City of Opa-locka

Commission Chambers
215 Perviz Avenue
Opa-locka, FL 33054

SPECIAL COMMISSION MEETING
Agenda

Friday, July 9, 2021
5:00 PM

City Commission

Mayor Matthew A. Pigatt
Vice Mayor Veronica J. Williams
Commissioner Alvin Burke
Commissioner Chris Davis
Commissioner John H. Taylor Jr.

Appointed Officials

City Manager John E. Pate
City Attorney Burnadette Norris-Weeks
City Clerk Joanna Flores, CMC

SPEAKING BEFORE THE CITY COMMISSION

NOTE: All persons speaking shall come forward and give their full name and address, and the name and address of the organization they are representing.

There is a three (3) minute time limit for speaker/citizens forum and participation at all City Commission meetings and public hearings. Your cooperation is appreciated in observing the three (3) minute time limit policy. If your matter requires more than three (3) minutes, please arrange a meeting or an appointment with the City Clerk prior to the Commission meeting. *City of Opa-locka Code of Ordinances Section 2-57*

DECORUM POLICY

Any person making impertinent or slanderous remarks or who becomes boisterous while addressing the Commission, shall be declared to be out of order by the presiding officer, and shall be barred from future audiences before the Commission by the presiding officer, unless permission to continue or again address the Commission is granted by a majority vote of the Commission members. *City of Opa-locka Code of Ordinances Section 2-58*

NOTICE TO ALL LOBBYISTS

Any person appearing in a paid or remunerated representative capacity before the City staff, boards, committees and the City Commission is required to register with the City Clerk before engaging in lobbying activities. *City of Opa-locka Code of Ordinances Section 2-18*

FLORIDA STATUTES, CHAPTER 285.0105:

Anyone who desires to appeal any decision made by any board, agency, or commission with respect to any matter considered at such meeting or hearing will need a record of the proceedings, and for that reason, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal may be based.

Procedures for Public Participation

How to watch the meeting
Members of the public can watch public meetings and public hearings at https://www.youtube.com/user/CityofOpaLocka

City Commission Meetings are held in-person while allowing virtual participation. Members of the public wishing to address the Commission may do so in person or virtually.

To participate virtually, please register by 5:00 p.m. on the scheduled meeting date via the City of Opa-locka website at www.opalockafl.gov.

CITY OF OPA-LOCKA

"The Great City"

SPECIAL COMMISSION MEETING
Friday, July 9, 2021
5:00 PM

AGENDA

1. **CALL TO ORDER:**

2. **ROLL CALL:**

3. **INVOCATION:**

4. **PLEDGE OF ALLEGIANCE:**

5. **PUBLIC INPUT:**
   Agenda Item(s) Only

6. **PRESENTATION BY ANTHONY BRUNSON, P.A.:**
   City of Opa-locka FY 2018-2019 Audited Financial Statement and Annual Financial Report

7. **RESOLUTIONS:**

   a) **A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, ACCEPTING AND APPROVING THE FY 2018-2019 AUDITED FINANCIAL STATEMENT AND ANNUAL FINANCIAL REPORT; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.** *Sponsored by City Manager*

   b) **A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, EXTENDING AN AGREEMENT WITH TRIMERGE CONSULTING GROUP, P.A., FOR A THREE-MONTH PERIOD; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.** *Sponsored by City Manager*

8. **ADJOURNMENT:**

RESOLUTION 7 (a)

Sponsored by: City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, ACCEPTING AND APPROVING THE FY 2018-2019 AUDITED FINANCIAL STATEMENT AND ANNUAL FINANCIAL REPORT; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the 2018-2019 audited financial statement has been considered by the City Manager; and

WHEREAS, pursuant to Section 218.39, Florida Statutes, a local governmental entity shall prepare an annual financial audit of its accounts and records completed for the fiscal year by an independent certified public accountant; and

WHEREAS, the City Commission finds that it is in the best interest of the City Commission to approve the presented audited financial statement for the fiscal year ended September 30, 2019.

NOW THEREFORE BE IT RESOLVED THAT THE CITY COMMISSION OF THE CITY OF OPA LOCKA, FLORIDA:

Section 1. Recitals.
The recitals to the preamble here are incorporated by reference.

Section 2. Authorization
The City Commission of the City of Opa-Locka hereby approves the Audited Financial Statement and Annual Financial Report for the fiscal year ended September 30, 2019.

Section 3. Scrivener's Errors
Sections of this Resolution may be renumbered or re-lettered and corrections of typographical errors which do not affect the intent may be authorized by the City Manager or the City Manager's designee, without the need of a public hearing, by filing a corrected copy of same with the City Clerk.

Section 4. Effective Date
This Resolution shall take effect immediately upon adoption and is subject to the approval of the Governor or his designee.

Resolution No.

PASSED AND ADOPTED this day ____ of __________________, 2021.

____
Matthew Pigatt, Mayor

Attest to:

____
Joanna Flores
City Clerk

Approved as to form and legal sufficiency:

____
Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: ______________________________

Seconded by: ______________________________

VOTE:

Commissioner Taylor	(Yes) ___________	(No) ___________
Commissioner Burke	(Yes) ___________	(No) ___________
Commissioner Davis	(Yes) ___________	(No) ___________
Vice-Mayor Williams	(Yes) ___________	(No) ___________
Mayor Pigatt	(Yes) ___________	(No) ___________

City of Opa-locka
Agenda Cover Memo

City Manager:	John E. Pate		**CM Signature:**				
Commission Meeting Date:	*07.09.2021*		**Item Type:** *(Enter X in box)*	**Resolution** X	**Ordinance**		**Other**
Fiscal Impact: *(Enter X in box)*	**Yes**	**No**	**Ordinance Reading:** *(Enter X in box)*		**1st Reading**		**2nd Reading**
			Public Hearing: *(Enter X in box)*		**Yes**	**No** x	**Yes** / **No** x (No)
Funding Source: *Account#* **:**	*(Enter Fund & Dept)* Ex:		**Advertising Requirement:** *(Enter X in box)*		**Yes**		**No** x
Contract/P.O. Required: *(Enter X in box)*	**Yes**	**No** x	**RFP/RFQ/Bid#:**				
Strategic Plan Related *(Enter X in box)*	**Yes** X	**No**	**Strategic Plan Priority Area:** Enhance Organizational ■ Bus. & Economic Dev ☐ Public Safety ☐ Quality of Education ☐ Qual. of Life & City Image ☐ Communcation ☐		**Strategic Plan Obj./Strategy:** *(list the specific objective/strategy this item will address)*		
Sponsor Name	City Manager		**Department:** Finance Department		City Manager		

Short Title:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, ACCEPTING AND APPROVING THE FY 2018-2019 AUDITED FINANCIAL STATEMENT

Staff Summary:

THE ANNUAL FINANCIAL REPORT AUDITED BY EXTERNAL AUDITING FIRM ANTHONY BRUNSON, P.A. WILL BE PRESENTED TO THE CITY COMMISSION FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019. DURING THE SPECIAL COMMISSION MEETING ON JULY 09, 2021, MR. ANTHONY BRUNSON WILL PRESENT THE FISCAL YEAR ENDED SEPTEMBER 30, 2019 ANNUAL FINANCIAL REPORT.

Proposed Action:

STAFF RECOMMENDS THE APPROVAL OF THIS LEGISLATION.

Attachment:

Matthew A. Pigatt
Mayor

Veronica Williams
Vice Mayor

Chris Davis
Commissioner

Alvin Burke
Commissioner

John Taylor
Commissioner

John E. Pate
City Manager

Joanna Flores
City Clerk

Burnadette Norris-Weeks
City Attorney

Date: July 8, 2021

To: John E. Pate, City Manager

From: Gerri Lazarre, CPA, Finance Department Consultant

Re: Presentation of the Annual Financial Report (AFR) for FY 2018-2019 by Anthony Brunson, P.A. at the Special Commission Meeting

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The City of Opa-locka, Florida, a local municipal government in the State of Florida, recently finalized the fieldwork testing, closing and quality control procedures with the external audit firm Anthony Brunson, P.A. concerning fiscal year 2019. The external auditor issued its opinion on the City's financial statements for the fiscal year ended September 30, 219 as an unmodified opinion, which is known as a "clean opinion", and will be presented to management and the City Commission.

On July 9, 2021 at 5:00 p.m., the external auditor is presenting at a Special Commission Meeting before the City's Commission, management and the public, the results of the audit for fiscal year ended September 30, 2019 as required. The presentation will discuss their responsibilities and required communication, corrections made through audit adjustments, the unmodified audit opinion, auditor recommendations as a result of the external audit and the City's representation to the external auditors which is the "Management Representation Letter".

Mr. Tony Brunson, the engagement partner, will be presenting the following which will be included in the presentation package:

1. Audit Results and Financial Overview as of September 30, 2019 – "Closing Audit Presentation 2019"

2. 2019 Audit Results and Required Communications - "Report to Those Charged with Governance 2019"

3. Exhibit A – Audited Financial Report (AFR) - Financial Statement Audit for Fiscal Year Ended September 30, 2019, will then be presented by Resolution to the City Commission on July 9, 2021 at 5:00 p.m.

The AFR is required to be forwarded to the Office of the Florida Auditor General, Chief Inspector General for the State of Florida, Joint Legislative Audit Committee (JLAC), Florida Department of Financial Services, Miami-Dade County and any other compliance and grantor agencies that do business with the City. In addition, the components of the financial data are uploaded to the Florida Department of Financial Services Loger site to meet the requirements with Chapter 218, Florida Statues, which prescribes financial management and reporting requirements for local governments.

End

CITY OF OPA-LOCKA

Audit Results and Financial Overview

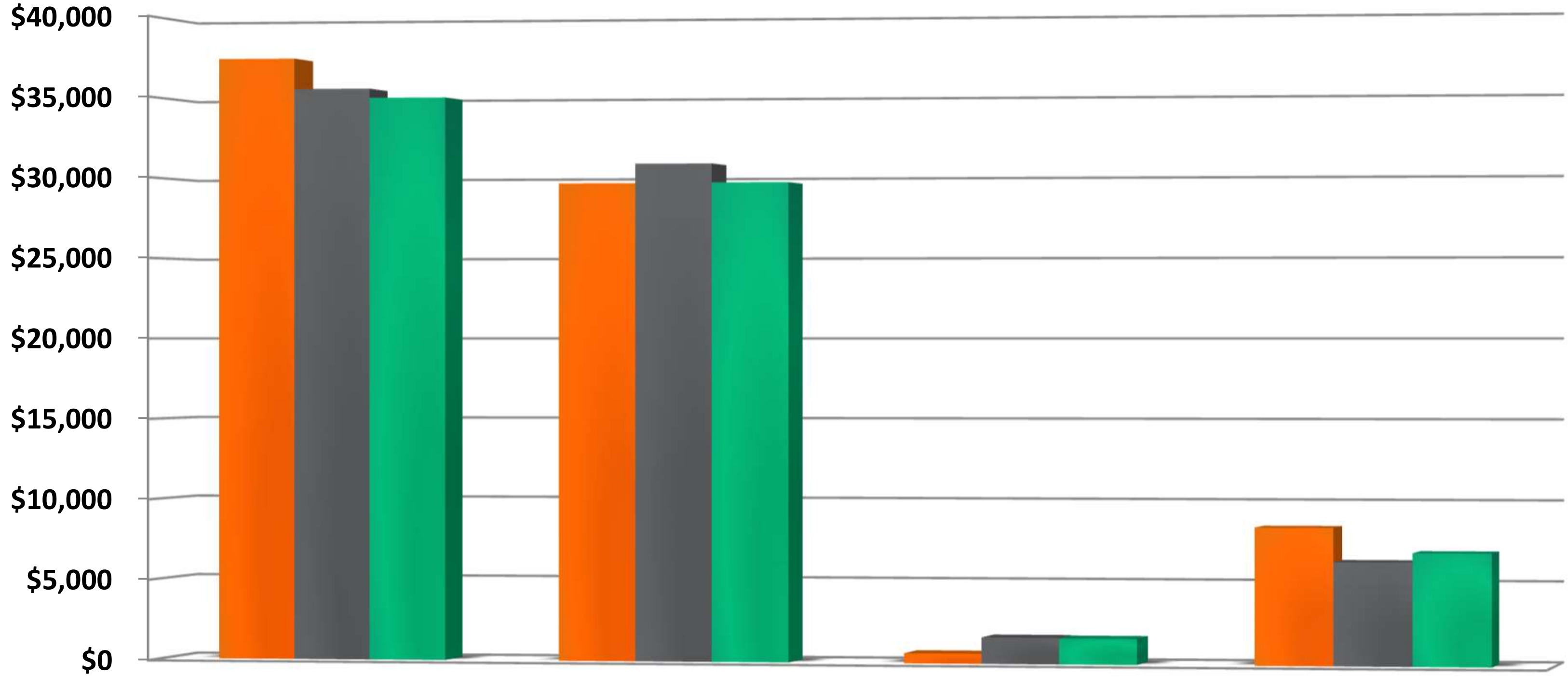
September 30, 2019

ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

City of Opa-locka

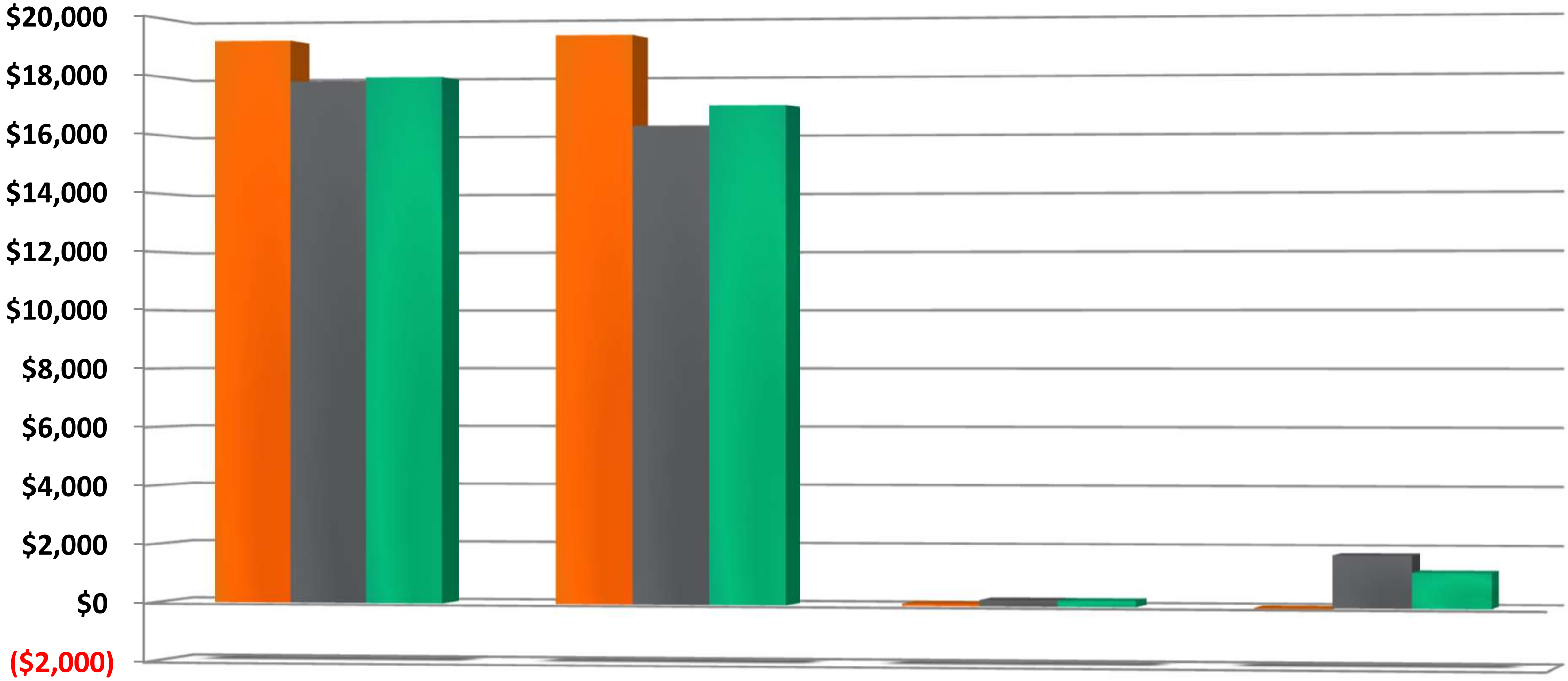
Statements of Net Position – Governmental Activities (000s)



