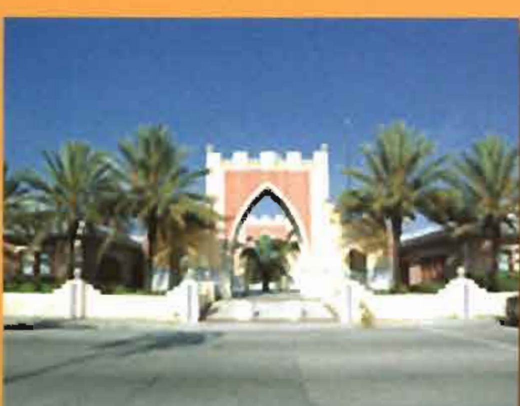
The City of Opa-Locka, Florida

Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2008



The City of Opa-Locka

Mission Statement

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

CITY OF OPA-LOCKA, FLORIDA

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2008

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Comprehensive Annual Financial Report
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City of Opa-locka Florida

March 1, 2009

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

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Opa-locka, Florida, for the fiscal year ended September 30, 2008, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida and the City Charter. The financial statements included in this report conform to accounting principles general accepted in the United States as prescribed by the Governmental Accounting Standards Board (GASB). This report is published to fulfill that requirement for the fiscal year ended September 30, 2008.

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

The financial statements have been audited by Harvey, Covington & Thomas (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, 2008. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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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.

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. Budget to actual comparisons are provided in this report for all of the City's funds that have an appropriated annual budget.

Local Economy

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

During fiscal year 2008, the City has seen decrease in business growth as a result of the slowing local, state and national economy. Total permits issued in 2008 were 1,277 compared to 1,600 in 2007. Likewise, combined new and renewal licenses issued in 2008 were 1,606 compared to 899 in 2007. However, during fiscal year 2008 the City also started dialogue with two major businesses that expressed desire to expand their operations in the City.

Long-term Financial Planning

Financial planning continues to be of paramount importance to the City as we strive to meet the challenges of both the immediate and the foreseeable future. The major projects undertaken by the City have long-term financial implications for the existing as well as future resources of the City, including but not limited to, the existing use of revenue ea earned for operational and future reserve needs. The planning and decisions undertaken by the City are always weighed in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts. Although there were projects which were initiated this year, there are also projects that continue to be expanded or are already works-in-progress that will take a number of years to complete.

Strategic goals and objectives are constantly reviewed by the City in light of the various economic challenges that arise. As the City grows and develops, the long-term strategic focus has to be targeted on the health, welfare, safety and quality of life for our residents, as well as the fiscal health of the City government. The recent property tax reform and the lowering of property values has led the City to pursue a moderate and more conservative approach to revenue forecasts, as well as renewed focus on cost containment. The City's fiscal year 2009 budget was adopted using the rolled-back millage rate of 8.2084, but in order to maintain current levels of services and avoid fulltime workforce reductions, cost containment, especially personnel related costs, had to be implemented. The fiscal year 2009 budget was adopted eliminating salary increases and reducing capital expenditures.

On January 29, 2008, voters approved a property tax constitutional amendment, which included, but was not limited to, an additional homestead exemption of $25,000, and allowed for portability of the "Save Our Home" value of up to $500,000. With the passing of this amendment, the revenue loss to the City is estimated to be $1.1 million in fiscal year 2009.
Over the years, the City has developed the budget in such a way as to retain an annual general fund

reserve of approximately $500,000. As of September 30, 2008, the City unreserved, undesignated general fund balance was 20% of fiscal year 2009 budget. The importance of monitoring the City's fund balance levels has become an integral part of the overall financial planning of the City.

Major Initiatives

The City continues to emphasized delivery of focused public services in a way that provides efficiency, effectiveness and value to the Citizens of the City of Opa-locka. Major initiatives during fiscal year 2008 are shown below.

Curtiss/Perviz Road Project

In June 2008, the Curtiss/Perviz road project was completed with total project cost of approximately $5.3 million. This project was a realization of the long awaited "gateway" to the City. The project was partly funded by the Miami-Dade County's general obligations bond program and the safe neighborhood program.

Public Safety

By the end of fiscal year 2008 the City's number of sworn officers increased to 48 from 18 sworn officers at the beginning of the year. Enhancing public safety services was one of the top priorities of the City in fiscal year 2008. As a result public safety services cost the City approximately $6.062 million in fiscal year 2008 compared to $5.746 million in fiscal year 2007.

Capital Projects

Major capital projects essential to the growth of the City include: 1) Sherbondy Park renovations (Phase I) which consists of demolition of existing structures and building a community pool and community center; (2) NW 143rd St. Drainage Improvement; 3) NW 129th St. Drainage Improvement; and 4) demolition of the old water plant.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2007. This was the second consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and legal requirements.

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

In addition, the government also received the GFOA's Distinguished Budet Presentation Award for its FY 2008-2009 budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Special recognition is given to the firm of Harvey, Covington and Thomas, LLC for their assistance and professionalism.

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

Respectfully submitted,

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Opa-Locka Florida

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

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
List of Principal Officials
As of September 30, 2008

CITY COMMISSION

JOSEPH KELLY
Mayor

DOROTHY JOHNSON
Vice Mayor

TIMOTHY HOLMES
Commissioner

GAIL MILLER
Commissioner

ROSE TYDUS
Commissioner

Jannie R. Beverly
City Manager

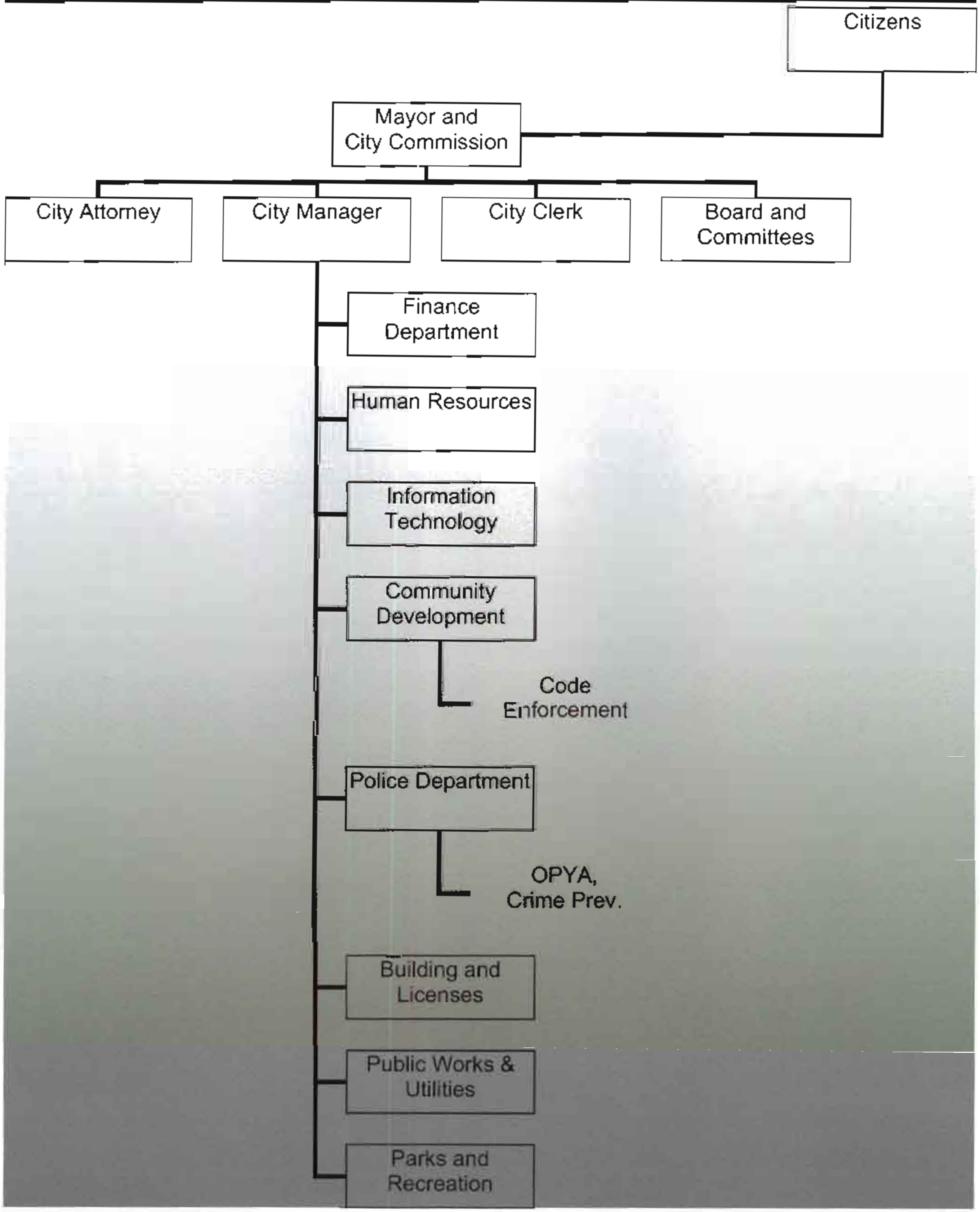
Deborah S. Irby
City Clerk

Burnadette Norris-Weeks, P.A.
City Attorney

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

CITY OF OPA-LOCKA, FLORIDA

ORGANIZATIONAL CHART



HARVEY, COVINGTON & THOMAS, LLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Opa-locka, Florida, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Opa-locka, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opa-locka, Florida, as of September 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2009, on our consideration of the City of Opa-locka, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 44 through 59, are not a required part of the basic financial statements but are supplementary information required by 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 it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Opa-locka, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of City of Opa-locka, Florida. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have 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 introductory and statistical sections 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.

Hollywood, Florida
February 25, 2009

CITY OF OPA-LOCKA, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Opa-locka, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $21.457 million (net assets). Of this amount, $8.836 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net assets increased by $2.638 million.

- The City's governmental funds reported combined ending fund balances of $5.931million a decrease of $2.143 million in comparison with the prior year. Approximately $2.205 million 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 $3.158 million or 24% 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 the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, and earned, but unused vacation leave).

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

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements

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

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

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

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, safe neighborhood capital projects fund and FEMA fund which are considered to be major funds. Data from the other ten (10) 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 both funds to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 17-20.

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 is the major enterprise funds of the City.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

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

The notes to the financial statements can be found on pages 24-43 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 $21.457 million at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (49%) reflects its investment in capital assets (e.g., land, buildings and building improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Opa-locka's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 8,198,250	$ 9,762,239	$ 8,119,148	$ 5,230,143	$16,317,398	$ 14,992,382
Capital assets, net	11,941,595	8,602,377	11,608,455	11,799,486	23,550,050	20,401,863
Total assets	20,139,845	18,364,616	19,727,603	17,029,629	39,867,448	35,394,245
Long-term liabilities	7,407,611	7,721,574	6,906,175	5,483,822	14,313,786	13,205,396
Other liabilities	2,266,441	1,686,822	1,829,630	1,683,190	4,096,071	3,370,012
Total liabilities	9,674,052	9,408,396	8,735,805	7,167,012	18,409,857	16,575,408
Net assets:						
Invested in capital assets, net of related debt	5,509,644	1,856,232	5,098,389	6,824,327	10,608,033	8,680,559
Restricted	1,618,813	1,648,369	393,842	382,423	2,012,655	2,030,792
Unrestricted	3,337,336	5,451,619	5,499,567	2,655,867	8,836,903	8,107,486
Total net assets	$ 10,465,793	$ 8,956,220	$ 10,991,798	$ 9,862,617	$21,457,591	$ 18,818,837

An additional portion of the City's net assets (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (41%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

