	-	5,802,009	97.21%
2007	7,565,659	7,207,046	95.26%	-	7,207,046	95.26%

Source: Miami Dade County Property Appraiser's Office and City of Opa-locka Finance Department

City of Opa-locka, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-type Activities						
Fiscal Year	Revenue Bonds	Note Payable	Capital Leases	Revenue Bonds	Revolving Loan	Note Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
1998	$ 7,655,000	$ -	$ -	$ 100,000	$ 377,065		$ -	$ 8,132,065	N/A	$ 1,202
1999	7,530,000	-	-	60,000	357,284	-	-	7,947,284	N/A	1,174
2000	7,400,000	-	-	-	512,076	533,412	443,287	8,888,775	45.28%	932
2001	7,260,000	-	-	-	519,020	2,256,438	321,406	10,356,864	N/A	N/A
2002	7,115,000	-	-	-	1,482,681	2,045,551	194,237	10,837,469	N/A	N/A
2003	6,960,000	538,781	-	-	1,407,349	1,521,745	61,647	10,489,522	N/A	N/A
2004	6,795,000	382,547	334,363	-	1,214,626	1,208,346	48,082	9,982,964	N/A	N/A
2005	6,625,000	203,822	343,578	-	1,042,197	772,650	35,143	9,022,390	N/A	N/A
2006	6,445,000	15,679	619,110	-	1,574,754	458,892	3,425,681	12,539,116	N/A	N/A
2007	6,250,000	-	496,145	-	1,805,723	395,596	3,169,436	12,116,900	N/A	N/A

Note: See Schedule of Demographic and Economic Statistics on page 74 for personal income and population data.
N/A - data for personal income and per capital personal income is not available.

City of Opa-locka, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2007

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt			
Miami Dade County	$ 1,032,440,000	0.15%	$ 1,559,000
City direct debt			6,250,000
Total direct and overlapping debt			$ 7,809,000

City of Opa-locka, Florida
Pledge-Revenue Coverage
Last Ten Fiscal Years

	Capital Improvement Revenue Bonds						State Revolving Loans					
Fiscal Year	State Shared 1/2 Cent Sales Tax	Less: Transfers Out	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Water and Sewer Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1998	1,218,053	619,918	598,135	120,000	484,168	99.00%	3,989,999		3,989,999	-	-	0.00%
1999	1,254,585	650,275	604,310	125,000	478,011	100.22%	3,727,722	4,542,022	(814,300)	-	-	0.00%
2000	1,302,952	663,187	639,765	130,000	471,475	106.37%	3,748,601	4,447,658	(699,057)	-	-	0.00%
2001	1,325,075	753,983	571,092	140,000	464,385	94.49%	4,196,786	6,304,982	(2,108,196)	-	-	0.00%
2002	1,272,016	664,544	607,472	145,000	456,760	100.95%	5,641,758	4,421,084	1,220,674	-	-	0.00%
2003	1,273,182	630,274	642,908	155,000	448,505	106.53%	5,960,824	3,560,179	2,400,645	132,802	33,733	1441.53%
2004	1,356,128	734,611	621,517	165,000	439,463	102.82%	6,916,398	4,649,900	2,266,498	186,777	29,970	1045.69%
2005	1,479,783	833,217	646,566	170,000	429,830	107.79%	7,648,557	4,503,524	3,145,033	191,413	25,334	1451.01%
2006	1,790,593	1,127,577	663,016	180,000	418,600	110.76%	8,084,583	8,188,860	(104,277)	103,445	35,400	-75.10%
2007	1,582,930	874,259	708,671	195,000	408,438	117.44%	5,996,478	6,094,397	(97,919)	92,149	47,807	-69.96%

City of Opa-locka, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income *(in thousands)*	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1998	15,766	N/A	$ 6,767	N/A	1,675	13.00%
1999	16,000	N/A	6,767	N/A	1,655	11.70%
2000 *	14,951	$ 19,631	9,538	27.3	1,700	17.50%
2003	14,794	N/A	N/A	N/A	N/A	N/A
2004	15,327	N/A	N/A	N/A	N/A	N/A
2005	15,673	N/A	N/A	N/A	N/A	N/A
2006	15,596	N/A	N/A	N/A	N/A	N/A
2007	15,763	N/A	N/A	N/A	N/A	N/A

Source: Miami-Dade County Beacon Council and School Board of Miami-Dade County
* U.S. Census Bureau, 2000 Census.
N/A - Data Not Available

City of Opa-locka, Florida
Principal Employers
Fiscal Year 2007

Employer	Employees	Rank
St. Ives, Inc. - Avanti	400	1
Jackson North Maternity Center	230	2
Armark Uniform	224	3
Mastec North America	200	4
United Sheet Metal	100	5
Combined Services	100	5
Miami Offset	75	6
Dr. Robert B. Ingam Elementary	73	7
Nathan B. Young Elementary	66	8
Alufab	50	9
Kauffs Towing	50	9

Source: Miami-Dade County Beacon Council
Note: Data prior to 2007 is not available.
Data on total City employment is not available.