	ASSETS	LIABILITITES	NET DEFERRED OUTFLOWS (INFLOWS)	NET POSITION
2019	$37,422	$29,595	$621	$8,448
2018	$35,525	$30,793	$1,626	$6,358
2017	$34,954	$29,623	$1,593	$6,924

City of Opa-locka

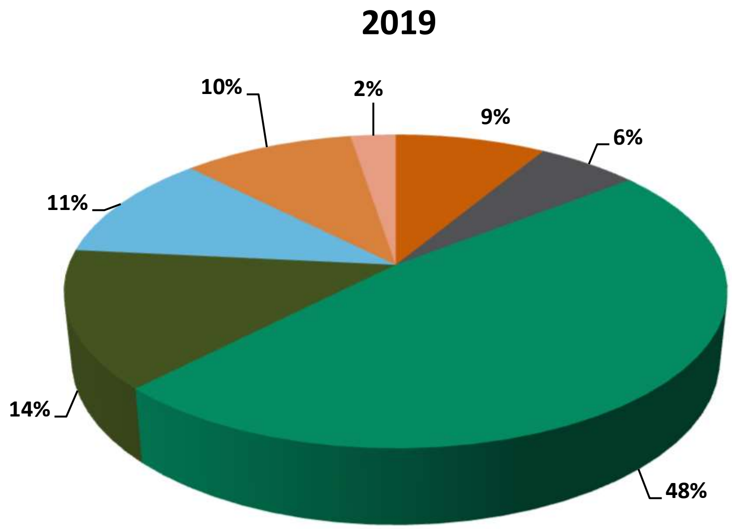
Statements of Net Position – Proprietary Activities (000s)



	ASSETS	LIABILITITES	NET DEFERRED OUTFLOWS (INFLOWS)	NET POSITION
2019	$19,205	$19,318	$85	($28)
2018	$17,801	$16,237	$222	$1,786
2017	$17,924	$16,923	$217	$1,218

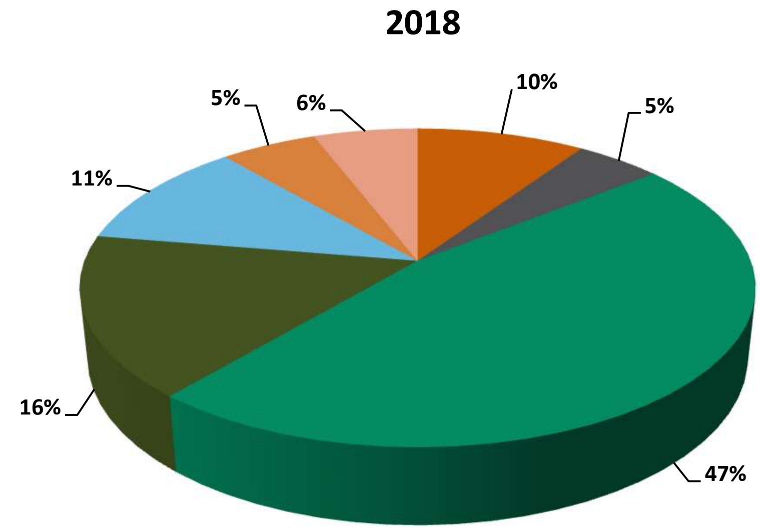
City of Opa-locka

Overview of Revenues – Governmental Activities (000's)



- Charges for Services - $1,544 - 9%
- Grants & Contributions - $1,040 - 6%
- Property Taxes - $8,539 - 48%
- Other Taxes - $2,542 - 14%
- Franchise Fees - $1,962 - 11%
- Intergovernmental Revenue $1,758 - 10%
- Other Revenue - $461 - 2%

$17,847



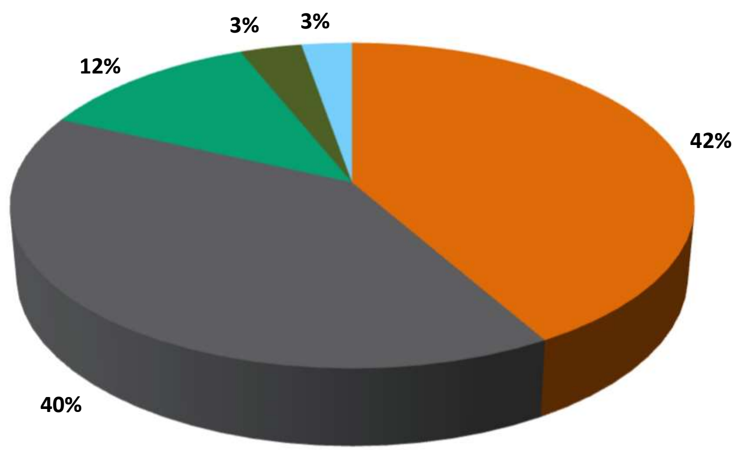
- Charges for Services - $1,435 - 10%
- Grants & Contributions - $733 - 5%
- Property Taxes - $7,092 - 47%
- Other Taxes - $2,482 - 16%
- Franchise Fees - $1,676 - 11%
- Intergovernmental Revenue $822 - 5%
- Other Revenue - $889 - 6%

$15,129

City of Opa-locka

Overview of Operating Expenditures – Governmental Activities (000's)

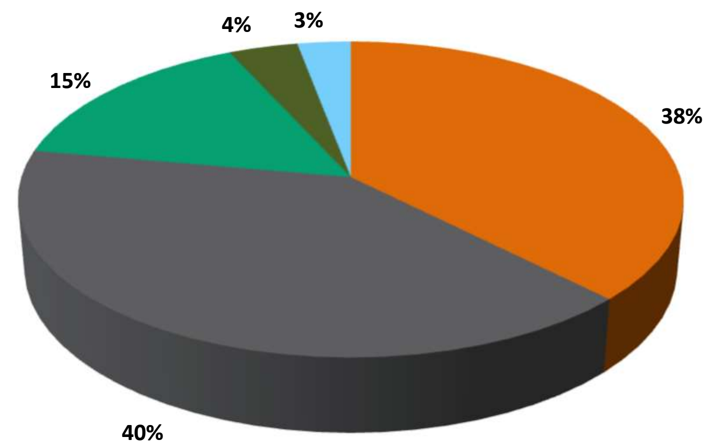
2019



- General Government - $6,687 - 42%
- Public Safety - $6,434 - 40%
- Transportation - $1,938 - 12%
- Culture and Recreation - $539 - 3%
- Interest - $439 - 3%

$16,037

2018

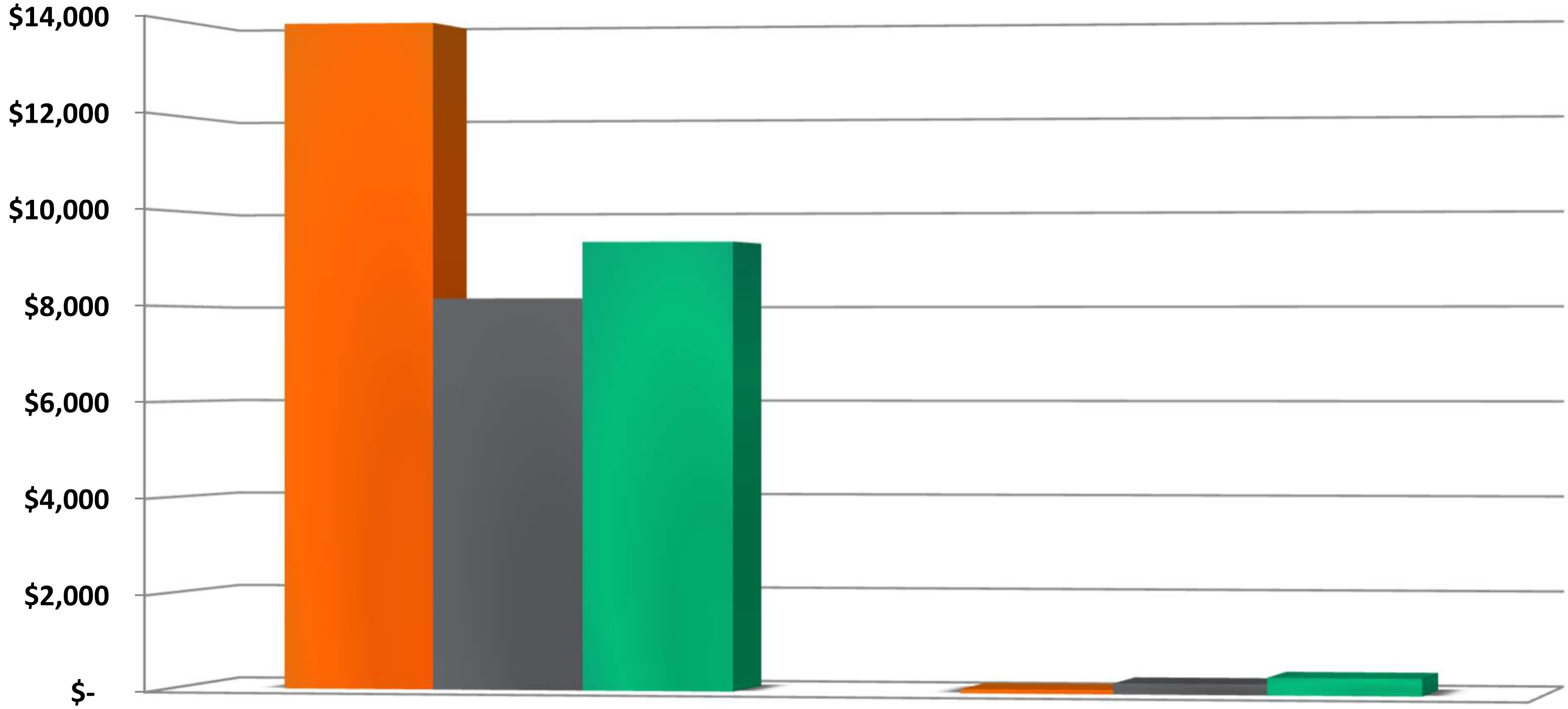


- General Government - $5,892 - 38%
- Public Safety - $6,316 - 40%
- Transportation - $2,415 - 15%
- Culture and Recreation - $605 - 4%
- Interest - $467 - 3%

$15,694

City of Opa-locka

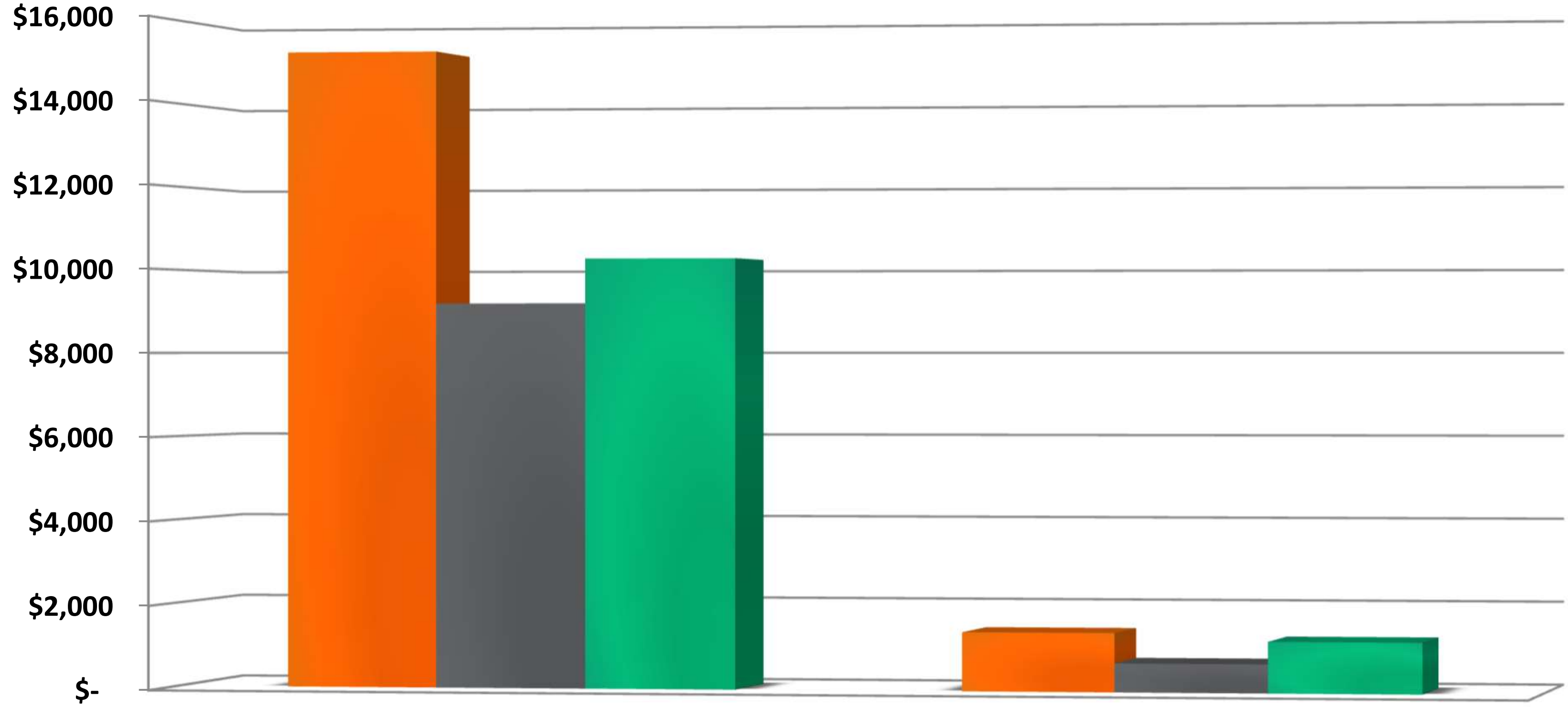
Overview of Revenues – Proprietary Activities (000's)



	Charges for Services	Other Revenue
2019	$13,911	$87
2018	$8,156	$228
2017	$9,329	$365

City of Opa-locka

Overview of Operating Expenses – Proprietary Activities (000's)



	Water and Sewer	Stormwater
2019	$15,209	$1,398
2018	$9,181	$683
2017	$10,250	$1,215

ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

CITY OF OPA-LOCKA

2019 AUDIT RESULTS AND REQUIRED COMMUNICATIONS

REPORT TO THOSE CHARGED WITH GOVERNANCE

Honorable Mayor & City Council
City of Opa-locka
780 Fisherman Street
Opa-locka, Florida 33054

Attention: Honorable Mayor & City Council

We are pleased to present this report related to our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the ***City of Opa-locka*** (the "**City**") for the year ended September 30, 2019.