City of Opa-locka's Changes in Net Assets

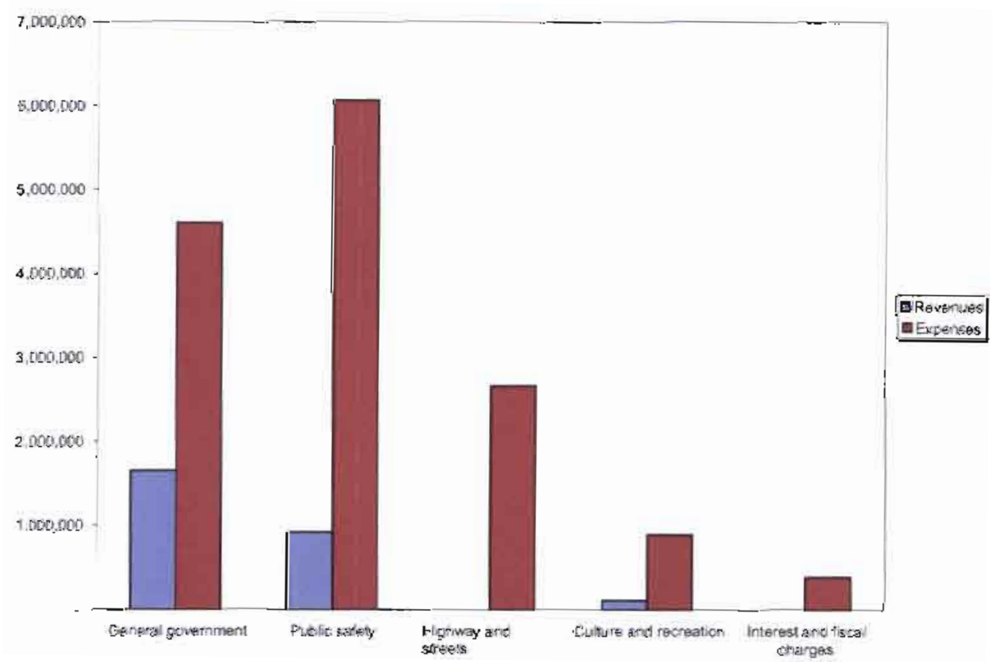
	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	$ 638,257	$ 816,979	8,027,981	7,006,580	8,666,238	7,823,559
Grants and contributions	1,802,387	4,691,815	-	4,307,851	1,802,387	8,999,666
General revenues.					-	-
Property taxes	7,441,927	7,207,046	-		7,441,927	7,207,046
Other taxes	3,649,991	4,099,570	-		3,649,991	4,099,570
Intergovernmental, unrestricted	2,324,878	1,764,906	-		2,324,878	1,764,906
Unrestricted interest earnings	131,469	283,431	185,758	304,702	317,227	588,133
Miscellaneous	133,169	397,185	-	22,268	133,169	419,453
Total revenues	16,122,078	19,260,932	8,213,739	11,641,401	24,335,817	30,902,333
Expenses						
General government	4,603,861	4,221,761	-	-	4,603,861	4,221,761
Public safety	6,062,394	5,746,353	-	-	6,062,394	5,746,353
Highways and streets	2,664,432	3,079,201	-	-	2,664,432	3,079,201
Culture and recreation	892,599	889,461	-	-	892,599	889,461
Interest and fiscal charges	389,219	408,438	-	-	389,219	408,438
Water and sewer	-	-	5,342,491	10,699,290	5,342,491	10,699,290
Stormwater	-	-	534,378	1,716,944	534,378	1,716,944
Solidwaste	-	-	1,207,689	873,783	1,207,689	873,783
Total Expenses	14,612,505	14,345,214	7,084,558	13,290,017	21,697,063	27,635,231
Increase (decrease) in net assets	1,509,573	$ 4,915,718	$ 1,129,181	$ (1,648,616)	$ 2,638,754	$ 3,267,102
Net assets, beginning	8,956,220	4,040,502	9,862,617	11,511,233	18,818,837	15,551,735
Net assets, ending	$ 10,465,793	$ 8,956,220	$ 10,991,798	$ 9,862,617	$ 21,457,591	$ 18,818,837

The City's net assets increased by $2.638 million during the current year. About 38% of this increase represents the net effect of rates increase in the water and sewer fund. Approximately another 47% is attributable to capital grants received. The remainder of the growth represents the degree to which increases in on-going revenues outstripped similar increases in ongoing expenses.

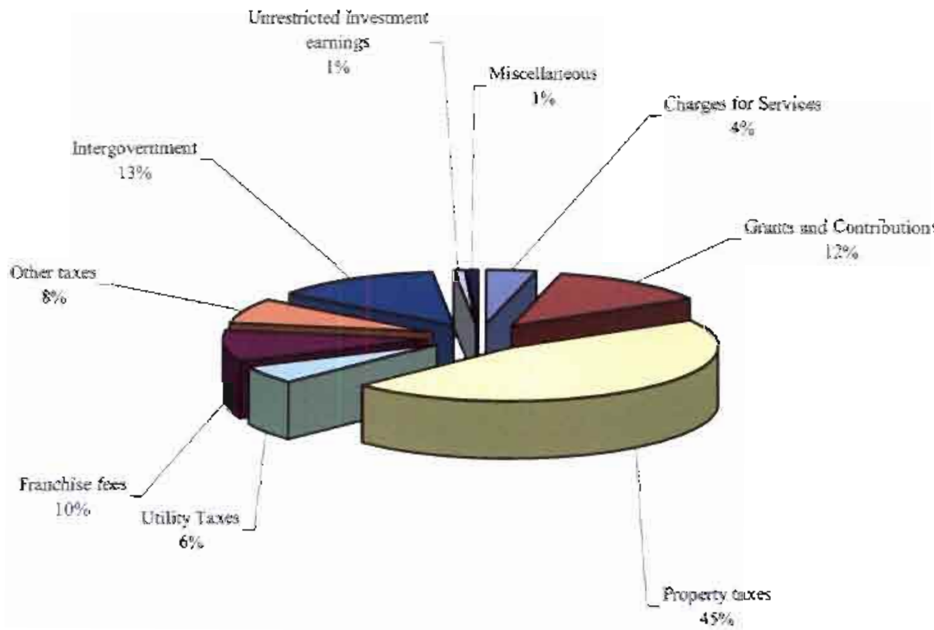
Governmental Activities
Governmental activities increased the City's net assets by $1.5 million, thereby accounting for 57 percent of the total growth in the net assets of the City.

- Total revenues for the City's governmental activities decreased by $3.1 million or 16 percent, while total expenses increased by $.267 million or 2 percent. Revenues decreased due to decrease in grants by $2.8 million and decrease in other taxes. In fiscal year 2008 the City received $1.8 million capital grants for the Curtis/Perviz road improvement project compared to $3.7 million in fiscal year 2007. Other taxes and interest income also decreased significantly.
- In 2008 property taxes is almost at the same level as prior year. This is the net effect of increased assessed property values and the effect of property tax reform which rolled-back the City's millage rate from 9.8000 to 8.0084.
- The increase in total expenses was a result of the City effort to improve public safety, quality of life, and the overall image of the City. In 2008, the City offered hiring incentives to police recruits to fill open positions and contracted a third party to clean up city-wide canals and alleyways.

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



Business-type Activities

Business-type activities increased the City's net assets by $1.129 million or 43 percent. Key elements of this increase are as follows:

- Charges for services increased by $1.0 million or 13% mainly due to increase in water and sewer rates designed to fund operations and future capital improvements of the water and sewer fund.
- The water and sewer fund expenses in fiscal year 2007 included $3.9 million of customers' accounts, representing penalties that were written off. There was no write-off in fiscal year 2008.
- Cost of sewer treatment for the current year decreased by $1.3 million due partly to a credit adjustment from Miami-Dade County for billings to the City for fiscal year 2007. Also, major repairs made to the system reduced infiltration thereby resulting in reduced billing from the County.
- Decrease in grants and contributions by $4.3 million offset the increase in charges for services revenue and the decrease in expenses mentioned above.

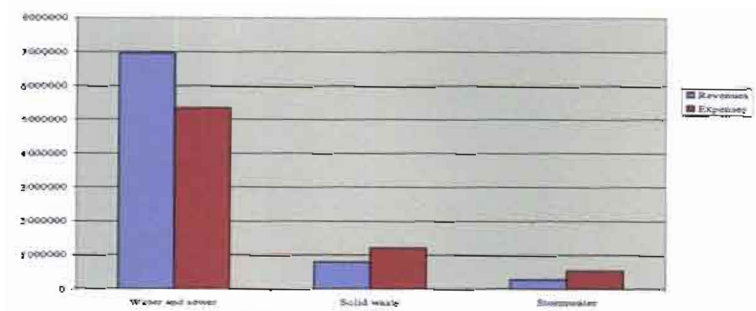
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

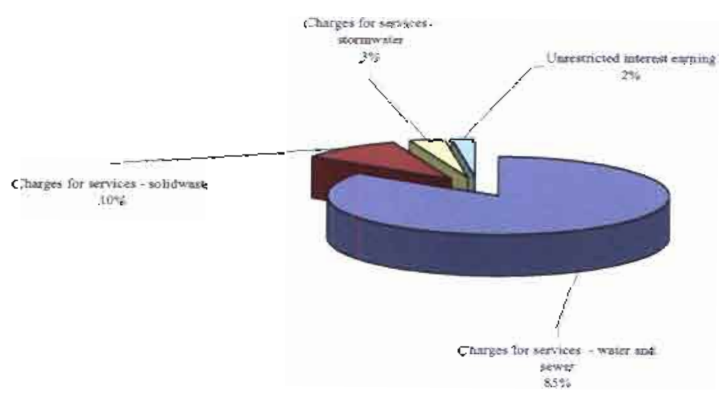
Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's funding requirements. In particular, *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.

Expenses and Program Revenues – Business-type Activities



Revenue by Source – Business-type Activities



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5.9 million, a decrease of $2.1 million in comparison with the prior year. Approximately 37 percent of this amount ($2.2 million) constitutes *unreserved, undesignated* fund balance, which is available for spending at the City's discretion. The remainder of the fund balance *is reserved or designated* to indicate that it is not available for new spending because it has already been committed to 1) pay debt service ($.360 million), 2) pay capital project costs ($.599 million), or 3) various other restricted purposes $(2.7 million).

General Fund

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 $3.1 million, while total fund balance reached $5.2 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 24% of total general fund expenditures, while total fund balance represents 35% of the same amount.

The general fund revenues decreased by 3%, while expenditures increased by 31%. After net transfers out to other funds of $.934 million the result is a $1.903 million decrease in fund balance.

The amount of general fund revenue by type, their percent of the total and the amount of change compared to prior year are shown in the following schedule:

General Fund Revenues	2008 Amount	Percent of Total	2007 Amount	Percent of Total	Increase (Decrease) From 2007	Percent of Increase (Decrease)
Property	$ 7,441,927	55%	$ 7,207,046	52%	$ 234,881	3%
Utility service taxes	894,359	7%	892,002	6%	2,357	0%
Communication service taxes	637,712	5%	652,530	5%	(14,818)	-2%
Local option, use and fuel taxes	295,194	2%	308,170	2%	(12,976)	-4%
Franchise fees	1,540,751	11%	1,919,542	14%	(378,791)	-20%
Licenses and permits	667,098	5%	965,594	7%	(298,496)	-31%
Intergovernmental	292,451	2%	79,304	1%	213,147	269%
Charges for services	37,010	0%	178,711	1%	(141,701)	-79%
Fines and forfeitures	216,124	2%	27,065	0%	189,059	699%
Interest	113,163	1%	253,015	2%	(139,852)	-55%
Other revenue	180,819	1%	498,545	4%	(317,726)	-64%
Transfers	1,172,934	9%	874,259	6%	298,675	34%
Total Revenues	$ 13,489,542	100%	$ 13,855,783	100%	(366,241)	-3%

- Property tax revenues increased by 3%; a net effect of increased property values and decreased in tax rate from 8.9000 to 8.084.
- Franchise fees decreased by 20% as a result of decreased due to decrease in franchise services receipts.
- Intergovernmental revenues in 2008 included new grants for the police and parks departments for public safety equipment and park improvement, respectively.
- Fines and forfeitures increased due to the City aggressively enforcing the City codes and ordinances.

- Interest decreased due mainly to decreasing interest rates on cash investments during the year.

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

General Fund Expenditures	2008 Amount	Percent of Total	2007 Amount	Percent of Total	Increase (Decrease) From 2007	Percent of Increase (Decrease)
General government	4,520,068	29%	3,951,414	34%	568,654	14%
Public safety	5,136,411	33%	4,842,834	41%	293,577	6%
Highways and streets	1,872,560	12%	1,508,536	13%	364,024	24%
Culture and recreation	881,189	6%	868,588	7%	12,601	1%
Capital outlay	723,414	5%	352,708	3%	370,706	105%
Debt service	151,844	1%	221,514	2%	(69,670)	-31%
Transfers	2,107,635	14%	-	0%	2,107,635	N/A
Total revenues	15,393,121	100%	11,745,594	100%	3,647,527	31%

- Increase in general government reflects the costs associated with the City's administrative offices, including a new commission chamber, moving to a new office building, the Town Center One.
- Public safety accounts for over one-third of the general fund's budget. The 6% increase is primarily due to additional officers hired during the year and the related cost of police academy training and hiring incentives that was put in place in an effort to fill open positions.
- Increase in highways and streets function is due substantially to costs associated with the canals and alleyways maintenance contract that was entered into during 2008.
- Increase in capital outlay reflects the cost of parks improvement capital projects and computer hardware and software for the police department's records management system.
- Interfund transfers were made to the capital projects fund to fund the City's match to the Curtis/Perviz road projects which is primarily funded by Miami-Dade County.