City of Opa-locka, Florida
Full-Time Equivalent City Government Employees by function/Program
Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City Commission	6	6	6	5	5	5	5	5	5	5
City Manager	10	10	6	5	5	4	5	6	8	6
City Attorney	3	3	3	3	3	2	2	2	2	2
City Clerk	3	3	5	4	4	3	4	4	4	4
Human Resources	3	3	4	3	3	4	3	3	3	4
Finance	3	3	3	9	11	13	10	11	11	14
Purchasing	2	2	2	2	2	0	0	0	0	0
Management Information Systems	0	0	0	0	0	0	0	0	0	3
Community Development	0	0	2	2	3	3	4	4	4	6
Building & Occupational Licenses/Code Enforcement	3	3	7	6	8	8	8	10	11	12
Public Affairs	0	0	2	1	1	0	0	0	0	0
Public Safety										
Police	64	64	50	66	61	57	67	62	71	78
Crime Prevention	4	4	4	3	3	4	5	3	2	2
Youth Prevention	1	1	0	0	0	0	0	0	0	0
DJJ - Opa-locka Youth Academy	0	0	0	0	9	7	7	7	7	7
STOP/VAWA/VOCA Grants	0	0	0	0	0	4	4	4	0	1
Highways & Streets										
Public Works	22	22	28	16	22	17	15	19	22	27
Culture & Recreation										
Library	1	1	2	2	2	1	0	0	0	0
Parks & Recreation	10	10	12	10	6	6	6	6	14	7
Water/Sewer										
Finance - Utility Billing - Water & Sewer	3	3	3	0	0	0	0	0	0	0
Public Works - Meter Readers	4	4	3	4	5	4	4	6	5	6
Public Works - Water Services	5	5	7	4	6	5	4	5	6	5
Public Works - Sewer Services	5	5	3	4	2	6	3	4	4	6
Solid Waste										
Finance - Utility Billing - Solid Waste	3	3	2	0	0	0	0	0	0	0
Public Works - Solid Waste	14	14	15	10	12	14	0	0	0	0
Storm Water										
Public Works - Storm Water Management	1	1	2	2	2	2	2	8	8	10
Peoples Transportation Tax	0	0	0	0	0	0	0	0	0	3
Total	170	170	171	161	175	169	158	169	187	208

City of Opa-locka, Florida
Operating Indicators by Function/Program
Fiscal Year 2007

Function/Program	2,007 2007
Police	
Physical arrests	667
Parking violations	1,125
Traffic violations	733
Solidwaste	*
Highways and Sreets	
Street resurfacing (miles)	2
Potholes repaired	800
Parks and recreation	
Athletic field permits issued	16
Community center admissions	0
Water	
New connections	72
Water main breaks	15
Average daily consumption (millions of gallons)	2.62
Peak daily consumption millions of gallons)	3.05
Wastewater	
Average daily sewage treatment (millions of gallons)	**

Source: Various City departments

*Solidwaste collection is contracted out by the City.

** The City has no wastewater treatment facility.

Note: Indicators are not available for the general government function.

Note: Data prior to 2007 are not available.

City of Opa-locka, Florida
Capital Assets Statistics By Function/Program
Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	22	22	18	22	22	22	22	22	22
Other Public Works										
Miles of Streets	36	36		36	36	36	36	36	36	36
Number of Street Lights	625	625		625	625	625	625	625	625	625
Water										
Miles of water mains	71	71	71	71	71	71	71	71	71	71
Number of service connections	6,500	5,700	5,700	5,690	6,500	6,500	6,500	6,500	6,500	6,500
Number fire hdrants	363	363	363	363	363	363	363	363	363	363
Daily average consumption in gallons(millions)	3.8	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Wastewater										
Miles of sanitary sewers	77	77	77	77	77	77	77	77	77	77
Miles of storm sewers	14	14	14	14	14	14	14	14	14	14
Number of service connections	3,675	3,700	3,700	3,675	3,675	3,675	3,675	3,675	3,675	3,675
Culture & Recreation										
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of libraries	1	1	1	1	1	0 *	0	0	0	0
Number of tennis courts	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

* The City stopped its library services in fiscal year 2003. During 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.