This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for **the City'**s financial reporting process.

This report is intended solely for the information and use of the Mayor and City Council and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to meet with you to discuss the contents of this report, and to answer any questions that you may have about this report or any other audit-related matters. If you have any questions, please contact Anthony Brunson at (305)789-6673.

ANTHONY BRUNSON P.A.

Miami, Florida
June 28, 2021

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AU-C Section 260 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the basic financial statements audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Matter To Be Communicated	Auditor's Response
Auditor's Responsibility Under Professional Standards	Our responsibility is to form and express an opinion about whether the basic financial statements prepared by management are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We are also responsible for conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*. Those standards require that we obtain reasonable rather than absolute assurance about whether the basic financial statements are free of material misstatement, whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the basic financial statements.
Accounting Practices	**Accounting Policies** Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. **Significant or Unusual Transactions** With the exception of the prior period transactions to the General Fund and Governmental Activities, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Alternative Treatments Discussed with Management** We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

Matter To Be Communicated	Auditor's Response
Management's Judgments and Accounting Estimates	Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. For fiscal year ended September 30, 2019, management's judgement was called upon to establish the useful lives of fixed assets, estimate the provision for receivables, allocate expenses by function, evaluate pension expenses. We have determined that such estimates are reasonable.
Financial Statement Disclosures	We did not identify any items relating to the neutrality, consistency, and clarity of the disclosures in the financial statements which we deemed are required to be discussed with the City's management. Except those associated with prior period adjustments, due to/ due from accounts, and fund balance deficits.
Audit Adjustments	See attachment.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements. Although the audit presented challenges due to the turnover of staff and outdated accounting software.
Consultations with Other Accountants	We are not aware of consultations management had with other accountants about significant accounting or auditing matters.
Significant Issues Discussed with Management	Significant items discussed with management during the audit were: • Audit opinion was a qualified opinion in the prior fiscal year • Discussion of prior period adjustments • Physical inventory of assets • Significant number of journal entries recorded • Internal control environment • Status of litigation • Fund deficits

Matter To Be Communicated	Auditor's Response
Difficulties Encountered in Performing the Audit	We did encounter difficulties in completing the audit due to the significant number of journal entry adjustments that were necessary after the initial trial balance was provided to us; length of time it took to properly reconcile significant accounts; and timeline for which the audit was conducted (almost 2 years after the close of the fiscal year). We had the cooperation of management and worked through these matters.
Certain Written Communications Between Management and Our Firm	• Engagement letter • Management representation letter
Other Matters	There were no relationships that we believe impair our independence, and we confirm that we are independent of the City.
Material Uncertainties Related to Events and Conditions that May Cast Doubt on the Ability to Continue as a Going Concern	We are not aware of any material uncertainties that cast doubt on the City's ability to continue as a going concern.
Management Letter Recommendations	See attachment regarding audit findings and value added recommendations.

City of Opa-locka, Florida

For the Fiscal Year Ended
September 30, 2019

Annual Financial Report

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

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

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CITY OF OPA-LOCKA, FLORIDA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

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Office of the City Manager
780 Fisherman Street, 4th Floor
Opa-locka, FL 33054

John E. Pate, MS, CM
City Manager

Telephone (786) 338-6598
Email: jpate@opalockafl.gov

June 28, 2021

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

It is my pleasure to submit the Audited Financial Report for the City of Opa-locka, Florida, for the fiscal year ended September 30, 2019, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida and the City Charter. The financial statements included in this report conform to accounting principles generally accepted in the United States of America prescribed by the Governmental Accounting Standards Board (GASB). This report is published to fulfill that requirement for the fiscal year ended September 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal controls 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 Anthony Brunson, P.A., a firm of licensed certified public accountants. The independent auditors have issued an unmodified opinion on the City's financial statements for the year ended September 30, 2019. The independent auditors' report is located at the front of the financial section of the report.

The Management's Discussion and Analysis (MD&A) segment immediately follows the independent auditor's report and provides narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Opa-locka was incorporated in 1926 and operates under the Commission/City Manager form of government. The City Commission is comprised of the Mayor, Vice Mayor and three 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, storm water, sanitation, planning and zoning and general administrative services.

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

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

The City is required to prepare, approve, adopt and execute an annual budget. This annual budget serves as the foundation for the City's financial planning and control. Budgetary control is maintained at the departmental and fund level, with the finance department providing support to departments in the administration of their budgets. 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 4.5 square miles and has a population of approximately 16,000 residents. It is located in the northern portion of Miami-Dade County. The City is a mix of residential, commercial and industrial zones including the Miami-Dade Opa-locka Airport, which is owned and operated by Miami-Dade County. The City of Opa-locka community is served by two elementary schools.

Major Initiatives

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency, and to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503 (1), Florida Statutes. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by Florida Governor, Rick Scott.

On June 8, 2016, the City entered into a State and Local Agreement of Cooperation between the Governor as a result of being in a state of financial emergency. The State implemented measures to resolve the financial emergency, the City's cooperation with the Governor to resolve the financial emergency and the Governor to designate the Office of the Chief Inspector General ("Governor's Designee") to serve as the lead entity responsible for coordinating the Governor's efforts in providing intervention and assistance to the City.

One element of exiting from a state of financial emergency is the development of a Five-Year Recovery Plan by the City, demonstrating the City's ability to satisfy the requirements necessary for restoration of the City's fiscal integrity. The City submitted a proposed Five-Year Recovery Plan to the State of Florida, which was approved in August 2020 without modification.

As of September 2018, the Cairo Lane and the NW 127 Street project is at 51% completion, the City anticipates completing this project by June 2021.

Acknowledgements

The Finance Department, under the supervision of TriMerge Consulting Group, P.A., the City Manager, Assistant City Manager, Directors and Staff Members all contributed to the preparation of this report. We would also like to express our appreciation for the leadership of the Mayor, Vice Mayor and Commissioners.

Respectfully,

John E. Pate
City Manager

CITY OF OPA-LOCKA, FLORIDA

LIST OF PRINCIPAL OFFICIALS

CITY COMMISSION

Chris Davis
Vice Mayor

Matthew Pigatt
Mayor

Alvin Burke
Commissioner

Sherelean Bass
Commissioner

Joseph L. Kelley
Commissioner

CITY EXECUTIVE MANAGEMENT

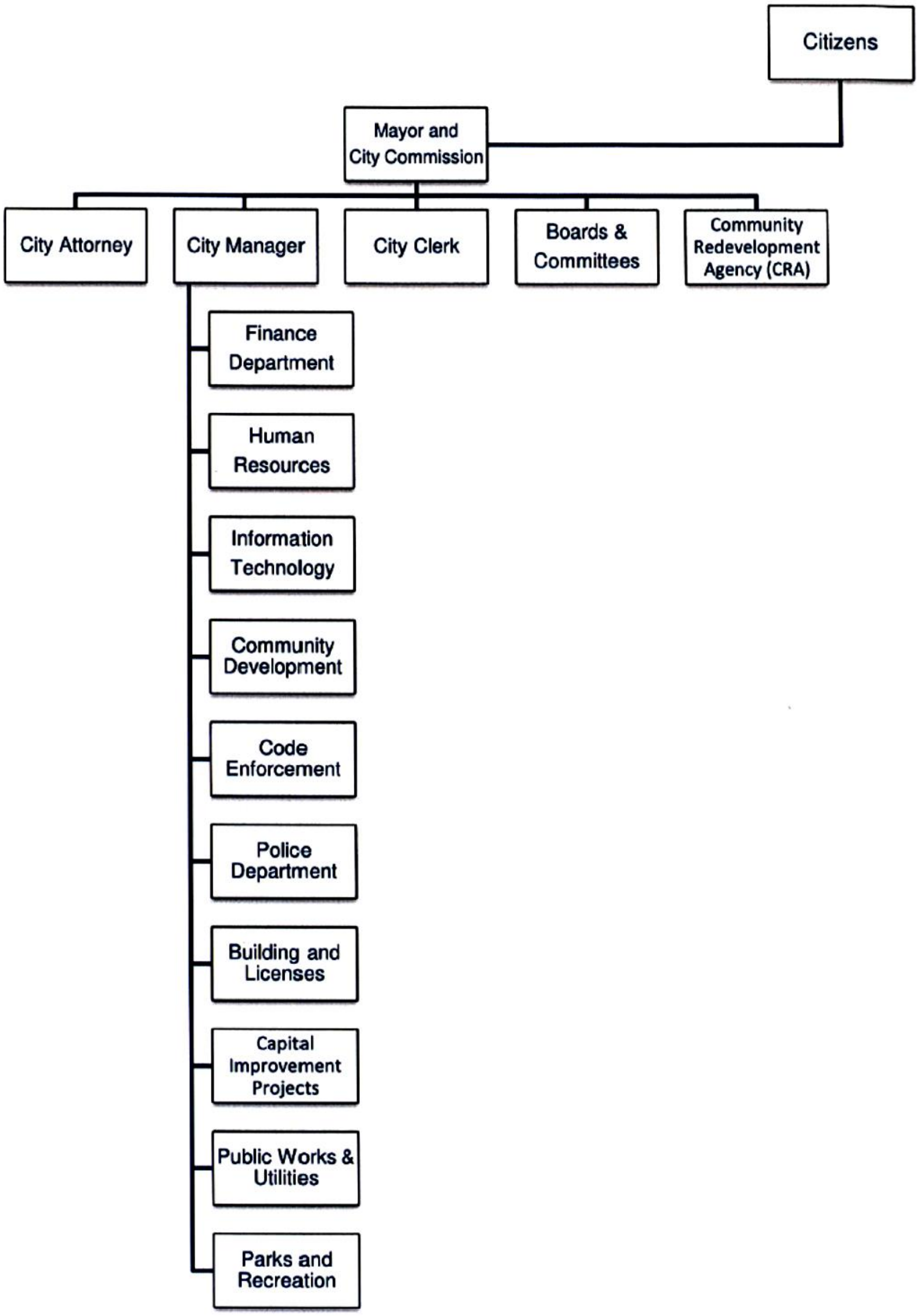
Newall J. Daughtrey
City Manager

Joanna Flores
City Clerk

Burnadette Norris-Weeks
City Attorney

CITY OF OPA-LOCKA, FLORIDA

ORGANIZATIONAL CHART



FINANCIAL SECTION

ANTHONY BRUNSON P.A.
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opa-locka, Florida, (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Miramar Office
3350 SW 148th Avenue | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN
info@abcpasolutions.com

Miami Office
801 Brickell Avenue | Suite 800
Miami, FL 33131
(305) 789-6673

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16 and budgetary comparison information on pages 69 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit engagement was for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Opa-locka, Florida. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 28, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Alberni Caballero & Fierman, P.A.

Miami, Florida
June 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

(MD&A)

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

1. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $8.42 million (*net position).*

2. The City's total net position increased by $275,203 or 3.4% resulting from current City operations.

3. The City's governmental-type activities reported net position of $8.4 million representing a $2.1 million or 32.9% increase when compared to the prior year's net position of $6.4 million.

4. The City's business-type activities reported a net position of ($28,907), representing a decrease in comparison to the prior year's net position of $1.78 million. This is attributed to the allowance for doubtful accounts for utility billing receivables and other business transactions throughout the year.

5. At the end of the fiscal year, the Governmental Fund reported a fund balance of $6.6 million, compared to $4.8 million in the prior year, the change is related to positive transfer of the capital projects improvement debt service fund balance to the general fund for prior year activity of more than $1.8 million.

6. The City's total liabilities for governmental activities declined by $1.2 million, or 3.9% during the current fiscal year as a result of increases in due to other governments, accounts payable and accrued liabilities, as well as compensated balances.

7. The total debt outstanding for the City's business-type activities increased by $3.1 million, or 19%, this increase is related to changes in contingent liabilities and long-term liabilities for water meter replacement and installation.

Overview of the Financial Statements

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information and an additional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.

The financial statements include *notes* explaining some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* which further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which is added together and presented in a single column in the basic financial statements.

Users interested in "budgetary performance" will find that information available in the required supplementary information and other financial information following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The *Statement of Net Position* (the "Unrestricted Net Position") is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. It presents information on all the City's assets and deferred outflows of resources, on one hand; liabilities and deferred inflows of resources on the other hand; the difference between them, reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, charges for services, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, cultural and recreational. The business-type activities include water and sewer, solid waste and storm-water, where the fee for service typically covers all or most of the cost of operations and depreciation.

The government-wide financial statements can be found on pages 17-18 of this report.

FUND FINANCIAL STATEMENTS

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the 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. 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 the governmental funds with similar information presented for the 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 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 balance for the General Fund, which is considered to be a major fund. The Capital Projects Improvement Debt Service Fund was established to account for the proceeds of the 2011 and 2015 debt issuance and presented as a major fund. The City presents data from all other governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds are included in the combining statements.

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for major funds within the governmental funds to demonstrate compliance with the funds' budgets.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

PROPRIETARY FUNDS

Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in fund net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has three Enterprise Funds: the Water and Sewer Fund, Solid Waste and Stormwater Fund. A statement of cash flows is presented at the fund financial statement level for the proprietary funds.

The basic propriety fund financial statements can be found on pages 23-25 of this report.

ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-68 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. This section also includes a comparison between the City's General Fund adopted and final budget and actual financial results. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The City also adopts an annual appropriated budget for each of its other governmental funds which are presented as supplementary information.

Combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Required Supplemental Information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position. As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. ***Net results of activities*** will impact (increase/decrease) current assets and unrestricted Net Position.
2. ***Borrowing for capital*** will increase current assets and long-term debt.
3. ***Spending borrowed proceeds on new capital*** will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the net investment in capital assets.
4. ***Spending of non-borrowed current assets on new capital*** will reduce current assets and increase capital assets and will reduce unrestricted Net Position and net investment in capital assets.
5. ***Principal payment on debt*** will reduce current assets and reduce long-term debt and reduce unrestricted Net Position and increase net investment in capital assets.
6. ***Reduction of capital assets through depreciation*** will reduce capital assets and net investment in capital assets.

The following schedule is a summary of the fiscal year 2019 Statement of Net Position with comparative information for fiscal year 2018.

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
Current and other assets	$ 12,804,303	$ 10,336,428	24%	$ 6,165,261	$ 6,484,200	-5%	$ 18,969,564	$ 16,820,628	13%
Capital assets, net	24,618,684	25,189,033	-2%	13,039,473	11,317,139	15%	37,658,158	36,506,172	3%
Total assets	37,422,988	35,525,461	5%	19,204,734	17,801,339	8%	56,627,722	53,326,800	6%
Deferred outflow of resources	3,049,245	3,949,017	-23%	415,806	538,502	-23%	3,465,051	4,487,519	-23%
Current and other liabilities	6,177,768	6,472,085	-5%	5,191,877	5,167,983	0%	11,369,645	11,640,068	-2%
Long-term liabilities	23,418,134	24,320,704	-4%	14,126,495	11,069,175	28%	37,544,629	35,389,879	6%
Total liabilities	29,595,902	30,792,789	-4%	19,318,372	16,237,158	19%	48,914,274	47,029,947	4%
Deferred inflow of resources	2,427,886	2,323,230	5%	331,075	316,805	5%	2,758,961	2,640,035	5%
Net assets:									
Invested in capital assets, net of related debt	12,712,613	12,342,000	3%	8,138,852	6,263,470	30%	20,851,465	18,605,470	12%
Restricted	2,737,747	2,873,620	-5%	-	-	0%	2,737,747	2,873,620	-5%
Unrestricted	(7,001,915)	(8,857,161)	21%	(8,167,759)	(4,477,594)	82%	(15,169,674)	(13,334,755)	14%
Total net assets	$ 8,448,445	$ 6,358,459	33%	$ (28,907)	$ 1,785,876	-102%	$ 8,419,538	$ 8,144,335	3%

STATEMENT OF NET POSITION

The overall net position of the City increased in fiscal year 2019, from the prior year net position, by $275,203 or 4%. The net position was $8.1 million in FY 2018 and FY 2019 net position is $8.4 million. The changes in net position over time can be one of the best and most useful indicators of financial health.

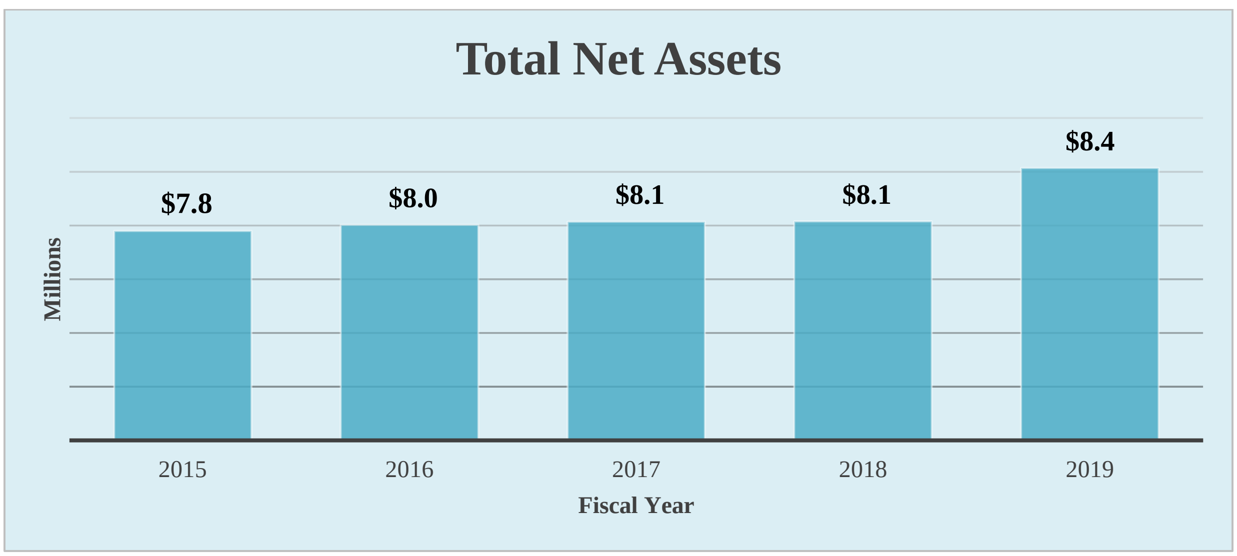
The governmental activities of the City's current and other assets increased by 24% while the current liabilities of those activities decreased by 4.5%. Meanwhile, the business-type activities of the City's current and other assets decreased by 5% while the current liabilities of those activities increased by $23,894.

The governmental activities invested in capital assets, net of related debt was $12.3 million in the previous year and $12.7 million in the current year. Meanwhile, the previous year's unrestricted net position was ($8.8) million and is now ($13.1) million as a result of classification changes.

The business-type activities invested in capital assets, net of related debt was $6.2 million in the previous year and $8.1 million in the current year. Meanwhile, the previous year's unrestricted net position was ($4.4) million and is now ($8.1) million as of increases the allowance for doubtful accounts.

Five Years Total Net Position

(In millions)



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

STATEMENT OF ACTIVITIES

The following schedule is a summary of the fiscal year 2019 Statement of Activities with comparative information to fiscal year 2018:

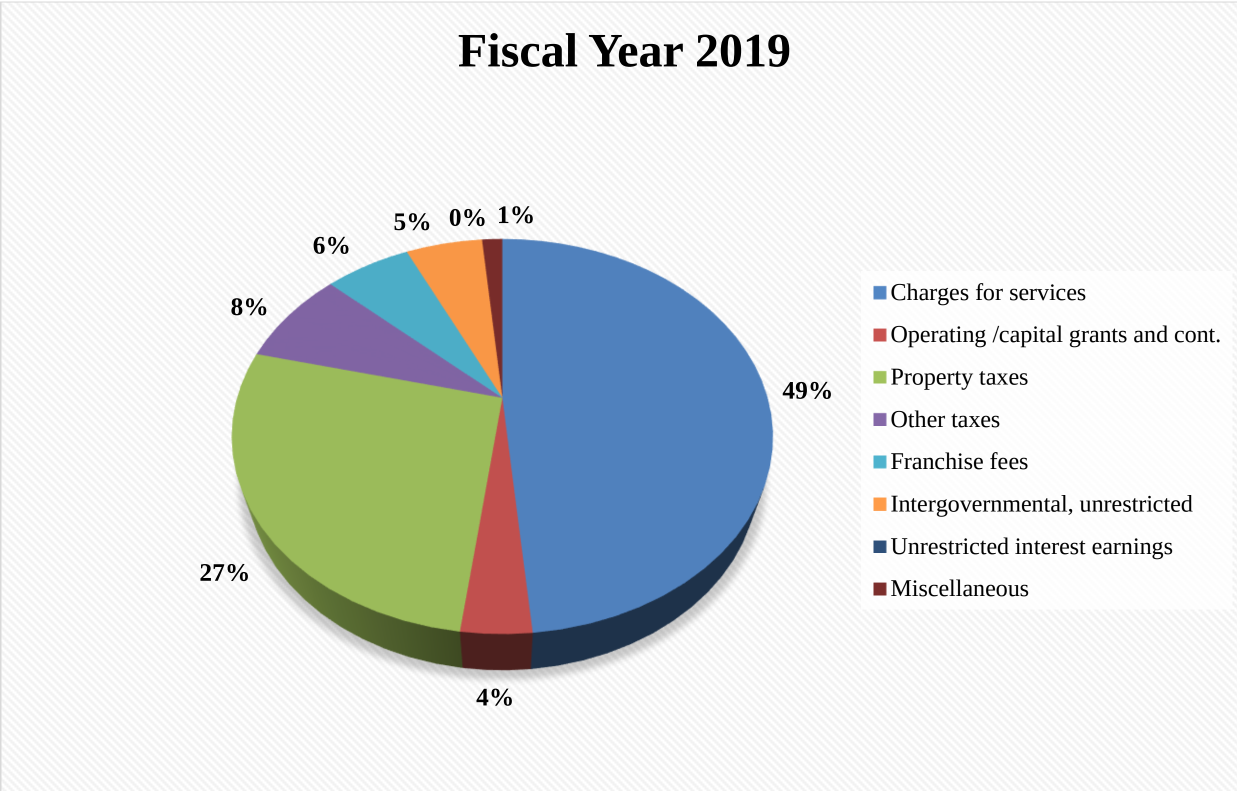
	Governmental Activities			Business-type Activities			Total		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
Revenues:									
Program revenues:									
Charges for services	$ 1,544,202	$ 1,434,921	8%	$ 13,910,678	$ 8,156,228	71%	$ 15,454,880	$ 9,591,149	61%
Operating /capital grants and cont.	1,039,836	733,240	42%	81,652	228,000	-64%	1,121,488	961,240	17%
General revenues:									
Property taxes	8,539,449	7,091,758	20%	-	-	0%	8,539,449	7,091,758	20%
Other taxes	2,542,276	2,481,869	2%	-	-	0%	2,542,276	2,481,869	2%
Franchise fees	1,962,804	1,675,728	17%	-	-	0%	1,962,804	1,675,728	17%
Intergovernmental, unrestricted	1,758,132	822,465	114%	-	-	0%	1,758,132	822,465	114%
Interest	33	1,113	-97%	24	-	N/A	56	1,113	-95%
Other	460,559	888,059	-48%	5,549	-	N/A	466,108	888,059	-48%
Total revenues	17,847,291	15,129,153	18%	13,997,902	8,384,228	67.0%	31,845,193	23,513,381	35%
Expenses and transfers:									
General government	6,409,284	5,892,068	9%	-	-	0%	6,409,284	5,892,068	9%
Public safety	6,434,509	6,316,205	2%	-	-	0%	6,434,509	6,316,205	2%
Transportation	1,937,852	2,414,667	-20%	-	-	0%	1,937,852	2,414,667	-20%
Culture and recreation	539,280	604,816	-11%	-	-	0%	539,280	604,816	-11%
Interest and fiscal charges	438,682	466,622	-6%	-	-	0%	438,682	466,622	-6%
Water and sewer	-	-	0%	15,209,280	9,180,678	66%	15,209,280	9,180,678	66%
Stormwater	-	-	0%	1,398,452	682,664	105%	1,398,451	682,664	105%
Solid Waste	-	-	0%	-	(4,108)	-100%	-	(4,108)	-100%
Total expenses	15,759,608	15,694,378	0%	16,607,732	9,859,234	68%	32,367,339	25,553,612	27%
Increase (decrease) in net positions	2,087,683	(565,225)	-469%	(2,609,829)	(1,475,006)	-77%	(522,146)	(2,040,231)	-74%
Net position, beginning	6,358,459	6,924,303	-8%	1,785,876	1,218,088	47%	8,144,335	8,142,391	0%
Prior period adjustment	2,303	(619)	-472%	795,046	2,042,780	-61%	797,349	2,042,161	-61%
Net position, beginning, as restated	6,360,762	6,923,684	-8%	2,580,922	3,260,868	-21%	8,941,684	10,184,552	-12%
Net positions, ending	$ 8,448,445	$ 6,358,459	33%	$ (28,907)	$ 1,785,862	-102%	$ 8,419,538	$ 8,144,321	3%

The Statement of Activities reflects a 35% increase in overall revenues compared to the prior year. Meanwhile, total expenses rose by 27%.

The governmental activities account for the most significant activities within the City, with program revenues of $17.8 million. Total overall increase by 18% in governmental activities over the prior year was due to an increase in general government services activities such as charge for services, and other areas such as intergovernmental revenues, franchise fees, and property taxes.

The business-type activities represent water and sewer, solid waste and storm water operations which reflected a $5.6 million or 67% increase in total revenues. The increase is due to the transitioning of the utility billing operation from the City to Miami Dade County's Water and Sewer Department (WASD), in addition to progressive billings by the City prior to the transitioning.

Sources of Revenue for Fiscal Year 2019



BUSINESS-TYPE ACTIVITIES

The Business-type Activities are comprised of the Water and Sewer, Solid Waste and Stormwater Fund.

- The total revenues for the Proprietary or Enterprise Fund was approximately $14 million, which was a 67% increase from the prior year's $8.4 million. This improvement was the result of a combination of (a) transitioning the water, sewer and stormwater billings to Miami-Dade County Water & Sewer and (b) progressive billing practices within the City prior to the transition of water and sewer billings to Miami-Dade County Water & Sewer.

- The Solid Waste Fund activity is not being managed in house by the City, and is being outsourced to Miami-Dade County.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's funding requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2019, the City's governmental funds reported combined ending fund balance of $6.6 million compared to $4.8 million in the prior year, an increase of $1.8 million in fund balance associated with transfers of debt service fund balance to the general fund after the release of restrictions, and other miscellaneous correction of errors from prior periods. Most of the remaining fund balance is restricted to indicate that it is not available for new spending because it has already been committed or restricted to pay 1) debt service, 2) transportation and 3) public safety. Additionally, there are restrictions to cash on hand being held associated with the 2015A&B bonds held by City National Bank.

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year the total fund balance equals, negative ($2.2) million as compared to a negative ($3.96) million in the prior fiscal year, representing a significant increase due to transfers and reclassification of capital projects improvement debt service funds being properly re-allocated to the general fund related to prior years for funds in excess of debt service pledged to the capital improvement and debt service fund.

Total revenues for the general fund rose by $2.3 million, or 21%, this is related to increases in property taxes, franchise fees, fines and forfeitures and other financing sources of $978,660 related to transfers from the capital projects improvement debt service fund in the current year. It is important to note that a large source of state revenue sharing was withheld in fiscal year ending September 30, 2018 and some in September 30, 2019, as a result these funds were not available to the City in accordance with Section 218.63(2), *Florida Statutes*.