***Proprietary* Funds**

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

The unrestricted net assets (deficit) of the water and sewer, stormwater, and solid waste funds at the end of the current fiscal year amounted to \$5.499 million, \$.980 million and \$(.482) million, respectively. The total increase in net assets for all enterprise funds was \$1.129 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a $1,888,135 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- $1,245,135 supplemental appropriation to fund the City's match for the Curtiss/Perviz capital project;
- $424,500 supplemental appropriation to the police department for personnel costs related to several additional patrol officers positions and the implementation of new program in high crime areas in the City;
- $100,000 supplemental appropriations for additional fuel expenditures due to general increase in fuel costs;
- $118,890 supplemental appropriations for special events related expenses;
- $128,507 supplemental appropriation for the purchase of roads and streets maintenance equipment; and
- $87,250 supplemental appropriations for crime prevention program.

The final amended budget was balanced by using $1,052,551 of available fund balance.

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, 2008 amounts to $23.550 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 15% (a 39% increase for governmental activities and a 1.6% decrease for business-type activities).

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

- $1.2 million towards the completion of the Curtis/Perviz roadway project. Total cost of the completed project amounts to $3.4 million.
- $.6 million in parks improvements
- $.5 million in computer software and hardware and various furniture and equipment

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 2,805,291	$ 2,805,291	$ 14,762	$ 14,762	$ 2,820,053	$ 2,820,053
Construction in progresss	600,255	-	-	-	600,255	-
Buildings and building improvements	390,433	429,780	(45,183)	(45,183)	345,250	384,597
Utility plant and systems	-	-	12,349,503	12,480,629	12,349,503	12,480,629
Furniture and equipment	1,097,018	686,686	(710,627)	(650,722)	386,391	35,964
Infrastructure	7,048,598	4,680,620	-	-	7,048,598	4,680,620
Total	$ 11,941,595	$ 8,602,377	$ 11,608,455	$ 11,799,486	$ 23,550,050	$ 20,401,863

Additional information on the City's capital assets can be found in Note 6 on pages 35-36 of this report.

Long Term Debt

At the end of the current fiscal year the city had total debt outstanding of $13.269 million, a decrease of 10% from prior year.

During the current fiscal year the City received $2.052 million under the state revolving fund loan program of the State of Florida Department of Environmental Protection for upgrades to the water and sewer system made in fiscal year 2007.

Additional information on the City's long-term debt can be found on Note 8 on pages 38-40 of this report.

City of Opa Locka's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue Bonds	$ 6,040,000	$ 6,250,000	$ -	$ -	$ 6,040,000	$ 6,250,000
Capital Leases	391,951	496,145	2,864,166	3,169,436	3,256,117	3,665,581
Loans	-	-	3,645,900	1,805,723	3,645,900	1,805,723
Liability to FDOT	-	-	327,026	395,596	327,026	395,596
Liability to State of Florida	-	-	-	-	-	-
Total	$ 6,431,951	$ 6,746,145	$ 6,837,092	$ 5,370,755	$ 13,269,043	$ 12,116,900

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- During the 2008 Special Session, the Florida Legislature passed a comprehensive ad valorem tax bill and the Florida electorate approved Amendment 1 to the Florida Constitution relative to property taxation. Both actions resulted in mandates to lower the millage rate which ultimately lowers ad valorem tax revenue.
- The fiscal year 2008 budget approved millage rate is 8.2084.
- Due to the slumping economy, revenues sources other than property taxes are expected to have a downward trend.

All of these factors were considered in preparing the City of Opal-locka's budget for the 2009 fiscal year.

Requests for Information

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

Basic Financial Statements

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,165,839	$ 6,128,654	$ 7,294,493
Receivables, net	3,276,253	1,225,398	4,501,651
Internal balances	1,236,303	(1,236,303)	-
Estimated unbilled services	-	612,240	612,240
Inventories	52,439	4,654	57,093
Prepaid items and other assets	288,240	-	288,240
Restricted cash and cash equivalents	2,179,176	1,384,505	3,563,681
Capital assets, not being depreciated	3,405,546	14,762	3,420,308
Capital assets, being depreciated, net	8,536,049	11,593,693	20,129,742
Total assets	20,139,845	19,727,603	39,867,448
LIABILITIES			
Accounts payable and accrued liabilities	2,173,557	186,402	2,359,959
Customer deposits	-	1,166,455	1,166,455
Unearned revenue	92,884	-	92,884
Due to other governments	-	476,773	476,773
Noncurrent liabilities:			
Due within one year	376,269	649,443	1,025,712
Due in more than one year	7,031,342	6,256,732	13,288,074
Total liabilities	9,674,052	8,735,805	18,409,857
NET ASSETS			
Invested in capital assets, net of related debt	5,509,644	5,098,389	10,608,033
Restricted for:			
Capital projects	599,051	-	599,051
Public safety	659,684	-	659,684
Debt covenants	360,078	393,842	753,920
Unrestricted	3,337,336	5,499,567	8,836,903
Total net assets	$ 10,465,793	$ 10,991,798	$ 21,457,591

See notes to basic financial statements.

City of Opa-locka, Florida

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental activities:							
General government	$ 4,603,861	$ 404,826	$ -	$ 1,243,419	$ (2,955,616)	$ -	$ (2,955,616)
Public safety	6,062,394	220,846	435,019	261,375	(5,145,154)	-	(5,145,154)
Highways and streets	2,664,432	-	-	-	(2,664,432)	-	(2,664,432)
Culture and recreation	892,599	12,585	-	95,145	(784,869)	-	(784,869)
Interest on long term debt	389,219	-	-	-	(389,219)	-	(389,219)
Total governmental activities	14,612,505	638,257	435,019	1,599,939	(11,939,290)	-	(11,939,290)
Business-type activities:							
Water and sewer	5,342,491	6,963,170	-	-	-	1,620,679	1,620,679
Solid waste	1,207,689	793,534	-	-	-	(414,155)	(414,155)
Stormwater	534,378	271,277	-	-	-	(263,101)	(263,101)
Total business activities	7,084,558	8,027,981	-	-	-	943,423	943,423
Total	$ 21,697,063	$ 8,666,238	$ 435,019	$ 1,599,939	(11,939,290)	943,423	(10,995,867)
		General revenues:					
		Property taxes			7,441,927	-	7,441,927
		Utility taxes			894,359	-	894,359
		Communication service taxes			637,712	-	637,712
		Local option, use and fuel taxes			295,194	-	295,194
		Local business tax			281,975	-	281,975
		Franchise fees			1,540,751	-	1,540,751
		Intergovernmental revenue - unrestricted			2,092,307	-	2,092,307
		Unrestricted interest earnings			131,469	185,758	317,227
		Miscellaneous			133,169	-	133,169
		Total general revenues and transfers			13,448,863	185,758	13,634,621
		Change in net assets			1,509,573	1,129,181	2,638,754
		Net assets, beginning			8,956,220	9,862,617	18,818,837
		Net assets, ending			$ 10,465,793	$ 10,991,798	$ 21,457,591

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

	General	FEMA	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,165,839	$ -	$ -	$ -	$ 1,165,839
Receivables, net	821,526	838,920	1,363,445	252,362	3,276,253
Due from other funds	5,121,355	36,071	84,800	590,449	5,832,675
Inventories	52,440	-	-	-	52,440
Prepaid items	288,240	-	-	-	288,240
Restricted cash and cash equivalents	-	956,019	-	1,223,157	2,179,176
Total assets	$ 7,449,400	$ 1,831,010	$ 1,448,245	$ 2,065,968	$ 12,794,623
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 844,105	$ 1,232,475	$ 50,661	$ 46,316	$ 2,173,557
Due to other funds	1,263,383	-	2,061,930	1,271,059	4,596,372
Deferred revenues	92,884	-	-	-	92,884
Total liabilities	2,200,372	1,232,475	2,112,591	1,317,375	6,862,813
Fund balances					
Reserved for:					
Inventories	52,439	-	-	-	52,439
Prepaid items	288,240	-	-	-	288,240
Public safety	-	598,535	-	78,800	677,335
Transportation	-	-	-	599,051	599,051
Debt service	-	-	-	360,078	360,078
Unreserved, designated:					
Designated for accumulated vacation/sick leave	390,000	-	-	-	390,000
Designated for contingencies	1,359,851	-	-	-	1,359,851
Unreserved, undesignated reported in:					
General fund	3,158,498				3,158,498
Special revenue funds	-	-	-	(289,336)	(289,336)
Capital projects funds	-	-	(664,346)	-	(664,346)
Total fund balances	5,249,028	598,535	(664,346)	748,593	5,931,810
Total liabilities and fund balances	$ 7,449,400	$ 1,831,010	$ 1,448,245	$ 2,065,968	$ 12,794,623

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, 2008

Fund balances - total governmental funds (Page 17)	$	5,931,810
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		28,561,967
Less accumulated depreciation		(16,620,372)
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		(6,040,000)
Capital leases		(391,952)
Compensated absences		(975,660)
Net assets of governmental activities (Page 15)	$	10,465,793

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, 2008

	General	FEMA	Safe Neighborhood Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Property taxes	$ 7,441,927	$ -	$ -	$ -	$ 7,441,927
Utility taxes	894,359	-	-	-	894,359
Communications service taxes	637,712	-	-	-	637,712
Local option, use and fuel taxes	295,194	-	-	-	295,194
Local business taxes	281,975	-	-		281,975
Franchise fees	1,540,751	-	-	-	1,540,751
Permits, fees and licenses	385,123	-	-	-	385,123
Intergovernmental	292,451	261,375	1,243,419	2,330,020	4,127,265
Charges for services	37,010	-	-	-	37,010
Fines and forfeitures	216,124	-	-	-	216,124
Interest	113,163	7,686	-	10,620	131,469
Other	133,169	-	-	-	133,169
Total revenues	12,268,958	269,061	1,243,419	2,340,640	16,122,078
EXPENDITURES:					
Current:					
General government	4,520,068	-	-	-	4,520,068
Public safety	5,136,411	281,554	-	548,948	5,966,913
Highways and streets	1,872,560	-	64,485	-	1,937,045
Culture and recreation	881,189	-	-	-	881,189
Capital outlay	723,414	-	3,533,643	-	4,257,057
Debt service:					
Principal	139,699	-	-	210,000	349,699
Interest	12,145	-	-	389,219	401,364
Total expenditures	13,285,486	281,554	3,598,128	1,148,167	18,313,335
Excess (deficiency) of revenues over expenditures	(1,016,528)	(12,493)	(2,354,709)	1,192,473	(2,191,257)
OTHER FINANCING SOURCES (USES):					
Capital lease proceeds	47,650	-	-	-	47,650
Transfers in	1,172,933	-	2,107,635	-	3,280,568
Transfers out	(2,107,635)	-	-	(1,172,933)	(3,280,568)
Total other financing sources (uses)	(887,052)	-	2,107,635	(1,172,933)	47,650
Net change in fund balances	(1,903,580)	(12,493)	(247,074)	19,540	(2,143,607)
Fund balances, beginning	7,152,608	611,028	(417,272)	729,053	8,075,417
Fund balances, ending	$ 5,249,028	$ 598,535	$ (664,346)	$ 748,593	$ 5,931,810

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, 2008

Amounts reported for governmental activities in the statement of activities (Page 16) are different because:

Net change in fund balances - total governmental funds (page 19)	$	(2,143,607)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital outlays		4,257,057
Less current depreciation		(917,842)
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		210,000
Principal payments of capital leases		151,844
Capital lease proceeds		(47,650)
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		(229)
Change in net assets of governmental activities (Page 16)	$	1,509,573

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

SEPTEMBER 30, 2008

	Business-type Activities - Enterprise Funds			
	Water and	Nonmajor		
	Sewer	Stormwater	Solid Waste	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 5,937,045	$ 191,609	$ -	$ 6,128,654
Receivables, net	1,140,712	84,686	-	1,225,398
Estimated unbilled services	594,425	17,815	-	612,240
Due from other funds	1,278,484	1,544,173	250	2,822,907
Inventories	4,654	-	-	4,654
Prepaid costs	-	-	-	-
Total current assets	8,955,320	1,838,283	250	10,793,853
Noncurrent assets:				
Restricted cash and cash equivalents	1,384,505	-	-	1,384,505
Capital assets, net	11,361,855	246,600	-	11,608,455
Total noncurrent assets	12,746,360	246,600	-	12,992,960
Total assets	21,701,680	2,084,883	250	23,786,813
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	83,802	75	102,525	186,402
Due to other funds	2,947,568	850,815	260,827	4,059,210
Due to other governments	476,773	-	-	476,773
Customers' deposits	1,046,976	-	119,479	1,166,455
Compensated absences	62,344	6,739	-	69,083
Current portion of loans payable	268,323	-	-	268,323
Current portion of capital lease payable	312,037	-	-	312,037
Total current liabilities	5,197,823	857,629	482,831	6,538,283
Noncurrent liabilities:				
Loans payable	3,704,603	-	-	3,704,603
Capital lease payable	2,552,129	-	-	2,552,129
Total noncurrent liabilities	6,256,732	-	-	6,256,732
Total liabilities	11,454,555	857,629	482,831	12,795,015
NET ASSETS				
Invested in capital assets, net of related debt	4,851,789	246,600	-	5,098,389
Restricted for debt covenants	393,842	-	-	393,842
Unrestricted	5,001,494	980,654	(482,581)	5,499,567
Total net assets	$ 10,247,125	$ 1,227,254	$ (482,581)	$ 10,991,798

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, 2008

	Business-Type - Enterprise Funds			
	Water and Sewer	Nonmajor Stormwater	Nonmajor Solid Waste	Total
Operating revenues:				
Charges for services	$ 6,942,339	$ 271,277	$ 793,534	$ 8,007,150
Other revenues	20,831	-	-	20,831
Total operating revenues	6,963,170	271,277	793,534	8,027,981
Operating expenses:				
Operating, administrative and maintenance	4,682,851	511,462	1,175,364	6,369,677
Depreciation	452,039	55,241	-	507,280
Total operating expenses	5,134,890	566,703	1,175,364	6,876,957
Operating income (loss)	1,828,280	(295,426)	(381,830)	1,151,024
Non-operating revenues (expenses)				
Interest earned	185,758	-	-	185,758
Interest and fiscal charges	(207,601)	-	-	(207,601)
Total non-operating revenues (expenses)	(21,843)	-	-	(21,843)
Change in net assets	1,806,437	(295,426)	(381,830)	1,129,181
Net assets, beginning	8,440,688	1,522,680	(100,751)	9,862,617
Net assets, ending	$ 10,247,125	$ 1,227,254	$ (482,581)	$ 10,991,798

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-Type - Enterprise Funds			
	Water	Nonmajor		
	and Sewer	Stormwater	Solidwaste	Total
Cash flows from operating activities:				
Cash received from customers	$ 6,646,171	$ 272,136	$ 793,534	$ 7,711,841
Cash paid to suppliers	(2,871,314)	(23,653)	(1,099,196)	(3,994,163)
Cash paid to employees	(2,010,412)	(499,900)	-	(2,510,312)
Internal activity payments from (to) other funds, net	(849,671)	(229,237)	305,662	(773,246)
Net cash provided by (used in) operating activities	914,774	(480,654)	-	434,120
Cash flows from noncapital financing activities:				
Principal paid on loans	(68,570)	-	-	(68,570)
Net cash provided by (used in) noncapital financing activities	(68,570)	-	-	(68,570)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(316,250)	-	-	(316,250)
Capital contribution	-	672,263	-	672,263
Proceeds from capital borrowings	2,052,024	-	-	2,052,024
Principal paid on capital debt	(517,117)	-	-	(517,117)
Interest paid on capital debt	(184,668)	-	-	(184,668)
Net cash provided by (used in) capital and related financing activities	1,033,989	672,263	-	1,706,252
Cash flows from investing activities:				
Interest on investments	185,758	-	-	185,758
Net cash provided by investing activities	185,758	-	-	185,758
Net increase (decrease) in cash and cash equivalents	2,065,951	191,609	-	2,257,559
Cash and cash equivalents, beginning	5,255,599	-	-	5,255,599
Cash and cash equivalents, ending	$ 7,321,550	$ 191,609	$ -	$ 7,513,159
Displayed as:				
Unrestricted	$ 5,937,045	$ 191,609	$ -	$ 6,128,654
Restricted	1,384,505	-	-	1,384,505
Total , September 30	$ 7,321,550	$ 191,609	$ -	$ 7,513,159
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ 1,828,280	$ (295,426)	$ (381,830)	$ 1,151,024
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	452,039	55,241	-	507,280
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(371,259)	1,533	-	(369,726)
Estimated unbilled services	(165,336)	(674)	-	(166,010)
Due from other funds	(1,244,836)	(732,906)	44,835	(1,932,907)
Prepaid costs	5,275	-	-	5,275
Increase (decrease) in:				
Accounts payable and accrued expenses	(645,193)	(3,837)	76,168	(572,862)
Due to other funds	395,165	503,669	260,827	1,159,661
Due to other governments	476,773	-	-	476,773
Customers' deposits	219,596	-	-	219,596
Compensated absences	(35,730)	(8,254)	-	(43,984)
Net cash provided by (used in) operating activities	$ 914,774	$ (480,654)	$ -	$ 434,120

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, transportation, and parks and recreation. The City also operates water, sewer, storm water, and sanitation enterprises.

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

A. Reporting Entity

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, which establishes standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the City. Based on these criteria, entities were evaluated for inclusion in the City's reporting entity with the following results:

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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 expenditures of the CDBG and General Obligation Bonds funds from Miami-Dade County.

The City reports the following major proprietary funds:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.
As a general rule the effect of 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, 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 fuel and expendable supplies held for consumption. The costs of Governmental Fund type inventories are recorded as expenditures when consumed rather than when purchased. In the governmental funds, reported inventories are offset by a fund balance reserve which indicates that they do not constitute available spendable resources.

5. Restricted Assets

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

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

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

10. Fund Equity

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

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. Property Taxes

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

The net assessed value of property, as established by the Miami-Dade County Property Appraiser, at July 1, 2007 upon which the 2007-2008 levy was based, was approximately $924.469 million. For the year ended September 30, 2008, the millage rate to finance general government services was 8.0084 ($8.0084 per $1,000 of assessed taxable value). The City is permitted by the State to levy a maximum of 10.00 mills ($10 per $1,000 of assessed taxable value) for general government services.

No accrual for the property tax levy becoming due in November 2008 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 2009, and such taxes are collected to finance expenditures of the fiscal year ending September 30, 2009.

14. New GASB Statements Adopted

During the fiscal year 2008, the City implemented GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues." This statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales of a collateralized borrowing. The statement also includes disclosure requirements for future revenues that are pledge or sold. The City has pledge revenues in relation to its 1994A Capital Improvement Bonds. See Note 8 for more details on the pledge revenues.

During the fiscal year 2008, the City implemented GASB Statement No. 50, "Pension Disclosure." This statement more closely aligns the financial reporting requirements for pension with those for other postemployment benefits. The City participates in the State of Florida Retirement System, a cost-sharing multiple-employer defined benefit plan or defined contribution plan which covers substantially all of the City's full-time employees. The City does not offer any post-employment benefits other than pension to its employees. This Statement did not have an impact on the City's financial statements, including required disclosures.

NOTE 2. DEFICIT FUND EQUITY

The City reported fund balance deficit of ($664,346) for its Safe Neighborhood Capital Projects Fund. The City also reported fund balance deficit of ($278,140), ($129,737), and ($144,471) for its Opa-locka Police Youth Academy, Crime Prevention and STOP/VAWA Special Revenue Funds, respectively. The City will correct these fund balance deficits by way of appropriating funds from the general fund in its fiscal year 2008-2009 budget.

NOTE 3. DEPOSITS AND INVESTMENTS

As of September 30, 2008 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.

As of September 30, 2008 the City has no investments.

NOTE 4. DISAGGREGATION OF RECEIVABLE AND ACCOUNTS PAYABLE BALANCES

Receivable balances as of September 30, 2008, were as follows:

	Accounts	Taxes	Due from Other governments	Others	Allowance for uncollectibles	Net
Governmental activities:						
General	$-	$796,230	$193,567	$254,223	$(422,494)	$821,526
FEMA	-	-	838,920	-	-	838,920
Safe neighborhood	-	-	1,363,445	-	-	1,363,445
Nonmajor funds	-	-	252,362		-	252,362
Total governmental activities	$-	$796,230	$2,648,294	$254,223	$(422,494)	$3,276,253
Business-type activities:						
Water and sewer	$1,332,219	$-	$-	$-	$(191,507)	$1,140,712
Stormwater	106,241	-	-	-	(21,555)	84,686
Solidwaste	-	-	-	-	-	-
Total business-type activities	$1,438,460	$-	$-	$-	$(213,062)	$1,225,398

Accounts Payable and Accrued Expenses balances as of September 30, 2008, were as follows:

	Vendors	Salaries and Benefits	Other Accrued Expenses	Total
Governmental activities:				
General	$479,661	$364,444	$-	$844,105
FEMA	1,232,475	-	-	1,232,475
Safe neighborhood	50,661	-	-	50,661
Nonmajor funds	46,316	-	-	46,316
Total government-type activities	$1,809,113	$364,444	$-	$2,173,557
Business-type activities:				
Water and sewer	$60,869	$-	$22,933	$83,802
Stormwater	75	-	-	75
Solidwaste	82,525	-	20,000	102,525
Total business-type activities	$143,468	$-	$42,933	$186,402

NOTE 5. 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, 2008 consisted of the following:

Receivable Fund	Payable Fund	Amount	Purpose
General fund	Water and sewer	$1,172,954	Provide temporary resources
General fund	Nonmajor funds	63,349	Provide temporary resources
Total		$1,236,303	

Interfund transfers for the year ended September 30, 2008, consisted of the following:

Transfer in:	Transfer out	Amount	Purpose
General fund	Capital Imp. Debt Service	$1,172,933	Transfer excess funds
Capital projects	General fund	2,107,635	To fund capital projects
Total		$3,280,568	

NOTE 6. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2008:

	Balance October 1, 2007	Increases/ Adjustments	Decreases	Balance September 30, 2008
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,805,291	$ -	$ -	$ 2,805,291
Construction in progress	-	600,255	-	600,255
Total assets not being depreciated	2,805,291	600,255	-	3,405,546
Capital assets being depreciated:				
Buildings and improvements	2,865,855	2,086	-	2,867,941
Furniture and equipment	2,858,067	573,076	-	3,431,143
Infrastructure	15,775,694	3,081,643	-	18,857,337
Total assets being depreciated	21,499,616	3,656,805	-	25,156,421
Less accumulated depreciation for.				
Buildings and improvements	(2,436,075)	(41,433)	-	(2,477,508)
Furniture and equipment	(2,171,381)	(162,744)	-	(2,334,125)
Infrastructure	(11,095,074)	(713,665)	-	(11,808,739)
Total accumulated depreciation	(15,702,530)	(917,842)	-	(16,620,372)
Total capital assets being depreciated, net	5,797,086	2,738,963	-	8,536,049
Governmental activities capital assets, net	$ 8,602,377	$ 3,339,218	$ -	$ 11,941,595
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 improvements	991,006	-	-	991,006
Utility plant and systems	18,435,697	316,249	-	18,751,946
Furniture and equipment	2,677,762	-	-	2,677,762
Total assets being depreciated	22,104,465	316,249	-	22,420,714
Less accumulated depreciation for:				
Building and improvements	(1,036,189)	-	-	(1,036,189)
Utility plant and systems	(5,955,068)	(447,375)	-	(6,402,443)
Furniture and equipment	(3,328,484)	(59,905)	-	(3,388,389)
Total accumulated depreciation	(10,319,741)	(507,280)	-	(10,827,021)
Total capital assets being depreciated, net	11,784,724	(191,031)	-	11,593,693
Business-type activities capital assets, net	$ 11,799,486	$ (191,031)	$ -	$ 11,608,455

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

Governmental activities:	
General government	$83,564
Public safety	95,481
Transportation	727,387
Parks and recreation	11,410
Total	$917,842
Business-type activities:	
Water and sewer	$452,039
Stormwater	55,241
Solidwaste	-
Total	$507,280

NOTE 7. LEASES

Operating Leases

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were $266,567 for the year ended September 30, 2008. The future minimum lease payments for the leases are as follows:

Year Ending September 30	Amount
2009	$493,722
2010	493,722
2011	493,722
2012	432,954
2013	412,698
2014-2016	1,238,094
Total	$3,564,912

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of various vehicles. The City also financed the acquisition of water meter reading equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception dates. Future minimum payments under the lease agreements and the present value of minimum payments as of September 30, 2008 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2009	$162,867	$428,535
2010	138,095	422,978
2011	102,641	422,978
2012	7,707	422,978
2013		422,978
2014-2016		1,268,936
Total minimum lease payments	411,310	3,389,383
Less: amount representing interest	(19,359)	(525,217)
Present value of minimum lease payments	$391,951	$2,864,166

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Machinery and equipment	$743,185	$45,635
Utility plant and systems	-	2,968,650
Less: Accumulated depreciation	(334,695)	(28,846)
Net	$408,490	$2,985,439

NOTE 8. LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2008 was as follows:

	Balance September 30, 2007	Additions	Reductions	Balance September 30, 2008	Due within One year
Governmental activities:					
Capital Improvement Revenue Bond, Series 1994A	$6,250,000	$-	$(210,000)	$6,040,000	$225,000
Other liabilities:					
Capital leases obligation	496,145	47,650	(151,844)	391,951	151,269
Compensated absences	975,429	284,735	(284,504)	975,660	135,482
Total governmental activities long-term liabilities	$7,721,574	$332,385	$(646,348)	$7,407,611	$511,751
Business-type activities:					
State Revolving Loan No. CS120800020	$173,361	$-	$(26,574)	$146,787	$27,494
State Revolving Loan No. CS12080003P	1,309,244	-	(67,317)	1,241,927	69,371
State Revolving Loan No. WW800050	323,118	2,052,024	(117,956)	2,257,186	108,163
Total loans payable	1,805,723	2,052,024	(211,847)	3,645,900	205,028
Other liabilities:					
Capital lease	3,169,436	-	(305,270)	2,864,166	312,037
Liability to Florida Department of Transportation	395,596	-	(68,570)	327,026	63,295
Accrued compensated absences	113,067	6,095	(50,079)	69,083	25,548
Total business-type activities long-term debt	$5,483,822	$2,058,119	$(635,766)	$6,906,175	$605,908

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 the City's ½ cent sales tax and shared revenues from the State of Florida. Annual principal installments range from $125,000 in 1998 to $570,000 through 2024. The combined total ½ cent sales tax and shared revenues for the year ended September 30, 2008 is $1,558,282 while total debt service payments is $599,219.