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

General Fund Revenues	2019 Amount	Percent of Total	2018 Amount	Percent of Total	Increase (Decrease) From 2018	Percent of Increase (Decrease)
Property taxes	$ 7,984,161	60%	$ 6,734,982	61%	$ 1,249,179	19%
Utility service taxes	77,475	1%	63,454	1%	14,021	22%
Local option, use and service taxes	-	0%	29,104	0%	(29,104)	-100%
Franchise fees	1,962,804	15%	1,675,728	15%	287,076	17%
Local business taxes	284,844	2%	301,715	3%	(16,871)	-6%
Permits and fees	693,714	5%	737,810	7%	(44,096)	-6%
Intergovernmental	117,711	1%	45,500	0%	72,211	159%
Charges for services	178,402	1%	148,460	1%	29,942	20%
Fines and forfeitures	662,776	5%	548,651	5%	114,125	21%
Interest	-	0%	-	0%	-	0%
Other revenue	460,559	3%	816,080	7%	(355,521)	-44%
Other financial sources	978,660	7%	-	0%	978,660	N/A
Total Revenues	$ 13,401,106	100%	$ 11,101,484	100%	$ 2,299,622	21%

Total expenditures for the general fund increased by $555,572, representing a 4% increase in expenditures. This increase was comprised of a $1.6 million increase in general government, and a decrease by $1.1 million in transportation cost to name a few. Expenditures in the general fund are shown in the following schedule:

General Fund Expenditures	2019 Amount	Percent of Total	2018 Amount	Percent of Total	Increase (Decrease) From 2018	Percent of Increase (Decrease)
General government	$ 5,586,321	41%	$ 3,975,884	30%	$ 1,610,437	41%
Public safety	6,430,103	47%	6,307,538	48%	122,565	2%
Transportation	882,692	6%	1,963,493	15%	(1,080,801)	-55%
Culture and recreation	539,280	4%	604,816	5%	(65,536)	-11%
Debt Service	53,011	0%	76,555	1%	(23,544)	-31%
Capital outlay	201,825	1%	209,374	2%	(7,549)	-4%
Other financing uses	-	0%	-	0%	-	0%
Total expenditures	$ 13,693,232	100%	$ 13,137,660	100%	$ 555,572	4%

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 position of the water and sewer, storm water, and solid waste funds at the end of the prior year was at a deficit of ($4.5) million in prior year and is now a deficit of ($8.8), mainly attributed to an increase in doubtful accounts of more than $5.1 million in fiscal year 2019. The total net position for the enterprise fund is ($28,907) in the current year versus a $1.8 million in the prior year, the decrease is as a result of provisions made for doubtful utility billing, contingencies and other.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were adjustments to the appropriations between the original and final amended budget. Overall, the City's actual total revenues were more than budgeted while overall expenditures were under budget; this created an excess of expenditures over revenues of $1.2 million.

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, 2019, amounted to $37.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and buildings improvements, machinery and equipment, park facilities, roads, and utility systems infrastructure. The City's investment in capital assets rose by $1.2 million for the current fiscal year, primarily due to additions related to new water meter replacement and installation of $1.6 million and other additions to capital assets, reductions due to depreciation expense, deletions, and adjustments to accumulated depreciation.

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

- Construction in progress for Cairo Lane;
- Sewer line projects on Bahman Avenue;
- Meter replacement and installation;
- The milling and resurfacing of portions of the streets listed below:
  - Ahmad Street, Aladdin Street, Jann Avenue, Kalandar Street, N.W. 26th Avenue, Opa-locka Blvd and Sinbad Avenue;
- Vehicles, Furniture & Equipment.

City of Opa-locka's Capital Assets

(Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Land	$ 2,980,457	$ 2,980,457	$ 14,762	$ 14,762	$ 2,995,219	$ 2,995,219
Construction in progress	2,114,944	2,114,944	4,790,244	4,084,879	6,905,188	6,199,823
Buildings and building improvements	14,834,316	15,213,621	-	-	14,834,316	15,213,621
Furniture and equipment	216,722	(8,609)	1,983,681	333,405	2,200,403	324,796
Infrastructure	4,472,245	4,888,619	6,256,747	6,884,102	10,728,992	11,772,721
Total	$ 24,618,684	$ 25,189,032	$ 13,045,434	$ 11,317,148	$ 37,664,118	$ 36,506,180

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

Debt Administration

At the end of the current fiscal year the City had total outstanding debt, both current and long-term, of $48.9 million, exclusive of deferred inflow of resources. For long-term debt note disclosures, see Note 9.

	Governmental Activities		Business-type Activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Revenue bonds	$ 11,906,072	$ 12,627,334	$ -	$ -	$ 11,906,072	$ 12,627,334
Capital leases	-	5,463	-	-	-	5,463
Loans, State Revolving	-	-	4,900,621	5,053,667	4,900,621	5,053,667
GASB 68 liability	8,941,473	9,076,099	1,219,292	1,237,650	10,160,765	10,313,749
Liability to Miami-Dade	207,334	214,236	6,790,417	5,356,061	6,997,751	5,570,297
OPEB	331,170	300,161	45,936	41,709	377,106	341,870
Compensated absences	1,779,211	1,750,962	100,228	107,644	-	1,858,606
Legal	252,875	1,296,683	1,070,000	-	-	1,296,683
Total	$ 23,418,135	$ 25,270,938	$ 14,126,494	$ 11,796,731	$ 34,342,315	$ 37,067,669

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During fiscal year 2020, the City will be looking at the following programs/initiatives:

- On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503(1), Florida Statutes. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by Florida Governor Rick Scott. In 2020 and moving forward, the City will be looking to improve and enhance its operational and financial controls and has made significant strides since then.

- Development of key audit schedules and documentation to begin the external audit work for fiscal year 2019 and beyond. Additional temporary accounting and audit staff were engaged to assist with completion of this task.

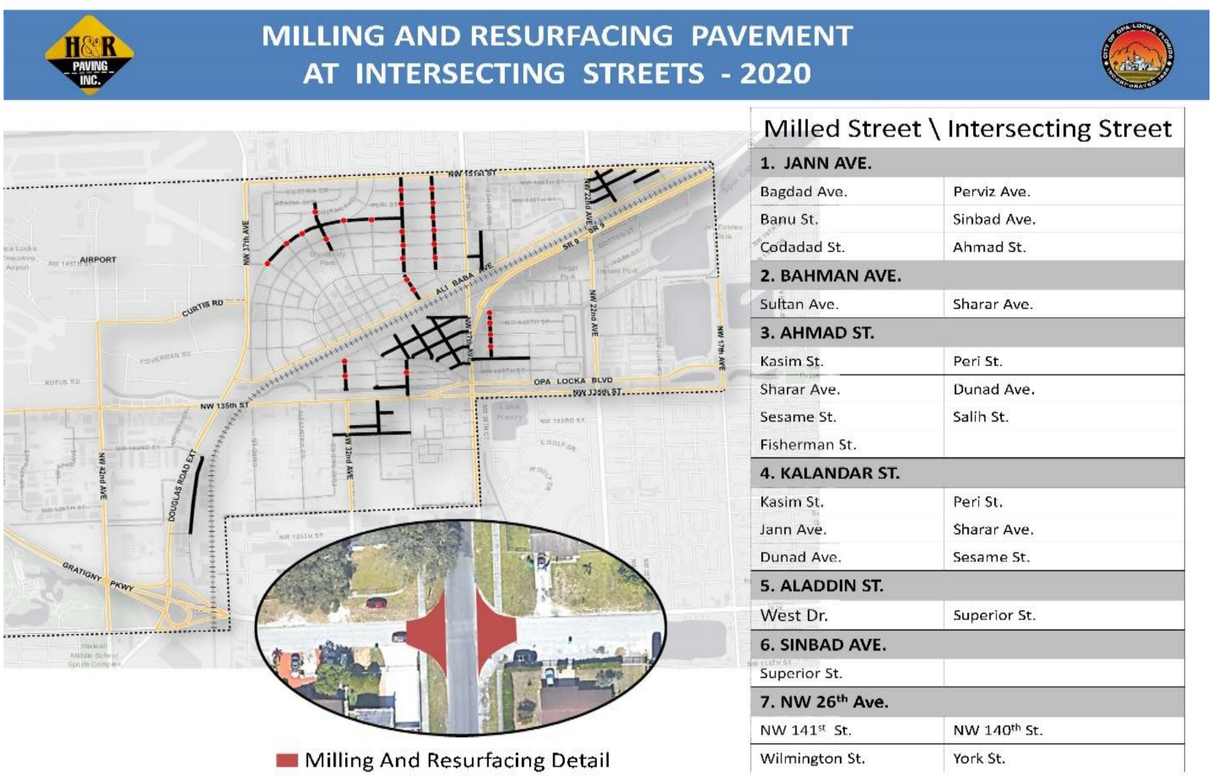
- Four of 19 pump stations remain out of compliance with Miami-Dade County's ("County") Department of Environmental Resources Management (DERM). These are stations 4, 5, 7, and 8. Gravity system lining has been completed in all of these service areas to mitigate infiltration, the City will then follow with rehabilitating all of the manholes; after which flow testing will be conducted to ensure compliance with the Miami-Dade County code.

- The County's Public Housing and Community Development provided the City with a second allocation of funds, in the amount of $250,000 to bring the 2105 Ali Baba Avenue Cultural Arts Center into full compliance with ADA requirements. This will include renovations to parking lot.

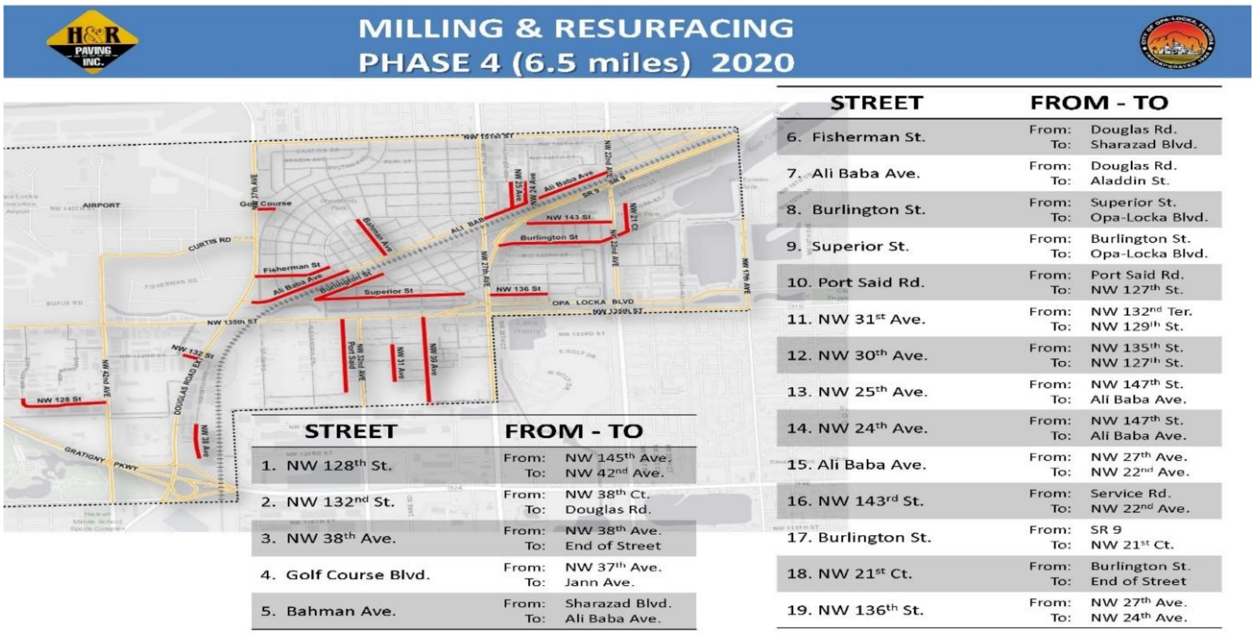
- In August of 2019, Intercounty Engineering mutually terminated the contract with the City of Opa-locka for the improvement of Cairo Lane and NW 127 Street; the project stands at 64% complete. The City met with the Florida Department of Environmental Protection (FDEP) to ensure there would be adequate funding to complete the project. It was at this time that the state required the City to retain the services of a professional engineer to ensure that the project design would be adequate for construction, and evaluate all constructed aspects of the project. This evaluation is in progress and the project should be going out for bid in February 2022.

- For fiscal year 2020-2021, residential development will begin to experience an uptick in the City of Opa-locka. Several homes have been rehabbed with new windows, doors, and roofs through the PACE Energy Improvement Program. Three new houses were built with a few more in planning phase in the South Area of Town Center bounded by Opa-locka Boulevard to the Northeast, the CSX Railroad ROW to the Northwest and Atlantic Street to the South between NW 27th Avenue and Sesame Street. One house was an infill project built on a former City owned surplus vacant lot at 825 Superior Street. Two houses at 931 and 951 Superior Street were built on a site where the Historic King Truck Factory once stood. The 1930 structure was demolished in 2017 after years of neglect and fire took inside of the historic structure. In the Magnolia North area, the City is working with Miami-Dade County's Infill Housing Project team members for development located within the boundaries of NW 22nd Avenue and Ali-Baba to NW 151st Street to the railroad tracks. Seventeen [17] vacant properties have been assigned for residential development. Miami-Dade County's Public Housing and Community Development (PHCD) is working with City staff to develop these properties. Palmetto Homes is one of the developers selected by Miami-Dade County [per recommendation by PHCD] to build residential and mixed use development in the Magnolia North area. Two-twin homes [4 units] are under construction and are scheduled to be completed by the end of fiscal year 2021. This company has four more nearby sites to be built on during fiscal year 2021-23. Cazo has two projects planned for development, one is four twin houses [8-units] for homeownership, and the other is a 42-unit elderly assisted living apartment complex. The City of Opa-locka recently transferred ownership of 11 vacant parcels in the Magnolia North Area and is working with private developers to produce residential and mixed use projects. The 11 vacant City owned properties in Magnolia North were proffered as part of a settlement agreement. The properties with deed restriction and reverter clause with Miami-Dade County were resolved per legislation by the City of Opa-locka Commission's approval of a resolution for the deed restriction to be modified for residential development. Miami-Dade County's Board of County Commissioners also approved this deed amendment. The legal settlement is almost complete, and Opa-locka PCD staff will be meeting with the new owners/developers to determine what will be built on these sites. In the Oasis Neighborhood just across the lake from Magnolia Gardens, 112-units of townhouse cluster homes are being developed as part of the final phase of a development called Mirage of Sailboat Cove. What originally started as 59 units for homeowners in 2005, will now include a phase of affordable workforce rentals, of which 24 units recently received their certificate of occupancy and the remaining units are scheduled to be completed by the end of fiscal year 2021. Once complete, Mirage at Sailboat Cove will total 171 units, all two story three and four bedroom units with 2.5 bath. Commercial and industrial projects are being planned.

- Work to expand the City's online services to allow residents to access an e-commerce platform, is ongoing, and anticipated to be complete and released during fiscal year 2019. The migration of water billing to Miami-Dade County's Water and Sewer Department (WASD) has allowed the City to refocus the online portal portion of the website to other online services. The City Clerk's Office in conjunction with the Information Technology Department has created an online portal which allows the public access to official City documents through the website. Additionally, the ability to submit building plans via the portal was enabled. A data cleanup is still underway in the Building Department which is necessary to complete the ability to have access to permit applications and status updates online.



Plans for milling and resurfacing of the City's roadways were a continued priority during fiscal year 2018. There was approximately 10 miles of roadway that were in need of improvement, of which 7 miles were completed during fiscal year 2019 and 3 miles are pending completion. Due to the magnitude of trucking and other traffic throughout the City, this is an ongoing project**. (See attached milling and resurfacing plan.)**



These factors were considered in preparing the City of Opa-locka's budget for fiscal years 2018-2019 and 2019-2020.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The City of Opa-locka, Finance Department, 780 Fisherman Street 4th Floor, Opa-locka, Florida 33054. A copy of this report will also be available.

BASIC FINANCIAL STATEMENTS

City of Opa-locka, Florida

STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

	Governmental Activities	Proprietary Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,098,320	$ 2,275,445	$ 5,373,765
Accounts receivable, net	551,128	3,483,324	4,034,453
Internal balance	1,360,506	(1,360,506)	-
Due from other governments	2,514,023	290,564	2,804,586
Prepaids and other	6,363	29,149	35,512
Restricted cash and cash equivalents	5,273,963	1,447,285	6,721,247
Total current assets	12,804,303	6,165,261	18,969,564
Non-current assets:			
Capital assets not being depreciated	5,095,402	4,805,006	9,900,407
Capital assets being depreciated	19,523,283	8,234,468	27,577,249
Total non-current assets	24,618,684	13,039,473	37,658,158
Total assets	37,422,988	19,204,734	56,627,721
DEFERRED OUTFLOW OF RESOURCES			
Pension (See Note 9)	3,049,245	415,806	3,465,051
Total deferred outflow of resources	3,049,245	415,806	3,465,051
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,362,816	1,305,901	4,668,717
Due to other governments	2,781,157	342,249	3,123,407
Customer deposits	33,795	3,543,727	3,577,522
Total current liabilities	6,177,768	5,191,877	11,369,645
Non-current liabilities:			
Due within one year:			
Compensated absences	177,921	10,023	187,944
Debt related to capital acquisitions	797,140	638,934	1,436,074
Other long term debt	40,472	1,013,185	1,053,657
Due in more than one year:			
Compensated absences	1,601,290	90,205	1,691,495
Contingencies	252,875	1,070,000	1,322,875
OPEB obligation	331,170	45,937	377,107
Debt related to capital acquisitions	11,108,931	4,261,687	15,370,619
Pension (See Note 9)	8,941,473	1,219,292	10,160,764
Other long term debt	166,862	5,777,233	5,944,095
Total non-current liabilities	23,418,134	14,126,495	37,544,629
Total liabilities	29,595,902	19,318,372	48,914,274
DEFERRED INFLOW OF RESOURCES			
Pension (See Note 9)	2,427,886	331,075	2,758,961
Total deferred inflow of resources	2,427,886	331,075	2,758,961
NET POSITION			
Invested in capital assets, net of related debt	12,712,613	8,138,852	20,851,465
Restricted for:			
CRA	779,900	-	779,900
Public safety	670,731	-	670,731
Transportation	1,130,655	-	1,130,655
Capital projects	156,461	-	156,461
Debt service	6,101,588	-	6,101,588
Unrestricted	(13,103,503)	(8,167,759)	(21,271,262)
Total Net Position	$ 8,448,445	$ (28,907)	$ 8,419,538

See notes to basic financial statements.

City of Opa-locka, Florida

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Proprietary Activities	Total
Governmental activities:							
General government	$ 6,409,283	$ 881,426	$ -	$ -	$ (5,527,857)	$ -	$ (5,527,857)
Public safety	6,434,509	662,776	-	-	(5,771,733)	-	(5,771,733)
Transportation	1,937,852	-	-	-	(1,937,852)	-	(1,937,852)
Culture and recreation	539,280	-	-	-	(539,280)	-	(539,280)
Interest on long term debt	438,682	-	-	-	(438,682)	-	(438,682)
Total governmental activities	15,759,606	1,544,202	-	-	(14,215,404)	-	(14,215,404)
Proprietary activities:							
Water and sewer	15,209,280	12,374,987	-	81,652	-	(2,752,642)	(2,752,642)
Stormwater	1,398,451	1,535,691	-	-	-	137,240	137,240
Solid waste	-	-	-	-	-	-	-
Total proprietary activities	16,607,732	13,910,678	-	81,652	-	(2,615,402)	(2,615,402)
Total	$ 32,495,316	$ 15,454,880	$ -	$ 81,652	(14,215,404)	(2,615,402)	(16,830,806)
General revenues							
Property taxes					8,539,449	-	8,539,449
Franchise fees					1,962,804	-	1,962,804
Utility taxes					1,541,065	-	1,541,065
Communication services tax					399,446	-	399,446
Local option, use and fuel taxes					316,921	-	316,921
Local business tax					284,844	-	284,844
Intergovernmental revenue - unrestricted					2,797,968	-	2,797,968
Unrestricted interest earnings					33	24	56
Other					460,559	5,549	466,108
Total general revenues and transfers					16,303,089	5,573	16,308,661
Change in net position					2,087,684	(2,609,829)	(522,145)
Net position, beginning					6,358,459	1,785,876	8,144,335
Prior period adjustment					2,302	795,046	797,348
Net position, beginning adjusted					6,360,761	2,580,922	8,941,683
Net position, ending					$ 8,448,445	$ (28,907)	$ 8,419,538

See notes to basic financial statements

CITY OF OPA-LOCKA, FLORIDA

BALANCE SHEET — GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	General Fund	Capital Projects Improvement Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,965,326	$ -	$ 1,132,994	$ 3,098,320
Accounts receivable, net	442,756	108,372	-	551,128
Due from other funds	23,981,253	4,648,694	5,397,093	34,027,039
Due from other governments	-	342,328	2,171,694	2,514,023
Prepaids and other	6,363	-	-	6,363
Restricted cash and cash equivalents	759,354	4,445,504	69,104	5,273,963
Total current assets	27,155,052	9,544,899	8,770,885	45,470,836
Total assets	$ 27,155,052	$ 9,544,899	$ 8,770,885	$ 45,470,836
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	$ 2,994,778	$ -	$ 368,039	$ 3,362,816
Due to other funds	23,558,122	3,443,311	5,665,100	32,666,533
Due to other governments	2,781,157	-	-	2,781,157
Customer deposits	33,795	-	-	33,795
Total current liabilities	29,367,852	3,443,311	6,033,138	38,844,301
Total liabilities	29,367,852	3,443,311	6,033,138	38,844,301
NET POSITION				
Non-spendable:				
Prepaids and other	6,363	-	-	6,363
Restricted for:				
CRA	-	-	779,900	779,900
Public safety	-	-	670,731	670,731
Transportation	-	-	1,130,655	1,130,655
Capital projects	-	-	156,461	156.461
Debt service	-	6,101,588	-	6,101,588
Unrestricted	(2,219,163)	-	-	(2,219,163)
Total Fund Balances	(2,212,800)	6,101,588	2,737,747	6,626,535
Total Liabilities and Fund Balances	$ 27,155,052	$ 9,544,899	$ 8,770,885	$ 45,470,836

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

Fund balances - total governmental funds		$ 6,626,535
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.		
Government capital assets net of accumulated depreciation	$ 24,618,684	
Long-term debt	(11,906,071)	
Pension liability	(8,941,473)	
Compensated absences	(1,779,211)	
Other post-employment benefits	(331,170)	
Deferred inflow of resources	(2,427,886)	
Deferred outflow of resources	3,049,245	
Accrued legal settlement	(252,875)	
Other long term debt	(207,334)	
Net adjustment		1,821,910
Net position of governmental activities		$ 8,448,445

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, 2019

	General Fund	Capital Projects Improvement Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 7,984,161	$ -	$ 555,288	$ 8,539,449
Utility taxes	77,475	1,463,590	-	1,541,065
Communication services taxes	-	399,446	-	399,446
Local option, use and fuel taxes	-	-	316,921	316,921
Local business taxes	284,844	-	-	284,844
Franchise fees	1,962,804	-	-	1,962,804
Permits and fees	693,714	-	-	693,714
Intergovernmental	117,711	1,665,617	1,014,641	2,797,968
Charges for services	178,402	-	9,310	187,712
Fines and forfeitures	662,776	-	-	662,776
Interest	-	33	-	33
Other	460,559	-	-	460,559
Total revenues	12,422,446	3,528,685	1,896,159	17,847,291
EXPENSES				
Current:				
General government	5,586,321	8,007	66,660	5,660,988
Public safety	6,430,103	-	4,406	6,434,509
Transportation	882,692	-	1,055,160	1,937,852
Culture and recreation	539,280	-	-	539,280
Debt service:				
Principal	53,011	771,488	-	824,499
Interest	-	438,682	-	438,682
Capital Outlay	201,825	-	-	201,825
Total expenses	13,693,232	1,218,177	1,126,226	16,037,635
Excess (deficiency) of revenues over expenditures	(1,270,785)	2,310,508	769,933	1,809,656
OTHER FINANCING SOURCES (USES):				
Transfer in	978,660	-	-	978,660
Transfer out	-	(978,660)	-	(978,660)
Total other financing sources (uses)	978,660	(978,660)	-	-
Net change in fund balances	(292,125)	1,331,848	769,933	1,809,656
Fund balances, beginning	(3,964,529)	6,583,852	2,195,254	4,814,577
Prior period adjustment	2,043,855	(1,814,112)	(227,440)	2,302
Fund balances, beginning restated	(1,920,674)	4,769,740	1,967,814	4,816,879
Fund balances, ending	$ (2,212,800)	$ 6,101,588	$ 2,737,747	$ 6,626,535

See notes to basic financial statements.

RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 1,809,656
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital outlays	218,612	
Net effect of various transactions involving capital assets	(42,234)	
Less current depreciation	(788,951)	(612,573)
Issuance of long term debt (e.g., bonds leases) 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 position.		775,852
Some expenses 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 deferred inflows and outflows relating to pensions and the net pension liability	(869,801)	
Change in legal accrual	1,043,808	
Change in other post-employment benefits	(31,009)	
Change in compensated absences	(28,249)	
		114,749
Change in net position - governmental activities		$ 2,087,684

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF NET POSITION —PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Water and Sewer	Other Nonmajor Enterprise Funds	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 253,188	$ 2,022,257	$ 2,275,445
Accounts receivable, net	3,135,540	347,785	3,483,324
Due from other funds	5,255,051	2,396,209	7,651,260
Due from other governments	252,050	38,514	290,564
Prepaids and other	29,149	-	29,149
Restricted cash and cash equivalents	1,337,285	110,000	1,447,285
Total current assets	10,262,262	4,914,765	15,177,027
Non-current assets:			
Capital assets, non-depreciable	4,515,949	289,056	4,805,006
Capital assets, depreciable	8,202,478	31,990	8,234,468
Total non-current assets	12,718,428	321,046	13,039,473
Total assets	22,980,690	5,235,810	28,216,500
DEFERRED OUTFLOW OF RESOURCES			
Pension	415,806	-	415,806
Total deferred outflow of resources	415,806	-	415,806
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,041,137	264,764	1,305,901
Due to other funds	5,989,781	3,021,985	9,011,766
Due to other governments	342,249	-	342,249
Customer deposits	3,479,583	64,145	3,543,727
Current portion of long term debt	638,934	-	638,934
Total current liabilities	11,491,684	3,350,893	14,842,577
Non-current liabilities:			
Compensated absences	71,917	28,311	100,228
Contingencies	1,070,000	-	1,070,000
OPEB obligation	41,942	3,996	45,937
Debt related to capital acquisitions	4,261,687	-	4,261,687
Pension	1,219,292	-	1,219,292
Other long term debt	6,259,446	530,972	6,790,418
Total non-current liabilities	12,924,283	563,278	13,487,561
Total liabilities	24,415,967	3,914,171	28,330,138
DEFERRED INFLOW OF RESOURCES			
Pension	331,075	-	331,075
Total deferred inflow of resources	331,075	-	331,075
NET POSITION			
Invested in capital assets, net of related debt	8,456,740	321,046	8,777,786
Unrestricted	(9,807,286)	1,000,594	(8,806,693)
Total Net Position	$ (1,350,546)	$ 1,321,639	$ (28,907)

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION —PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities-Enterprise Funds		
	Water and Sewer	Other Nonmajor Enterprise Funds	Total
Operating revenues:			
Charges for services	$ 12,374,987	$ 1,535,691	$ 13,910,678
Intergovernmental	81,652	-	81,652
Other	5,549	-	5,549
Total operating revenues	12,462,187	1,535,691	13,997,878
Operating expenses:			
Operating, administrative and maintenance	10,056,961	706,472	10,763,433
Bad debts and other	4,460,908	691,979	5,152,887
Depreciation	691,411	-	691,411
Total operating expenses	15,209,280	1,398,451	16,607,732
Operating income (loss)	(2,747,093)	137,240	(2,609,853)
Non-operating revenues (expenses)			
Interest and fiscal charges	24	-	24
Total non-operating revenues (expenses)	24	-	24
Income before transfers	(2,747,069)	137,240	(2,609,829)
Change in net position	(2,747,069)	137,240	(2,609,829)
Net position, beginning as previously stated	743,861	1,042,015	1,785,876
Prior period adjustment	652,662	142,384	795,046
Net position, beginning restated	1,396,523	1,184,399	2,580,922
Net position, ending	$ (1,350,546)	$ 1,321,639	$ (28,907)

See notes to basic financial statements.