Long-Term Debt - Business-Type Activities

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

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

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

c) State Revolving Loan Note Project No. WW800050 - for $2.375 million, bearing interest at a rate of 1.53%, due in 40 semi-annual payments of $71,143, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

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

Debt Service Requirements

The annual requirements to amortize all long-term debt outstanding at September 30, 2008, other than the liability for accumulated vacation and sick leave and the capital leases, are as follows:

Fiscal Year ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	$225,000	$376,075	$268,323	$58,850
2010	240,000	359,800	289,540	54,886
2011	255,000	342,475	293,605	50,821
2012	275,000	323,925	297,774	46,652
2013	290,000	304,150	301,403	42,377
2014-2018	1,780,000	1,197,897	1,099,741	154,637
2019-2023	2,405,000	560,591	1,131,199	59,389
Thereafter	570,000	17,456	291,341	2,580
	$6,040,000	$3,482,369	$3,972,926	$470,192

Summary of Debt Covenants

Series 1994ACapital 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, 2008 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, 2008 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, 2008 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, 2008.

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 9. 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

	2008	2007	2006
Covered payroll	$6,770,729	$6,524,545	$5,678,123
Required Contributions	896,318	1,029,819	667,147
% of Covered Payroll	13.2%	15.8%	11.7%

The City is required to contribute amounts necessary to pay benefits when due as defined by State Statute. Such contribution requirements ranged between 12.85% and 12.55% of gross salaries during fiscal year 2008. For the fiscal years ended September 30, 2008, 2007 and 2006, 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 10. 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 11. COMMITMENTS AND CONTINGENCIES

Contingencies

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

Various 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, 2008 and 2007, the City purchased water and sewer services totaling $2,078,040 and $3,435,617 respectively, from the Authority under the terms of this agreement.

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 contractor. The Agreement is for a period of three years terminating on September 30, 2009 and is renewable automatically for additional one (1) year periods unless either the contractor or the City shall notify the other of its desire not to extend at least sixty (60) days prior to the termination date of the original contract term or any renewal term.

NOTE 12. 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, 2008

NOTE 13. RISK MANAGEMENT

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

NOTE 14. 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 15. NEW ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The City has not elected early implementation and, therefore, has not determined the financial impact of these new pronouncements.

Required Supplementary Information

CITY OF OPA-LOCKA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive
Revenues:	Original	Final	Actual	(Negative)
Taxes:				
Property taxes	$ 7,133,530	$ 7,133,530	$ 7,441,927	$ 308,397
Utility taxes	922,320	922,320	894,359	(27,961)
Communications service taxes	670,900	670,900	637,712	(33,188)
Local option gas tax	316,950	316,950	295,194	(21,756)
Local business taxes	266,900	266,900	281,975	15,075
Franchise fees	2,217,900	2,217,900	1,540,751	(677,149)
Permits, fees and licenses	519,500	519,500	385,123	(134,377)
Intergovernmental	687,395	687,395	292,451	(394,944)
Charges for services	42,660	43,160	37,010	(6,150)
Fines and forfeitures	130,700	130,700	216,124	85,424
Interest	265,500	265,500	113,163	(152,337)
Other	97,810	97,310	133,169	35,859
Total revenues	13,272,065	13,272,065	12,268,958	(1,003,107)
Expenditures:				
Current:				
General government:				
City commission	91,550	98,890	89,992	8,898
City manager	363,681	362,781	402,210	(39,429)
City clerk	279,816	340,826	375,321	(34,495)
City attorney	702,309	171,709	262,904	(91,195)
Finance/Utility billing	506,279	624,079	564,649	59,430
Information technology	239,222	238,722	215,871	22,851
Human resources	150,047	193,247	178,892	14,355
Building licenses	410,900	371,150	363,989	7,161
Community development	673,920	375,625	361,804	13,821
Total general government	3,417,724	2,777,029	2,815,632	(38,603)
Public safety:				
Police	4,518,150	5,150,745	5,036,870	113,875
Code enforcement	266,895	344,995	347,033	(2,038)
Total public safety	4,785,045	5,495,740	5,383,903	111,837
Public works:				
Administration	269,444	284,244	261,170	23,074
Street maintenance	565,360	706,960	839,853	(132,893)
Building maintenance	271,305	283,305	274,605	8,700
Vehicle maintenance	429,355	523,655	643,226	(119,571)
Total public works	1,535,464	1,798,164	2,018,854	(220,690)

(Continued)

See notes to budgetary comparison schedule.

CITY OF OPA-LOCKA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Parks and recreation:				
Parks	1,208,305	1,289,705	1,027,425	262,280
Special events	40,500	77,990	76,870	1,120
Total parks and recreation	1,248,805	1,367,695	1,104,295	263,400
Non-departmental	1,555,503	1,746,913	1,962,802	(215,889)
Total non-departmental	1,555,503	1,746,913	1,962,802	(215,889)
Total expenditures	12,542,541	13,185,541	13,285,486	(99,945)
Excess of revenues over expenditures	729,524	86,524	(1,016,528)	(1,103,052)
Other financing sources (uses):				
Capital lease proceeds	-	-	47,650	47,650
Transfers in	1,025,550	1,025,550	1,172,934	147,384
Transfers out	(919,490)	(2,164,625)	(2,107,635)	56,990
Net change in fund balance	835,584	(1,052,551)	(1,903,579)	(851,028)
Fund balance, beginning	7,152,608	7,152,608	7,152,608	-
Fund balance, end	$ 7,988,192	$ 6,100,057	$ 5,249,029	$ (851,028)

See notes to budgetary comparison schedule.

CITY OF OPA-LOCKA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
FEMA FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
Revenues.				
Grants	$ -	$ -	$ 261,375	$ 261,375
Interest	-	-	7,686	7,686
Total revenues	-	-	269,061	269,061
Expenditures:				
Current:				
Public safety	-	20,200	281,554	(261,354)
Total expenditures	-	20,200	281,554	(261,354)
Deficiency of revenues over expenditures	-	(20,200)	(12,493)	7,707
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	(20,200)	(12,493)	7,707
Fund balance, beginning	611,028	611,028	611,028	-
Fund balance, end	$ 611,028	$ 590,828	$ 598,535	$ 7,707

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. The final budget includes supplemental appropriations which have the effect of adjusting the original budget. General fund supplemental appropriations amounted to $1,888,135 for the fiscal year ended September 30, 2008 which consist primarily of:

    a. $1,245,135 to fund the City's match for the Curtis/Perviz capital project;
    b. $424,500 for personnel costs related to increase police visibility and code enforcement activities;
    c. $100,000 for additional fuel expenditures due to general increase in fuel costs;
    d. $118,890 for special events related expenses;
    e. $128,507 for roads and streets maintenance equipment; and
    f. $87,250 for human services costs

CITY OF OPA-LOCKA, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended September 30, 2008 expenditures exceeded appropriations in the city manager, city clerk, city attorney, and public works departments of the general by $39,429, $34,495, $91,195, and $220,690, respectively, and in the public works department of the fema fund by $261,354. The overexpenditures were funded by available fund balance in the case of the general fund and greater than anticipated revenues in the case of the fema fund.

Combining and Individual Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

Police Special Law Enforcement – 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.

Opa-locka Police Youth Academy (OPYA, formerly DJJ Aftercare Program) - to account for revenue received from the half percent sales surtax to support transportation operations, transportation related capital projects and acquisition of capital transportation assets.

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

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

Community Redevelopment Agency – accounts for the redevelopment within the City.

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, 2008

	Special Revenue Funds					
	Special Law Enforcement	Boy Scout	DJJ Aftercare Program	Crime Prevention	STOP/VAWA Program	Transportation Tax
ASSETS						
Cash and equity in pooled cash	$ -	$ -	$ -	$ -	$ -	$ -
Receivables, net	-	-	21,326	37,969	7,267	71,881
Due from other funds	-	17,515				225,552
Restricted cash and cash equivalents	166,429	-	81,294	-	-	344,921
Total assets	$ 166,429	$ 17,515	$ 102,620	$ 37,969	$ 7,267	$ 642,354
LIABILITIES						
Accounts payable and accrued liabilities	$ 229	$ -	$ 1,000	$ 1,784	$ -	$ 43,303
Due to other funds	105,051	100	379,760	165,922	151,738	-
Total liabilities	105,280	100	380,760	167,706	151,738	43,303
FUND BALANCES						
Reserved for:						
Public safety	61,149	17,415	-	-	-	-
Transportation						599,051
Debt service	-	-	-	-	-	-
Unreserved	-	-	(278,140)	(129,737)	(144,471)	-
Total fund balances	61,149	17,415	(278,140)	(129,737)	(144,471)	599,051
Total liabilities and fund balances	$ 166,429	$ 17,515	$ 102,620	$ 37,969	$ 7,267	$ 642,354

(continued)

CITY OF OPA-LOCKA, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SEPTEMBER 30, 2008

	Special Revenue Funds					
	DEP Wastewater System Improvement	South Florida Water Management	Local Law Enforcement	Community Redevelopment	Capital Improvement Debt Service	Total Nonmajor Governmental Funds
ASSETS						
Cash and equity in pooled cash	$ -	$ -	$ -	$ -		$ -
Receivables, net	-	-	-	-	113,919	252,362
Due from other funds	-	347,146	236			590,449
Restricted cash and cash equivalents	-	-	-	-	630,513	1,223,157
Total assets	$ -	$ 347,146	$ 236	$ -	$ 744,432	$ 2,065,968
LIABILITIES						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ 46,316
Due to other funds	-	84,134	-	-	384,354	1,271,059
Total liabilities	-	84,134	-	-	384,354	1,317,375
FUND BALANCES						
Reserved for:						
Public safety	-	-	236	-	-	78,800
Transportation	-	-	-	-	-	599,051
Debt service	-	-	-	-	360,078	360,078
Unreserved	-	263,012	-	-	-	(289,336)
Total fund balances	-	263,012	236	-	360,078	748,593
Total liabilities and fund balances	$ -	$ 347,146	$ 236	$ -	$ 744,432	$ 2,065,968

CITY OF OPA-LOCKA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue Funds					
	Special Law Enforcement	Boy Scout	DJJ Aftercare Program	Crime Prevention	STOP/VAWA Program	Transportation Tax
Revenues:						
Intergovernmental	$ 18,083	$ -	$ 146,732	$ 150,861	$ -	$ 456,062
Interest	4,316	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	22,399	-	146,732	150,861	-	456,062
Expenditures:						
Current:						
Public safety	7,295	-	362,044	179,609	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	7,295	-	362,044	179,609	-	-
Excess (deficiency) of revenues over expenditures	15,104	-	(215,312)	(28,748)	-	456,062
Other financing sources:						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balance	15,104	-	(215,312)	(28,748)	-	456,062
Fund balance, beginning	46,045	17,415	(62,828)	(100,989)	(144,471)	142,989
Fund balance, ending	$ 61,149	$ 17,415	$ (278,140)	$ (129,737)	$ (144,471)	$ 599,051