CITY OF OPA-LOCKA, FLORIDA

STATEMENT OF CASH FLOWS —PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities- Enterprise Funds		
	Water and Sewer	Other Nonmajor Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	$ 9,348,621	$ 1,132,107	$ 10,480.728
Cash paid to vendors	(8,611,817)	(619,661)	(9,231,478)
Cash paid to employees	(716,323)	(84,047)	(800,370)
Receipts from other government	-	5,924	5,924
Net cash provided by operating activities	20,481	434,323	454,804
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(819,697)	-	(819,697)
Interest paid on long term debt	(23,767)	(2,764)	(26,531)
Proceeds from debt	587,750	-	587,750
Principal paid on debt	(906,440)	-	(906,440)
Net cash used in capital and related financing activities	(1,162,154)	(2,764)	(1,164,918)
Cash flows from noncapital financing activities:			
Grants received	81,651	-	81,651
Transfer from (to) other funds	-	398,864	398,864
Net cash provided by noncapital financing activities	81,651	398,864	480,515
Cash flows from investing activities:			
Interest income	24	-	24
Net cash provided by investing activities	24	-	24
Net increase (decrease) in cash	(1,059,998)	830,423	(229,575)
Cash, beginning	2,650,471	1,301,834	3,952.305
Cash, ending	1,590,473	2,132,257	3,722,730
Display as:			
Unrestricted	253,188	2,022,257	2,275,445
Restricted	1,337,285	110,000	1,447,285
Total	$ 1,590,473	$ 2,132,257	$ 3,722,730
Reconciliation of operating income to cash provided by operating activities:			
Operating income (loss)	$ (2,747,069)	$ 137,240	$ (2,609,829)
Adjustment to reconciled operating income to net cash provided by (used in) operating activities:			
Depreciation expenses	691,411	-	691,411
Retired asset	(39,201)		(39,201)
Other, net	(895,122)	-	(895,122)
(Increase) decrease in:			
Accounts receivable	212,736	180,025	392,761
Due from other governments	272,983	5,924	278,907
Due from other funds	(1,280,105)	(163,687)	(1,443,792)
Other current assets	57,672	-	57,672
Deferred outflow of resources	122,696	-	122,696
Increase (decrease) in:			
Accounts payable and accrued liabilities	(530,730)	43,148	(487,582)
Customer deposits	930,681	(727)	929,954
Compensated absences	3,992	(11,408)	(7,416)
Other liabilities and pension	2,354,102	(16,921)	2,337,181
Due to other funds	543,084	260,729	803,813
Deferred inflow of resources	14,270	-	14,270
Due to other governments	309,081	-	309.081
Net cash provided by operating activities	$ 20,481	$ 434,323	$ 454,804

See notes to basic financial statements.

NOTES TO 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, and storm water enterprises.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America the Generally Accepted Accounting Principles (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 reporting entity covered by this report includes the City and its component unit. The reporting entity has been defined in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Section 2100. The accompanying financial statements include those of the City (the primary government) and those of its component unit. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government. GASB Codification of Governmental Accounting and Financial Reporting Standards Section 2100 provides guidance for the inclusion of a legally separate entity as a component unit of an entity. The application of this guidance provides for identification of entities for which the City is financially accountable or organizations that the nature and significance of their relationship with the City are such that exclusions would cause the City's basic financial statements to be misleading or incomplete.

Based upon the application of GASB Codification Section 2100, the component units listed below have been included in the City's reporting entity as either blended or discretely presented component units.

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that they are legally separate from the City. The financial balances and activities of the blended component unit are as of and for the year ended September 30, 2019.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (cont'd)

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described and whose government body is the same, or substantially the same and 1) there is a financial benefit or burden relationship between the primary government and the component unit or 2) management below the level of the governing board of the primary government has operational responsibility for a component unit.

The Opa-locka Community Redevelopment Agency (CRA) is a dependent special district established by the City Commission in 2011 and approved by Miami-Dade County in 2013 under the authority granted by Florida Statute 163, section III. The CRA is a legal subsidiary governed by a seven member board appointed by the City Commission, the Miami-Dade County, District One Commissioner, and the Office of the Governor. The Board currently is comprised of the Mayor, Vice-mayor, and three City Commissioners, and an appointee from the Miami-Dade County Commissioner and the Florida Governor's Office. Its sole purpose is to finance the City's designed redevelopment areas through Tax Increment Financing (TIF). The CRA can provide services and financial benefits/assistance to imposed financial burdens on the City.

The CRA continued to operate in a limited-active phase based on limited tax increment funds produced by ad valorem taxes. For the fiscal year ended September 2019, there was approximately $555,288 in revenues other than transfers from the General Fund. Although the CRA activities did not meet the major fund criteria, the CRA's financial data is presented within the City's major governmental funds in order to comply with the audit requirements of F.S. 163.387(8) and is part of non-major governmental funds. No separate financial statements are issued.

Effective for the 2019-2020 fiscal year, the Florida Legislature enacted Chapter 2019-163, Laws of Florida, which amended Section 163.387(8), Florida Statues, to require that each community redevelopment agency (CRA) meeting the specified $100,000 threshold provide for a separate audit and that the resultant audit report accompany the municipality annual financial report filed with the Department of Finance Services (see Section 163.387(8)(c) and 218.32(3)(b), Florida Statues). Based on this guidance, the CRA will be separate from the audit of the City, but if a component unit, the CRA will be part of the reporting entity.

Special District

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, are included in the non-major governmental fund financial statements. No separate financial statements are issued.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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 non-major funds.

Inconsequential differences may occur due to rounding in calculating totals in the basic and supplemental financial schedules.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

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 financial transactions of the City are recorded in individual funds. The operations of each fund are accounted for using a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities, revenue and expenditure or expenses. Fund accounting is designed to demonstrate legal compliances and to aid financial management by segregating transactions related to certain government functions or activities. Accounting principles generally accepted in the United States of America set forth minimum criteria for determination of major funds based on the percentage of the applicable category balances. The non-major funds are presented in one column in the respective fund financial statements.

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, solid waste and storm water 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. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

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.

Immaterial differences may occur due to rounding.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

1. Encumbrances

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

2. Deposits and Investments

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

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

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

3. Receivables

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

4. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (cont'd)

5. 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

6. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (cont'd)

6. Inter-fund Transactions (cont'd)

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.

7. Deferred Outflows of Resources

The statement of net position includes a separate section, listed below Total Assets, for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Items in this category include deferred items related to pension and the deferred charge on refunding reported on the Government-wide Statement of Net Position. A deferred charge is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

8. Unearned Revenues

Unearned revenue is recorded for governmental fund receivables that are measurable and available, but have not met the criteria for revenue recognition, such as donations or grants received for specific projects. These are recorded as unearned revenue in the government-wide and fund statements.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (cont'd)

10. Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable premium or discount. These premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are expensed in the year they are incurred.

11. Deferred Inflows of Resources

The Statement of Net Position includes a separate section, listed below Total Liabilities, for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. In the governmental funds, this category includes unavailable revenue, whereas in the government-wide and the proprietary fund statements. It includes resources related to pension, which will be recognized as inflows of resources in the period that the amounts become available.

12. Net Position and Fund Balance

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (cont'd)

12. Net Position and Fund Balance (cont'd)

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

13. 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.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Material estimates that are particularly susceptible to significant change in the near term relate to:

1) The determination of the actuarially accrued liability for unpaid claims which is prepared based on certain assumptions pertaining to interest rates, and inflation rates, etc.;

2) The allowance for doubtful accounts; and

3) The actuarially determined liability for post-employment benefits other than pensions. Although these estimates (as well as all estimates) are based on management's knowledge of current events and actions in the future, they may ultimately differ from actual results.

NOTE 2. DEFICIT FUND EQUITY

The City reported fund balance deficits of ($28,907) in the proprietary fund and ($2 million) in the general fund, these deficit balances will be addressed through a five-year recovery plan beginning in fiscal year 2021. In accordance with Florida Statue, 218.503 (3)(h) that clarifies the determination of financial emergency, the City developed and submitted a proposed Five-Year Recovery Plan to the State of Florida Governor's office for approval of the plan, and to resolve its financial emergency condition. In August 2020, this Five-Year Recovery Plan was approved without modification.

NOTE 3. PROPERTY TAXES

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

The gross taxable value of property, as of July 1, 2018, by the Miami-Dade Property Appraiser was $887 million. For the year ended September 30, 2019, the millage rate adopted by the City Commission of $9.8 per $1,000 of assessed taxable value results in $8.4 million of property tax, of which approximately $381,398 was contributed to the Opa-locka Community Redevelopment Agency as it share of the property due to it, while Miami-Dade County contributed approximately $173,890.

No accrual for the property tax levy becoming due in November 2019 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 2019, and such taxes are collected to finance expenditures of the fiscal year ending September 30, 2019.

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2019, the City's cash are considered to be cash on hand, and demand deposits.

Deposits

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

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

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, 2019, the City had no investments.

NOTE 5. ACCOUNTS RECEIVABLE

Receivable balances and the allowance for doubtful accounts as of September 30, 2019, were as follows:

	Accounts	Taxes	Due from Other Agencies	Others	Allowance for Uncollectible	Net
Governmental activities:						
General	$ -	$ -	$ -	$ 696,994	$ (254,238)	$ 442,756
Capital projects and debt service	108,372	-	-	-	-	108,372
Total governmental activities	$ 108,372	$ -	$ -	$ 696,994	$ (254,238)	$ 551,128
Business-type activities:						
Water and sewer	$ 9,263,061	$ -	$ -	$ -	$ (6,127,522)	$ 3,135,540
Stormwater	1,057,027	-	-	-	(709,242)	347,785
Total business-type activities	$ 10,320,089	$ -	$ -	$ -	$ (6,836,764)	$ 3,483,324

As of September 30, 2019, the allowance for doubtful accounts was $254,238 for governmental activities, while the allowance for doubtful accounts was $6.8 million under the business-type activities. An allowance for doubtful accounts is a contra account that nets against the total receivables presented on the balance sheet to reflect only the amounts expected to be paid and estimates accounts receivable that are expected to be uncollectible.

NOTE 6. INTERFUND BALANCES AND TRANSFERS

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

NOTE 6. INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund balances as of September 30, 2019, consisted of the following:

	Due from Other Funds	Due to Other Funds
Major governmental fund:		
General Fund	$ 23,981,253	$ 23,558,122
Capital improvement debt service	4,648,694	3,443,311
Non-Major governmental funds	5,397,093	5,665,100
Major enterprise fund:		
Water and sewer	5,255,050	5,989,781
Non-major enterprise funds	2,396,209	3,021,985
Total	$ 41,678,299	$ 41,678,299

In fiscal year ended September 30, 2019, transfers between the capital improvement debt service fund to the general fund totaled $978,660 for current year activity.

NOTE 7. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2019:

	Balance 09/30/18	Increases	Decreases	Balance 09/30/19
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,980,457	$ -	$ -	$ 2,980,457
Construction in progress	2,114,944	-	-	2,114,944
Total assets not being depreciated	5,095,402	-	-	5,095,402
Capital assets being depreciated:				
Buildings and improvements	19,498,959	-	-	19,498,959
Vehicles, Furniture, and Equipment	4,820,656	218,612	(68,099)	4,971,158
Infrastructure	21,648,028	-	-	21,648,028
Total assets being depreciated	45,967,643	218,612	(68,099)	46,118,146
Less accumulated depreciation:				
Buildings and improvements	(4,285,338)	(379,305)	-	(4,664,643)
Vehicles, Furniture, and Equipment	(4,829,264)	(23,254)	97,979	(4,754,438)
Infrastructure	(16,759,409)	(416,373)	-	(17,175,783)
Total accumulated depreciation	(25,874,011)	(818,831)	97,979	(26,594,863)
Total capital assets being depreciated, net	20,093,632	(600,229)	29,880	19,523,283
Governmental activities capital assets, net	$ 25,189,033	$ (600,229)	$ 29,880	$ 24,618,685

NOTE 7. CAPITAL ASSETS (Continued)

	Balance 09/30/18	Increases	Decreases	Balance 09/30/19
Business-type Activities:				
Capital assets not being depreciated:				
Land	$ 14,762	$ -	$ -	$ 14,762
Construction in progress	4,084,879	705,365	-	4,790,244
Total assets not being depreciated	4,099,641	705,365	-	4,805,006
Capital assets being depreciated:				
Buildings and improvements	-	-	-	-
Vehicles, Furniture, and Equipment	6,993,920	1,708,372	(39,201)	8,663,091
Infrastructure	21,899,740	-	-	21,899,740
Total assets being depreciated	28,893,660	1,708,372	(39,201)	30,562,831
Less accumulated depreciation:				
Buildings and improvements	-	-	-	-
Vehicles, Furniture, and Equipment	(6,660,515)	(64,057)	39,201	(6,685,371)
Infrastructure	(15,015,638)	(627,354)	-	(15,642,992)
Total accumulated depreciation	(21,676,153)	(691,411)	39,201	(22,328,363)
Total capital assets being depreciated, net	7,217,507	1,016,961	-	8,234,468
Business-type activities capital assets, net	$ 11,317,148	$ 1,722,326	$ -	$ 13,039,474

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

Governmental activities:	
General government	$ 266,255
Public safety	120,333
Transportation	397,260
Parks and recreation	5,103
Total	$ 788,951
Business-type activities:	
Water and sewer	$ 691,411
Storm water	-
Total	$ 691,411

NOTE 8. LEASES

Capital Leases

In prior years, the City entered into lease agreements as lessee for financing the acquisition of various vehicles. These lease agreements qualified as capital leases for accounting purpose. However, as of fiscal year end September 30, 2019, there were no capital lease obligations extended beyond this period.

NOTE 8. LEASES (Continued)

To better meet the information needs of financial statement users, the City is reviewing GASB Statement No. 87, related to the improving accounting and financial reporting for leases by government agencies by requiring the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City will be evaluating future leasing contracts to determine if they meet the criteria outlined in this Statement for recognition. A total of $5,463 was paid for lease payments as of the year ended September 30, 2019.

NOTE 9. LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Balance 9/30/18	Additions	Reductions	Adjustments	Balance 9/30/19	Due in One Year 2020
Governmental Activities						
Capital Improvement Revenue Bond						
Series 2011 A&B	$ 4,761,000	$ -	$ (527,000)	$ -	$ 4,234,000	$ 545,000
Citi National Bank	-	-	-	-	-	-
Series 2015	7,866,334	-	(243,389)	49,127	7,672,072	252,140
Construction Loan	-	-	-	-	-	-
Capital Lease Obligation	5,463	-	(5,463)	-	-	-
Total	12,632,797	-	(775,852)	49,127	11,906,072	797,140
Compensated Balances	1,750,962	28,249	-	-	1,779,211	-
OPEB	296,724	34,446	-	-	331,169	-
FRS Pension Liability	9,076,099	-	(134,626)	-	8,941,473	-
Miami-Dade County Debt	214,236	-	(6,902)	-	207,334	40,472
Long Term Liability Legal	1,296,683	-	(1,043,808)	-	252,875	-
Total	12,634,704	62,695	(1,185,336)	-	11,512,063	40,472
Total Governmental Activities	$ 25,267,501	$ 62,695	$ (1,961,188)	$ 49,127	$ 23,418,135	$ 837,612
Business Type Activities						
State Revolving Loan CS120 80003P	$ 444,775	$ -	$ (93,703)	$ -	$ 351,072	$ 96,564
State Revolving Loan WW800050	1,166,554	-	(121,856)	-	1,044,698	123,728
State Revolving Loan DW130330	75,167	-	(3,344)	-	71,823	10,561
State Revolving Loan SW130320	162,899	-	(7,856)	-	155,043	9,160
State Revolving Loan WW130300	457,306	-	(23,931)	-	433,375	23,839
State Revolving Loan WW130301	2,637,359	498,349	(333,090)	-	2,802,618	333,090
State Revolving Loan DW130331	109,607	89,401	(157,017)	-	41,991	41,991
Total State Revolving Loans	5,053,667	587,750	(740,796)	-	4,900,621	638,934
Other Debt:						
Capital Lease Obligation	-	-	-	-	-	-
SunTrust Capital Lease Obligation	-	-	-	-	-	-
Total Leases	-	-	-	-	-	-
Compensated Absences	107,644	-	(7,416)	-	100,228	-
OPEB	45,146	790	-	-	45,936	-
Long-term debt - MDC	5,356,061	1,600,000	(165,644)	-	6,790,417	1,013,185
Long Term Liability Legal	70,000	1,000,000	-	-	1,070,000	-
FRS Pension Liability	1,237,650	-	(18,358)	-	1,219,292	-
Total Other Long -term Debt	6,816,501	2,600,790	(191,418)	-	9,225,873	1,013,185
Total Business Type Activities	$ 11,870,168	$ 3,188,540	$ (932,214)	$ -	$ 14,126,494	$ 1,652,119

NOTE 9. LONG-TERM DEBT (Continued)

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

Long-Term Debt – Governmental Activities

Long-term debt of the City's governmental activities, excluding compensated absences and capital leases, include the:

(a) Series 2011A&B Capital Improvement Revenue bonds, bearing annual interest rates on the Series A and Series B bonds range from approximately 3.31% to 3.89%, and are payable from a pledge of Grantee Entitlement Revenues which must be shared by the State of Florida, in annual principal installments ranging from $445,000 in 2018 to $670,000 through 2026.