(continued)

CITY OF OPA-LOCKA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue Funds					
	DEP Wastewater System Improvement	South Florida Water Management	Local Law Enforcement	Community Redevelopment	Capital Improvement Debt Service	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental	$ -	$ -	$ -	$ -	$ 1,558,282	$ 2,330,020
Interest	-	-	-	-	6,304	10,620
Other	-	-	-	-	-	-
Total revenues	-	-	-	-	1,564,586	2,340,640
Expenditures:						
Current:						
Public safety	-	-	-	-	-	548,948
Debt service:					-	
Principal	-	-	-	-	210,000	210,000
Interest	-	-	-	-	389,219	389,219
Total expenditures	-	-	-	-	599,219	1,148,167
Excess (deficiency) of revenues over expenditures	-	-	-	-	965,367	1,192,473
Other financing sources:						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,172,933)	(1,172,933)
Total other financing sources	-	-	-	-	(1,172,933)	(1,172,933)
Net change in fund balance	-	-	-	-	(207,566)	19,540
Fund balance, beginning	-	263,012	236	-	567,644	729,053
Fund balance, ending	$ -	$ 263,012	$ 236	$ -	$ 360,078	$ 748,593

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Law Enforcement				Boy Scout			
	Budgeted Amounts			Variance With Final Budget Positive	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ 20,000	$ 20,000	$ 18,083	$ (1,917)	$ -	$ -	$ -	$ -
Interest	4,750	4,750	4,316	(434)	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	24,750	24,750	22,399	(2,351)	-	-	-	-
Expenditures:								
Current:								
Public safety	24,750	24,750	7,295	17,455	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	24,750	24,750	7,295	17,455	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	15,104	15,104	-	-	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	15,104	15,104	-	-	-	-
Fund balance, beginning	46,045	46,045	46,045	-	17,415	17,415	17,415	-
Fund balance, end	$ 46,045	$ 46,045	$ 61,149	$ 15,104	$ 17,415	$ 17,415	$ 17,415	$ -

(continued)

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	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	$ 469,215	$ 469,215	$ 146,732	$ (322,483)	$ 94,500	$ 181,750	$ 150,861	$ (30,889)
Interest	-	-	-	-	-	-	-	-
Total revenues	469,215	469,215	146,732	(322,483)	94,500	181,750	150,861	(30,889)
Expenditures:								
Current:								
Public safety	469,215	469,215	362,044	107,171	94,500	181,750	179,609	2,141
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	469,215	469,215	362,044	107,171	94,500	181,750	179,609	2,141
Deficiency of revenues over expenditures	-	-	(215,312)	(215,312)	-	-	(28,748)	(28,748)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	(215,312)	(215,312)	-	-	(28,748)	(28,748)
Fund balance, beginning	(62,828)	(62,828)	(62,828)	-	(100,989)	(100,989)	(100,989)	-
Fund balance, end	$ (62,828)	$ (62,828)	$ (278,140)	$ (215,312)	$ (100,989)	$ (100,989)	$ (129,737)	$ (28,748)

(continued)

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	STOP/VAWA				Peoples' Transportation Tax			
	Budgeted Amounts			Variance With Final Budget Positive	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 520,000	$ 456,062	$ (63,938)
Interest	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	520,000	456,062	(63,938)
Expenditures:								
Current:								
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	520,000	-	520,000
Total expenditures	-	-	-	-	-	520,000	-	520,000
Deficiency of revenues over expenditures	-	-	-	-	-	-	456,062	456,062
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	456,062	456,062
Fund balance, beginning	144,471	(144,471)	(144,471)	-	142,989	142,989	142,989	-
Fund balance, end	$ 144,471	$ (144,471)	$ (144,471)	$ -	$ 142,989	$ 142,989	$ 599,051	$ 456,062

(continued)

City of Opa-locka, Florida

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current:								
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Deficiency of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning	-	-	-	-	263,012	263,012	263,012	-
Fund balance, end	$ -	$ -	$ -	$ -	$ 263,012	$ 263,012	$ 263,012	$ -

(continued)

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	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			-	-				-
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures:								
Current:								
Highways and streets	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Deficiency of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning	236	236	236	-	-	-	-	-
Fund balance, end	$ 236	$ 236	$ 236	$ -	$ -	$ -	$ -	$ -

CITY OF OPA-LOCKA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 1,610,850	$ 1,610,850	$ 1,558,282	$ (52,568)
Interest	21,000	21,000	6,304	(14,696)
Total revenues	1,631,850	1,631,850	1,564,586	(67,264)
Expenditures:				
Debt service:				-
Principal	210,000	210,000	210,000	-
Interest	396,300	396,300	389,219	7,081
Total expenditures	606,300	606,300	599,219	7,081
Deficiency of revenues over expenditures	1,025,550	1,025,550	965,367	(60,183)
Other financing uses:				
Transfers out	(1,025,550)	(1,025,550)	(1,172,933)	(147,383)
Net change in fund balance	-	-	(207,566)	(207,566)
Fund balance, beginning	565,814	565,814	567,644	1,830
Fund balance, end	$ 565,814	$ 565,814	$ 360,078	$ (205,736)

City of Opa-locka, Florida

BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 4,870,710	$ 3,178,780	$ 1,243,419	$ (1,935,361)
Interest	-	-	-	-
Total revenues	4,870,710	3,178,780	1,243,419	(1,935,361)
Expenditures:				
Current:				
Highways and streets	50,000	50,000	64,485	(14,485)
Capital outlay	4,820,710	5,236,415	3,533,643	1,702,772
Total expenditures	4,870,710	5,286,415	3,598,128	1,688,287
Deficiency of revenues over expenditures	-	(2,107,635)	(2,354,709)	(247,074)
Other financing sources (uses):				
Transfers in	-	2,107,635	2,107,635	-
Total other financing sources	-	2,107,635	2,107,635	-
Net change in fund balance	-	-	(247,074)	(247,074)
Fund balance, beginning	(417,272)	(417,272)	(417,272)	-
Fund balance, end	$ (417,272)	$ (417,272)	$ (664,346)	$ (247,074)

Statistical Section

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

City of Opa-locka, Florida

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
Governmental activities						
Invested in capital assets, net of related debt	$ 5,509,644	$ 1,856,232	$ 173,474	$ 2,881,664	$ 796,149	$ 870,098
Restricted	1,618,813	1,648,369	349,600	340,785	340,785	340,785
Unrestricted	3,337,336	5,451,619	3,517,428	1,254,617	2,363,225	524,997
Total governmental activities net assets	$ 10,465,793	$ 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	$ 5,098,389	$ 6,559,594	$ 707,159	$ 306,435	$ 3,925,622	$ 4,318,731
Restricted	393,842	1,344,966	562,555	371,568	371,568	190,922
Unrestricted	5,499,567	1,958,057	10,241,234	11,039,324	4,829,304	2,228,003
Total business-type activities net assets	$ 10,991,798	$ 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	$ 10,608,033	$ 8,415,826	$ 880,633	$ 3,188,099	$ 4,721,771	$ 5,188,829
Restricted	2,012,655	2,993,335	912,155	712,353	712,353	531,707
Unrestricted	8,836,903	7,409,676	13,758,662	12,293,941	7,192,529	2,753,000
Total primary government net assets	$ 21,457,591	$ 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 FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
Expenses						
Governmental activities.						
General government	$ 4,603,861	$ 4,221,761	$ 4,051,643	$ 4,349,856	$ 3,047,149	$ 3,483,349
Public safety	6,062,394	5,746,353	5,278,005	4,865,651	4,830,590	4,411,455
Economic environment	-	-	-	-	-	179,588
Highways and streets	2,664,432	3,079,201	9,200,709	18,637,182	7,393,917	6,574,144
Culture and recreation	892,599	889,461	758,395	496,612	295,795	379,390
Interest on long-term debt	389,219	408,438	421,563	455,432	478,145	506,055
Total governmental activities expenses	14,612,505	14,345,214	19,710,315	28,804,733	16,045,596	15,533,981
Business-type activities:						
Water and sewer	5,342,491	10,699,290	$ 8,223,846	$ 4,537,539	5,013,772	$ 5,312,483
Solid waste	1,207,689	873,783	747,215	872,006	1,070,181	1,594,006
Stormwater	534,378	1,716,944	509,627	495,818	303,032	215,172
Total Business-type activities expenses	7,084,558	13,290,017	9,480,688	5,905,363	6,386,985	7,121,661
Total primary government expenses	$ 21,697,063	$ 27,635,231	$ 29,191,003	$ 34,710,096	$ 22,432,581	$ 22,655,642
Program Revenues						
Governmental activities:						
Charges for services:						
General government	$ 404,826	$ 811,121	$ 839,762	$ 41,280	$ 687,446	$ 938,315
Public safety	220,846	-	97,549	-	6,766	11,384
Highways and streets	-	-	-	-	16,137	32,904
Culture and recreation	12,585	5,858	12,311	-	53,153	66,269
Operating grants and contributions	435,019	-	1,107,935	1,415,067	830,604	1,239,134
Capital grants and contributions	1,599,939	4,691,815	5,121,725	17,762,358	5,804,895	5,537,112
Total governmental activities program revenues	2,673,215	5,508,794	7,179,282	19,218,705	7,399,001	7,825,118
Business-type Activities:						
Charges for services.						
Water and sewer	6,963,170	5,996,478	$ 7,732,804	$ 7,817,072	$ 6,695,298	$ 5,949,701
Solid waste	793,534	729,062	583,123	812,946	724,169	1,720,377
Stormwater	271,277	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	8,027,981	11,336,699	8,741,612	8,967,892	8,524,033	9,616,692
Total primary government program revenues	$ 10,701,196	$ 16,845,493	$ 15,920,894	$ 28,186,597	$ 15,923,034	$ 17,441,810

(continued)

City of Opa-locka, Florida

CHANGES IN NET ASSETS

LAST FISCAL YEARS

(accrual basis of accounting)

(Continued)

	Fiscal Year 2008	2007	2006	2005	2004	2003
Net (expense)/revenue						
Governmental activities	$ (11,939,290)	$ (9,474,688)	$ (12,531,033)	$ (9,586,029)	$ (8,646,595)	$ (7,708,863)
Business-type activities	943,423	(1,953,318)	(739,076)	3,062,529	2,137,048	2,494,491
Total primary government net expense	$ (10,995,867)	$ (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	$ 7,441,927	$ 7,207,046	$ 5,802,009	$ 4,877,060	$ 4,679,897	$ 4,314,652
Utility taxes	894,359	1,544,532	1,467,039	503,181	836,173	816,519
Communications service taxes (1)	637,712	-	-	-	-	-
Local option gas tax	295,194	308,170	356,931	-	318,589	327,810
Franchise fees	1,540,751	1,919,542	1,941,938	1,313,694	1,674,120	1,198,858
Local business taxes	281,975	327,326	-	-	-	-
Intergovernmental revenue	2,092,307	1,764,906	2,227,585	3,662,889	2,710,536	2,019,880
Investment earnings	131,469	283,431	89,567	41,352	17,334	18,244
Miscellaneous	133,169	397,185	209,409	164,759	174,225	235,304
Total governmental activities	13,448,863	13,752,138	12,094,478	10,562,935	10,410,874	8,931,267
Business Type Activities:						
Investment earnings	185,758	304,702	$ 273,781	$ 18,046	$ 30,690	$ 15,299
Miscellaneous	-	-	258,915	-	221,100	14,268
Total business-type activities	185,758	304,702	532,696	18,046	251,790	29,567
Total primary government	$ 13,634,621	$ 14,056,840	$ 12,627,174	$ 10,580,981	$ 10,662,664	$ 8,960,834
Change in Net Assets						
Governmental activities	$ 1,509,573	$ 4,277,450	$ (436,555)	$ 976,906	$ 1,764,279	$ 1,222,404
Business-type activities	1,129,181	(1,648,616)	(206,380)	3,080,575	2,388,838	2,524,058
Total primary government	$ 2,638,754	$ 2,628,834	$ (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.

(1) Included in utility taxes prior to 2007

CITY OF OPA-LOCKA, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property	Sales and Use	Franchise	Utility	Communications Service Taxes (1)	Local Business Tax (2)	Total
1999	$ 3,835,714	$ 1,298,353	$ 1,027,964	$ 1,254,023	$ -	$ -	$ 7,416,054
2000	3,619,392	1,302,952	1,001,783	1,462,653	-	-	7,386,780
2001	3,760,247	1,427,879	1,027,026	1,420,326	-	-	7,635,478
2002	3,846,425	1,286,148	1,032,531	1,918,559	-	-	8,083,663
2003	4,377,548	1,357,982	1,198,858	1,805,699	-	-	8,740,087
2004	4,679,897	1,356,128	1,674,120	2,055,032	-	-	9,765,177
2005	4,877,060	1,479,783	1,313,694	1,794,845	-	-	9,465,382
2006	5,802,009	356,931	1,941,938	1,224,316	599,654	200,837	10,125,685
2007	7,207,046	308,170	1,919,542	892,002	652,530	327,326	11,306,616
2008	7,441,927	295,194	1,540,751	894,359	637,712	281,975	11,091,918

(1) Effective Oct. 1, 2001 Reported as part of Utility taxes from 2002 to 2005.
(2) Reported as part of permits, licenses and fees prior to 2006.

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

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	$ 340,679	$ 380,380	$ 389,118	$ 386,120	$ 347,297	$ 114,723	$ 41,642	$ 50,869	$ 31,315	$ 34,796
Unreserved	4,908,350	6,772,228	4,653,301	3,884,621	2,645,448	1,846,740	1,162,531	(58,240)	(440,802)	221,231
Total General Fund	$ 5,249,029	$ 7,152,608	$ 5,042,419	$ 4,270,741	$ 2,992,745	$ 1,961,463	$ 1,204,173	$ (7,371)	$ (409,487)	$ 256,027
All Other Governmental Funds										
Reserved	$ 1,636,464	$ 1,648,369	$ 340,785	$ -	$ 637,374	$ 340,785	$ 122,569	$ 122,569	$ 650,721	$ 961,033
Unreserved, reported in:										
Special revenue funds	(289,336)	(308,288)	(117,431)	935,287	768,224	323,820	(581,741)	(540,407)	(286,501)	(243,336)
Capital projects funds	(664,346)	(417,272)	98,078	385,320	(235,793)	22,904	(307,757)	(270,577)	(727,993)	(947,110)
Total all other governmental funds	$ 682,782	$ 922,809	$ 321,432	$ 1,320,607	$ 1,169,805	$ 687,509	$ (766,929)	$ (688,415)	$ (363,773)	$ (229,413)

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

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues:										
Taxes	$ 11,091,918	$ 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
Licenses and permits	385,123	638,268	813,503	503,181	538,792	821,714	580,939	431,198	450,760	512,760
Fines and forefeitures	216,124	27,065	31,584	123,479	149,548	116,519	129,198	94,210	197,073	171,541
Intergovernmental	4,127,265	6,456,721	8,457,245	20,284,816	8,497,712	8,158,238	2,897,003	2,698,412	2,158,013	1,979,423
Charges for services	37,010	178,711	104,535	41,280	26,694	54,060	51,454	23,013	39,272	36,123
Interest	131,469	283,431	89,567	47,667	17,334	18,243	27,583	15,921	30,434	29,657
Miscellaneous	133,169	370,120	209,409	2,550,203	170,747	205,505	160,071	118,072	446,611	685,673
Total revenues	16,122,078	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
Expenditures:										
General government	4,520,068	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
Public safety	5,966,913	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
Economic environment	-	-	-	-	-	179,588	-	-	-	89,982
Highways and streets	1,937,045	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
Culture and recreation	881,189	868,588	758,395	496,612	300,414	379,390	494,495	486,609	822,410	628,969
Capital outlay	4,257,057	3,004,588	513,766	288,043	934,139	-	-	-	-	-
Debt service: Principal	349,699	416,514	492,762	170,000	321,233	401,762	145,000	640,000	130,000	125,000
Debt Service: Interest	401,364	408,438	421,563	437,718	474,335	506,055	613,189	479,412	397,672	482,869
Total expenditures	18,313,335	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
Excess (deficiency) of revenues over expenditures	(2,191,257)	2,579,366	(648,970)	1,411,953	1,051,243	2,030,663	470,870	(427,286)	(1,448,138)	(728,675)
Other Financing Sources (Uses)										
Capital leases	47,650	132,200	421,470	16,844	462,334	-	-	-		-
Other credits	-	-	-	-	-	-	662,161	500,000		-
Transfers in	3,280,569	874,259	1,259,709	949,083	1,048,387	683,710	687,044	753,983	1641763	988,043
Transfers out	(3,280,568)	(874,259)	(1,259,709)	(949,083)	(1,048,387)	(683,710)	(687,044)	(753,983)	(993,499)	(738,043)
Total other financing sources (uses)	47,651	132,200	421,470	16,844	462,334	-	662,161	500,000	648,264	250,000
Net change in fund balances	$ (2,143,606)	$ 2,711,566	$ (227,500)	$ 1,428,797	$ 1,513,577	$ 2,030,663	$ 1,133,031	$ 72,714	$ (799,874)	$ (478,675)
Debt service as a percentage of noncapital expenditures	5%	6%	5%	2%	5%	6%	7%	11%	5%	6%

CITY OF OPA-LOCKA, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis)

Fiscal Year	Property	Sales and Use	Franchise	Utility	Communications Service Taxes (1)	Local Business Tax (2)	Total
1999	$ 3,835,714	$ 1,298,353	$ 1,027,964	$ 1,254,023	$ -	$ -	$ 7,416,054
2000	3,619,392	1,302,952	1,001,783	1,462,653	-	-	7,386,780
2001	3,760,247	1,427,879	1,027,026	1,420,326	-	-	7,635,478
2002	3,846,425	1,286,148	1,032,531	1,918,559	-	-	8,083,663
2003	4,377,548	1,357,982	1,198,858	1,805,699	-	-	8,740,087
2004	4,679,897	1,356,128	1,674,120	2,055,032	-	-	9,765,177
2005	4,877,060	1,479,783	1,313,694	1,794,845	-	-	9,465,382
2006	5,802,009	356,931	1,941,938	1,224,316	599,654	200,837	10,125,685
2007	7,207,046	308,170	1,919,542	892,002	652,530	327,326	11,306,616
2008	7,441,927	295,194	1,540,751	894,359	637,712	281,975	11,091,918

(1) Effective Oct. 1, 2001. Reported as part of Utility taxes from 2002 to 2005.
(2) Reported as part of permits, licenses and fees prior to 2006.

CITY OF OPA-LOCKA, FLORIDA

ASSESSED VALUE OF ALL TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Total Gross Taxable Value	Adjustments	Net Assessed Property Value	Total Direct Tax Rate
1999	$ 296,899,000	$ 94,086,000	N/A	$ 390,985,000	$ 5,038,000	$ 385,947,000	9.8000
2000	303,915,000	97,212,000	N/A	401,127,000	4,297,000	396,830,000	9.8000
2001	317,469,000	84,083,000	N/A	401,552,000	10,157,000	391,395,000	9.8000
2002	337,721,469	81,094,116	1,271,453	420,087,038	10,162,000	409,925,038	9.8000
2003	357,301,495	87,946,659	1,133,008	446,381,162	8,326,000	438,055,162	9.8000
2004	394,926,966	90,984,153	1,104,373	487,015,492	2,801,905	484,213,587	9.8000
2005	434,282,541	88,332,831	1,948,311	524,563,683	13,277,720	511,285,963	9.8000
2006	514,575,250	93,121,243	1,363,003	609,059,496	18,622,416	590,437,080	9.8000
2007	668,025,734	102,636,497	1,343,829	772,006,060	25,512,624	746,493,436	9 8000
2008	827,093,363	108,948,153	1,591,662	937,633,178	13,163,594	924,469,584	8.0084

Source: Miami-Dade County Property Appraiser's Office

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

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

	City of Opa-locka, Florida			Miami-Dade County					
Fiscal Year	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	School District	State	Total
1999	9.8000	-	9.8000	9.153	0.905	10.058	10.160	0.744	30.762
2000	9.8000	-	9.8000	8.813	0.885	9.698	9.640	0.741	29.879
2001	9.8000	-	9.8000	8.785	0.721	9.506	9.620	0.738	29.664
2002	9.8000	-	9.8000	8.847	0.621	9.468	9.380	1.082	29.730
2003	9.8000	-	9.8000	8.957	0.621	9.578	9.250	0.736	29 364
2004	9.8000	-	9.8000	9.040	0.285	9.325	8.687	0.736	28.548
2005	9.8000	-	9.8000	8.925	0 285	9.210	8.438	0.736	28.183
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
2008	8.0084	-	8.0084	9.212	0.285	9.497	7.948	0.736	26.189

Source: Miami-Dade County Property Appraiser.

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

	2008			1998		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Creative Choice Homes II	$ 16,253,642	1	1.76%			
Bodwin LTD Partnership	14,087,423	2	1.52%	12,110,792	1	1.62%
Lejeune-Douglas Industrial PK LLC	13,133,120	3	1.42%	-		
Florida Power & Light	11,977,609	4	1.30%	-		
American Fuits & Produce	10,029,596	5	1.08%	-		
Bellsouth Telecommunications Inc.	9,076,375	6	0.98%	-		
Sahara Properties Inc.	9,040,500	7	0.98%	-		
SDW LLC & Emerald Nile Realty LLC	8,439,392	8	0.91%			
Aswan Village Associates LLC	8,240,842	9	0.89%			
Avati Press Inc	7,987,700	10	0.86%	5,706,230	4	0.76%
Alterman Transport Lines, Inc.				7,400,000	2	0.99%
Fred A. Zorovich & Greene				6,369,963	3	0.85%
H & J Properties Corp.				5,215,594	5	0.70%
J R Realty Corp.				4,794,820	6	0.64%
Moises & Lidia Kriger				3,600,000	7	0.48%
B & H Real Estate				3,593,645	8	0.48%
Bridsall Inc.				3,525,229	9	0.47%
Total	$ 108,266,199		8.43%	$ 52,316,273		7.01%

Source: Miami-Dade County Property Appraiser's Office

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

Fiscal Year	Total Tax Levy	Current Tax Collected	Percent of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
1999	$ 3,831,650	$ 3,835,714	100 00	$ -	$ 3,835,714	100.00
2000	3,931,000	3,619,392	92.07	60,581	3,679,973	93.61
2001	3,857,589	3,760,247	97.47	74,349	3,834,596	99.4
2002	4,116,853	3,846,425	93.43	86,538	3,932,963	95.53
2003	4,240,621	4,377,548	100.00	-	4,377,548	103.23
2004	4,772,752	4,679,897	98 05	19,843	4,699,740	98.47
2005	5,140,724	4,680,089	91.04	26,647	4,706,736	91.56
2006	5,968,783	5,802,009	97.21	-	5,802,009	97.21
2007	7,565,659	7,207,046	95.26	-	7,207,046	95.26
2008	7,508,942	7,425,461	98.89	16,466	7,441,927	99.11

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

CITY OF OPA-LOCKA, FLORIDA

RATIOS OF OUSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities: Revenue Bonds	Governmental Activities: Notes Payable	Governmental Activities: Capital Leases	Business-type Activities: Revenue Bonds	Business-type Activities: Revolving Loans	Business-type Activities: Notes Payable	Business-type Activities: Capital Leases	Total Primary Government	Population (1)	Per Capita
1999	$ 7,530,000	$ -	$ -	$ 60,000	$ 357,284	$ -	$ -	$ 7,947,284	16,000	$ 497
2000	7,400,000	-	-	-	512,076	533,412	443,287	8,888,775	14,951	595
2001	7,260,000	-	-	-	519,020	2,256,438	321,406	10,356,864	14,951	693
2002	7,115,000	-	-	-	1,482,681	2,045,551	194,237	10,837,469	14,951	725
2003	6,960,000	538,781	-	-	1,407,349	1,521,745	61,647	10,489,522	14,951	702
2004	6,795,000	382,547	334,363	-	1,214,626	1,208,346	48,082	9,982,964	14,951	668
2005	6,625,000	203,822	343,578	-	1,042,197	772,650	35,143	9,022,390	14,951	603
2006	6,445,000	15,679	619,110	-	1,574,754	458,892	3,425,681	12,539,116	14,951	839
2007	6,250,000	-	496,145	-	1,805,723	395,596	3,169,436	12,116,900	14,951	810
2008	6,040,000	-	391,951	-	3,645,900	327,026	2,864,166	13,269,043	14,951	888

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

(1) U.S. Census Bureau, Census 2000. Data for1999 - U.S. Census Bureau, Census 1990.

CITY OF OPA-LOCKA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Ovelapping:			
Miami-Dade County	$ 2,519,542,000	15%	$ 1,559,000
City direct debt	6,040,000	100%	6,040,000
Total direct and overlapping debt	$ 2,525,582,000		$ 7,599,000

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

	Water Revenue Bonds						State Revolving Loan					
Fiscal Year	State Shared 1/2 Cent Sales Tax	Less: Transfers Out	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage Ratio Percentage	Water and Sewer Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage Ratio Percentage
1999	$ 1,254,585	$ 650,275	$ 604,310	$ 125,000	$ 478,011	1.00	$ 3,727,722	$ 4,542,022	$ (814,300)	$ -	$ -	N/A
2000	1,302,952	663,187	639,765	130,000	471,475	1.06	3,748,601	4,447,658	(699,057)	-	-	N/A
2001	1,325,075	753,983	571,092	140,000	464,385	0 94	4,196,786	6,304,982	(2,108,196)	-	-	N/A
2002	1,272,016	664,544	607,472	145,000	456,760	1.00	5,641,758	4,421,084	1,220,674	-	-	N/A
2003	1,273,182	630,274	642,908	155,000	448,505	1.06	5,960,824	3,560,179	2,400,645	132,802	33,733	14.42
2004	1,356,128	734,611	621,517	165,000	439,463	1.02	6,916,398	4,649,900	2,266,498	186,777	29,970	10.46
2005	1,479,783	833,217	646,566	170,000	429,830	1.07	7,648,557	4,503,524	3,145,033	191,413	25,334	14.51
2006	1,790,593	1,127,577	663,016	180,000	418,600	1.1	8,084,583	8,188,860	(104,277)	103,445	35,400	(0.75)
2007	1,582,930	874,259	708,671	195,000	408,438	1.17	5,996,478	6,094,397	(97,919)	92,149	47,807	(0.70)
2008	1,558,282	1,172,933	385,349	210,000	389,219	0.64	6,963,170	4,682,851	2,280,319	211,847	34,519	8.78

Source: City of Opa-locka Finance Department.

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

Calendar Year	(1) Population	Personal Income (*thousands of dollars*)	(2) Per Capita Personal Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
1999	16,000	N/A	$ 6,767	N/A	352,595	11.7
2000	14,951	$ 19,631	9,538	27.3	360.202	17.5
2001	14,951	19,631	9,538	27.3	368,453	17.5
2002	14,951	19,631	9,538	27.3	374,725	17.5
2003	14,951	19,631	9,538	27.3	371,482	17.5
2004	14,951	19,631	9,538	27.3	369,578	17.5
2005	14,951	19,631	9,538	27.3	361,550	17.5
2006	14,951	19,631	9,538	27.3	365,784	17.5
2007	14,951	19,631	9,538	27.3	353,283	17.5
2008	14,951	19,631	9,538	27.3	385,655	17.5

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

(2) U.S. Census Bureau, Census 2000. Data for1999 - U.S. Census Bureau, Census 1990.

(3) U.S. Census Bureau, Census 2000. Data for1999 - U.S. Census Bureau, Census 1990.

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

(5) U.S. Census Bureau, Census 2000. Data for1999 - U.S. Census Bureau, Census 1990.

CITY OF OPA-LOCKA, FLORIDA
PRINCIPAL EMPLOYERS
FISCAL YEAR 2008 AND NINE YEARS AGO

	2008			1999		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jackson North Maternity Center	230	1	5%	N/A	N/A	N/A
Aramark Uniform	224	2	5%	N/A	N/A	N/A
Master North America	200	3	4%	N/A	N/A	N/A
Don Greene Poultry	182	4	4%	N/A	N/A	N/A
United Sheet Metal	100	5	2%	N/A	N/A	N/A
Combined Services	98	6	2%	N/A	N/A	N/A
Miami Offset	75	7	2%	N/A	N/A	N/A
Cr. B. Ingram Elementary	73	8	1%	N/A	N/A	N/A
Nathan B. Young Elementary	66	9	1%	N/A	N/A	N/A
Alufab	50	10	1%	N/A	N/A	N/A
Total	1,298		27%			

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

CITY OF OPALOCKA, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	FISCAL YEAR									
Governmental activities:										
General Government	33	40	40	45	42	41	45	48	56	49
Public Safety	69	54	69	73	72	83	76	80	88	59
Highways & Streets	22	28	16	22	17	15	19	22	27	26
Culture & Recreation	11	14	12	8	7	6	6	14	7	11
Business-type activities:										
Water & sewer utility	14	13	13	13	15	11	15	15	17	15
Solid waste (1)	14	15	10	12	14	0	0	0	0	0
Stormwater	1	2	2	2	2	2	2	2	2	4
Total	164	166	162	175	169	158	163	181	197	164

Source: City Human Resources Department.

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

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

Function	2008	2007
Police (1)		
Physical arrests	845	667
Parking violations	400	1125
Traffic violations	2,400	733
No. of calls for service	15,699	N/A
Solidwaste(2)		
Highways and Sreets (3)		
Street resurfacing (miles)	1	2
Potholes repaired	400	800
Parks and recreation (4)		
Youth athletic program participants	120	90
Adults athletic program participants	16	12
Senior's program average monthly participants	42	42
Special events	15	10
Water (3)		
New connections	13	72
Water main breaks	6	15
Average daily consumption (millions of gallons)	2.50	2.62
Peak daily consumption millions of gallons)	3.00	3 05

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

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

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

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

Note: Data prior to 2006 is not available.

N/A - Not Available

City of Opalocka, Florida

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	22	18	22	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	5,700	5,700	5,690	6,500	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)	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Wastewater										
Miles of sanitary sewers	77	77	77	77	77	77	77	77	77	77
Miles of storm sewers	14	14	14	14	14	14	14	14	14	14
Number of service connections	3,700	3,700	3,675	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	1	1
Number of tennis courts	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

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

Compliance Section

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Opa-locka, Florida, as of and for the year ended September 30, 2008, which collectively comprise the City of Opa-locka, Florida's basic financial statements and have issued our report thereon dated February 25, 2009.We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Opa-locka, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Opa-locka, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Opa-locka, Florida's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Opa-locka, Florida's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Opa-locka, Florida's financial statements that is more than inconsequential will not be prevented or detected by the City of Opa-locka, Florida's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Opa-locka, Florida's internal control.

North Florida (904) 476-5713 Phone | Central Florida (407) 475-1000 Phone | West Florida (813) 221-5111 Phone | South Florida (954) 966-4435 Phone

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Opa-locka, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Opa-locka, Florida, in a separate letter dated February 25, 2009.

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

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

Hollywood, Florida
February 25, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of City of Opa-locka, Florida, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. City of Opa-locka, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Opa-locka, Florida's management. Our responsibility is to express an opinion on City of Opa-locka, Florida's compliance based on our audit.

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

In our opinion, City of Opa-locka, Florida, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of City of Opa-locka, Florida, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs.

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In planning and performing our audit, we considered City of Opa-locka, Florida's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Opa-locka, Florida's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

City of Opa-locka, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Opa-locka, Florida's response and, accordingly, we express no opinion on it.

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

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

Hollywood, Florida
February 25, 2009

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CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

Agency/Pass-Through Grantor/Program Title	CFDA/CSFA Number	Grant or Identifying Number	Total Award	9/30/2008 Expenditures	Outstanding Loan Balance
U.S. Department of Justice					
Edward Byrne Memorial Justice Assistance Program (JAG)	16.738		51,086	$ 27,390	$ -
U.S. Department of Housing and Urban Development					
Pass-through Miami-Dade County Office of Community Development, Community Development Block Grant - Curtiss/Perviz Road Project	14.218	CDBG FY 2007	2,362,750	1,108,319	-
Pass-through Miami-Dade County Department of Human Services. Crime Prevention Program	14.218	CDBG FY 2008	59,500	59,500	-
U.S. Department of Environmental Protection Agency					
Pass-through Florida Department of Environmental Protection, Capitalization Grant for State Revolving Fund	66.458	CS120800020	480,816	-	146,788.00
Pass-through Florida Department of Environmental Protection, Capitalization Grant for State Revolving Fund	66.458	CS12080003P	1,794,604	-	1,241,928.00
Pass-through Florida Department of Environmental Protection, Capitalization Grant for State Revolving Fund	66.458	CS120800050	2,375,142	-	2,257,186.00
U.S. Department of Homeland Security					
Pass-through State of Florida Division of Emergency Management, Flood Mitigation Grant	97.039	7DM-64-11-23-02-3'	1,418,296	261,375	-
TOTAL EXPENDITURES OF FEDERAL AWARDS/LOAN BALANCE				$ 1,456,584	$ 3,645,902
Florida Department of Juvenile Justice					
Conditional Release Services	80 018		457,215	$ 146,733	
Florida Department of Environmental Protection					
Florida Recreational Development Assistance Program (FRDAP)	37.017		112,500	95,145	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				$ 241,878	

CITY OF OPA-LOCKA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FISCAL YEAR ENDED SEPTEMBER 30, 2008

GENERAL

The Schedule of Expenditures of Federal Awards and State Financial Assistance Projects included herein represents the entire Federal grant awards of the City of Opa-locka (the "City") over which the City exercised direct operating control for the fiscal year ended September 30, 2008.

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects include the federal grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.

SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

All Federal grant operations of the City are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB *Circular A-133 Compliance Supplement* (Revised March 2008, the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. This program represents all Federal award programs and other grants with fiscal 2008 cash and noncash expenditures that ensure coverage of at least 50% of federally granted funds since there were no individual or cluster grants in excess of $500,000. Actual coverage is over 50% of total cash and noncash Federal award program expenses.

FINDINGS OF NONCOMPLIANCE

There were no findings of noncompliance identified in connection with the September 30, 2008 Single Audit.

AUDITS PERFORMED BY OTHER ORGANIZATIONS

During the year ended September 30, 2008 there were no audits of the City's Administration of Federal Financial Assistance Program performed by Federal Agencies.

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CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2008

SECTION I -Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency identified that are not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133 and/or Rule 10.567 of the State of Florida.	No

Identification of major program:

CFDA Number	*Name of Federal Program*
14.218	Department of Housing and Urban Development – Community Development Block Grant (CDBG)

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualifies as low risk auditee?	Yes

SECTION II – CURRENT

II. Current Year Findings and Recommendation Related to the Financial Statements

No current year findings were noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

III. Findings and Questioned Costs for Federal Awards

No findings were noted for Federal awards expended.

IIIA. Findings and Questioned Costs for State Awards

Section none applicable.

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IV. Summary Schedule of Prior Audit Findings for Financial Statements

At the completion of the audit, for fiscal year 2007, recommendations were made and were to be addressed during the fiscal year 2008. We have reviewed the recommendations, for audit findings for the financial statements and single audit, and the progress made toward implementation. The current status of the City's effort, toward implementing the 2007 recommendations, is described below.

Condition	Current Year's Status
We recommend the City implement a 100% review of all employee HR files. The HR Evaluation Committee must make all appropriate changes to each employee vacation, sick, and/or leave balances. It is important that all time is accurately documented and recorded to fairly compensate employees as well as reduce the risk of, the City, over expending on accrued time not earned. We also recommend that a standing committee be erected to approve all request for payout of accrued vacation time. The Committee should also define the term "emergency". The City should set parameters, within the employee manual, for certain events that constitute immediate payout.	Partly Implemented

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IVA. Summary Schedule of Prior Audit Findings for Single Audit

SA -2007-01

CONDITION:

The City grants department does not operate in an effective and efficient method to ensure that all grants and other donor imposed stipulations are met in a timely manner. The City must ensure that all newly awarded and previously received grants are administrated to a reporting mechanism that allows for staff to produce or respond to reports and inquiries from Grantor agencies in a time is of the essence manner. Failure to produce reports and/or provide adequate supporting documentation can lead to several Grantor agencies calling for certain awards to be returned to them or for the Grantor agency to cease providing funding for a program on written notice. We audited the U.S. Department of Agriculture and the U.S. Department of Environmental Protection programs funded during September 30, 2008.

CFDA NUMBERS: 10.904 and 66.606

QUESTIONED COSTS: None

RECOMMENDATION:

We recommend the City compose, adopt and implement standardized grant acquisition policies and procedures. It is imperative that the City incorporate such policies and procedures in order to ensure all grants are properly obtained and maintained; and that reporting compliance guidelines are strictly followed and enforced. Management should also ensure that the Grant Writer is held accountable for all grant writing functions and practices. This person should be informed of all activities that directly affect his/her position.

CURRENT STATUS:

Implemented

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

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

We have audited the basic financial statements of the City of Opa Locka , Florida (the "City") as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated February 25, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 25, 2009, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Opa Locka complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. We did not note any such findings.

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Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Opa Locka was established by the Florida State Legislature. The City of Opa-locka has no blended component unit.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit we determined that the City of Opa-locka did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City of Opa-locka for the fiscal year ended September 30, 2008, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Opa-locka financial condition, and our financial condition assessment was based in part on representation made by management and the review of financial information provided by same. The financial condition assessment was performed as of the end of the fiscal year end.

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

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

Harvey, Covington & Thomas, L.L.C.
February 25, 2009