(b) Series 2015 Capital Improvement Revenue Note ("2015 Note") - for $8,600,000, bearing interest at a rate of 2.65% to 4.25%, with a maturity date of July 1, 2025, and are payable by a lien on Pledge Revenues as defined by the terms of the Series 2015 Note agreement.

City National Bank has restricted the use of excess pledged funds after debt service payments have been made as a result of the City's financial emergency declaration (Note 20); as of September 30, 2019, approximately $4.4 million is unavailable for City operations. Subsequent to September 30, 2019, City National Bank's restrictions on excess pledged funds, through a modification of the agreement, adopted on April 8, 2020, allowed the City to have access and redemption options for the available funds of approximately $5,226,975. These funds were used to pay down a portion of the 2015A series bond, legal fees and the remaining portion transferred to the general fund for operations after being released from restriction.

Long-Term Debt - Business-Type Activities

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

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

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

(c) State Revolving Loan Note Project No. WW130300 – for $512,806, bearing interest at a rate of 1.63%, due in 40 semi-annual payments of $15,644, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

NOTE 9. LONG-TERM DEBT (Continued)

Long-Term Debt - Business-Type Activities (cont'd)

(d) State Revolving Loan Note Project No. SW130320 – for $197,035, bearing interest at a rate of 1.63%, due in 40 semi-annual payments of $6,011, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

(e) State Revolving Loan Note Project No. DW130330 – for $240,000, bearing interest at a rate of 2.53%, due in 40 semi-annual payments of $6,011, including interest, secured by a lien on Pledge Revenues as defined by the State Revolving Fund loan agreement.

(f) State Revolving Loan Note Project No. WW 130301- for $16.895 million, interest-free, due in forty (40) semi-annual payments of $430,845, from July 15, 2018 through June 15, 2032, including interest, secured by a lien on pledged revenues as defined by the State Revolving Fund loan agreement.

(g) State Revolving Loan Note Project No. DW130331- for $2,745,981 million, bearing interest at a rate of 1.21%, due in 40 semi-annual payments of $79,075, from July 15, 2018 until all amounts have been fully paid, secured by a lien on pledged revenues as defined by the State Revolving Fund loan agreement.

(h) On August 4, 2017, the City entered into an agreement with Miami-Dade County ("the County") for (1) sewer disposal service, (2) administering the meter reading, billing and collection of water, sanitary sewage, and stormwater utility charges, and (3) acknowledging delinquent charges. The City will repay at a rate of three percent (3%) annual interest rate, in monthly payments for sixty (60) months to re-pay past due debt owed as of March 15, 2017. As of September 30, 2019, the total debt outstanding was $5,397,751. Debt service payments, which include principal & interest, are made monthly in the amount of $100,090.95. For fiscal year ended September 30, 2019, payments totaled 200,181.90.

(i) For the fiscal year ended September 30, 2019, the County exercised the option to have water meters replaced and installed to bring customer properties into Compliance with the City's Code of Ordinances. As a result, there is an estimated $1,600,000 liability for water meters purchased on behalf of the City. The meters have been properly capitalized, see Note 7.

(j) As of September 30, 2019, the City owed the State of Florida $2,781,157 for their portion of the Mark Wandall Traffic Safety Program, Florida Statute 316.0083, regarding the ordinance to use a traffic infraction detector to identify a motor vehicle that fails to stop at a traffic control signal at a red light. Remittances in FY2019 were approximately $1,076,912.

NOTE 9. LONG-TERM DEBT (Continued)

Long-Term Debt - Business-Type Activities (cont'd)

Annual debt service requirements to maturity for debt outstanding are as follows:

	Governmental Activities		Business - Type Activities	
Fiscal Year Ending September 30,	Principal	Interest	Principal	Interest
2020	$ 836,897	$ 412,708	$ 1,652,119	$ 219,271
2021	825,221	384,676	1,817,423	180,019
2022	853,646	355,653	1,857,804	139,638
2023	883,429	325,601	1,801,042	93,125
2024-2029	8,496,820	568,188	4,422,483	219,993
Thereafter	217,393	-	140,167	89,667
	$ 12,113,406	$ 2,046,826	$ 11,691,038	$ 941,713

Summary of Debt Covenants

Series 2011A and Series 2011B Capital Improvement Revenue Bonds – Debt service is provided by a pledge of guaranteed state revenue sharing funds, local option gas tax revenues, and the half-cent sales tax. Reserves must be maintained equal to the maximum bond service requirement. At September 30, 2019, 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.

On June 3, 2014 - as authorized by City Ordinance No. 13-40 - the City entered into an agreement with City National Bank of Florida for the issuance of the Series 2014 Capital Improvement Revenue Note for the purpose of acquiring, construction, installation and equipping an administration building. Debt service is provided by a pledge of guaranteed state communications services tax revenues, public service tax revenues and all investment income except for Rebate fund. In May 2015, this was rolled up into the Series 2015 Note.

Pledged 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, 2019, 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, 2019, 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, 2019.

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

NOTE 10. RETIREMENT PLANS

All of the City's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a Florida state agency, county government, district school board, state university, community college, or a participating city or special district. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; or at the Division's website (www.frs.myflorida.com).

A. Pension Plan - Florida Retirement System (FRS)

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

The general classes of membership for the City are as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions
- Special Risk Class – Members who are employed as law enforcement officers

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service. Regular Class and SMSC members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, a 5.0% benefit reduction is imposed for each year prior to the normal retirement age.

DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment each July and earn monthly interest equivalent to an annual rate of 1.30%. DROP participants with an effective DROP commencement date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%.

NOTE 10. RETIREMENT PLANS (Continued)

A. Pension Plan - Florida Retirement System (FRS) (cont'd)

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value (Per Year of Service)
Regular Class Members Initially Enrolled Before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class Members Initially Enrolled On or After July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from Dec. 1, 1970 through Sept. 30, 1974	2.00%
Service on and after Oct. 1, 1974	3.00%
Senior Management Service Class	2.00%

The benefits received by retirees and beneficiaries are increased by a COLA each July based on their June benefit amount. For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

NOTE 10. RETIREMENT PLANS (Continued)

A. Pension Plan - Florida Retirement System (FRS) (cont'd)

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year 2017-2018 are as follows:

Class	Employee Contribution Rate	Employer Contribution Rate*	Total Contribution Rate
Regular	3.00%	6.54%	9.54%
Senior Management	3.00%	22.34%	25.34%
Special Risk	3.00%	22.78%	25.78%
DROP	N/A	12.37%	12.37%

**These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.*

For the fiscal year ending September 30, 2019, contributions, including employee contributions, to the Pension Plan for the City totaled $969,476.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2019, the City reported a liability of $7,949,247 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on its share of the City's 2018-2019 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 215.136(10) Florida Statutes. The 6.90 percent return assumption used in the June 30, 2019 calculations were determined by Plan's consulting actuary to be reasonable and appropriate per Actuarial Standards of Practice. The 6.90 percent reported investment return assumption differs from the 7.20 percent investment return assumption chosen by the 2019 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

NOTE 10. RETIREMENT PLANS (Continued)

A. Pension Plan - Florida Retirement System (FRS) (cont'd)

For the fiscal year ended September 30, 2019, the City recognized pension expense of $1,761,126. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Differences between expected and actual experience	$ 471,493	$ (4,933)
Change of Assumptions	2,041,709	-
Net difference between projected and actual earnings on Pension Plan investments	-	(439,794)
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	217,950	(1,375,710)
Pension Plan contributions subsequent to the measurement date	181,183	-
Total	$ 2,912,335	$ (1,820,437)

The deferred outflows of resources related to the Pension Plan, totaling $181,183 for the City, resulting from contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

For the Year Ending September 30,	Deferred Outflows/(Inflows) Net
2020	$ 330,279
2021	99,635
2022	240,728
2023	181,596
2024	46,833
Thereafter	11,644
Total	$ 910,715

Actuarial Assumptions – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.9%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

NOTE 10. RETIREMENT PLANS (Continued)

A. Pension Plan - Florida Retirement System (FRS) (cont'd)

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns but, instead, is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	*Target Allocation**	*Annual Arithmetic Return*	*Compound Annual (Geometric) Return*	*Standard Deviation*
Cash	1.00%	3.3%	3.3%	1.2%
Fixed Income	18.00%	4.1%	4.1%	3.5%
Global Equity	54.00%	8.0%	6.8%	16.5%
Real Estate (Property)	10.00%	6.7%	6.1%	11.7%
Private Equity	11.00%	11.2%	8.4%	25.8%
Strategic Investments	6.00%	5.9%	5.7%	6.7%
Total	100.00%			
Assumed Inflation – Mean		2.6%		1.7%

**As outlined in the Pension Plan's investment policy.*

Discount Rate – The discount rate used to measure the total pension liability was 6.9%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.9%) than the current rate:

	1% Decrease 6.9%	**Current Discount Rate 5.9%**	**1% Increase 7.9%**
City's proportionate share of the net pension liability	$13,741,601	$7,949,247	$3,111,651

NOTE 10. RETIREMENT PLANS (Continued)

A. Pension Plan - Florida Retirement System (FRS) (cont'd)

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2019, the City had no outstanding payables of to the Pension Plan for contributions to the Pension Plan required for the fiscal year ended September 30, 2019.

B. Retiree Health Insurance Subsidy Program (HIS)

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state administered retirement systems in paying health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a state administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution rate for the period October 1, 2016 through September 30, 2019, was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the fiscal year ending September 30, 2019, contributions to the HIS Plan for the City totaled $142,377.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2019, the City reported a liability of $2,211,518 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based its share of the City's 2018-2019 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members.

NOTE 10. RETIREMENT PLANS (Continued)

B. Retiree Health Insurance Subsidy Program (HIS) (cont'd)

For the fiscal year ended September 30, 2019, the City recognized pension expense of $131,135. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 26,861	$ (2,708
Change of Assumptions	256,073	(180,751)
Net difference between projected and actual earnings on Pension Plan investments	1,427	-
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	240,537	(755,065)
Pension Plan contributions subsequent to the measurement date	25,857	-
Total	$ 550,755	$ (938,524)

The deferred outflows of resources related to the HIS Plan, totaling $25,857 for the City, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

For the Year Ending September 30,	Deferred Outflows/(Inflows) Net
2019	$ (176,271)
2020	(141,075)
2021	(77,224)
2022	56,077
2023	(10,186)
Thereafter	(64,946)
Total	$ (413,626)

Actuarial Assumptions – Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2017 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2019.

Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures.

NOTE 10. RETIREMENT PLANS (Continued)

B. Retiree Health Insurance Subsidy Program (HIS) (cont'd)

The total pension liability as of June 30, 2019 was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	3.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions that determine the total pension liability as of June 30, 2019 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2019 was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation was updated from 3.87% to 3.50% reflecting the change in the Bond Buyer General Obligation 20-Bond municipal Bond Index as of June 30, 2019.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
City's proportionate share of the net pension liability	$2,524,561	$2,211,518	$1,950,788

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

NOTE 10. RETIREMENT PLANS (Continued)

C. Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the defined benefit pension plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Membership Class	Percentage of Gross Compensation
FRS Regular	6.30%
FRS Senior Manager Service	7.67%
FRS Special Risk	14.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over the account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

NOTE 10. RETIREMENT PLANS (Continued)

C. Investment Plan (cont'd)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or elect any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or the member may remain in the Investment Plan and rely upon that account balance for retirement income.

The Investment Plan pension expense for the City totaled $185,025 for the fiscal year ended September 30, 2019.

At September 30, 2019, the City has no outstanding contributions to the Investment Plan required for the fiscal year ended September 30, 2019.

NOTE 11. RELATIONSHIP WITH THE COUNTY

In November 6, 1956, the Florida Legislature adopted the Miami-Dade County Home Rule for a general election to amend the Florida State Constitution designed to provide a centralized form of government to the County of Miami-Dade (the "County"). The County is, in effect, a municipality with governmental powers effective with 34 cities, towns and villages in the County, including the City, and the unincorporated areas. The County does not displace or replace cities, but can supplement them. The County can take over particular services 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 the inception of the City, the County has assumed responsibility for a number of functions, including county-wide police services, complementing county-wide fire protection; consolidated two-tier court systems; creation of the various surface transportation programs; installation of a central traffic control computer system; merging public transportation systems into a county system; and centralization of the property appraiser and tax collector functions.

In addition to county-wide services provided by Miami-Dade County in the City, the City has a Memorandums of Understanding (MOU), with the County to provide waste collection services and water utility billing services. The MOU dated February 17, 2017, for waste collection and waste hauler services was agreed after the City's vendor provided notification that they would no longer provide those services.

NOTE 11. RELATIONSHIP WITH THE COUNTY (Continued)

The MOU for transitioning water utility billing services, collection services and meter replacements city-wide to Miami-Dade County Water & Sewer Department was agreed to on August 4, 2017. Since the agreement, Miami-Dade County began the utility billing of the City's customers along with the installation, replacement, and repair of over 5,000 water meters which currently represents an estimated cost ranging from approximately $1.5 million to $2.2 million to the County per the agreement, however as of September 30, 2019, approximately $1.6 million is recognized as capitalized meter replacements with the corresponding liability associated with the cost of the meters. A majority of the utility customer accounts have successfully transitioned to Miami-Dade County with the customers receiving their bills direction by Miami-Dade County Water & Sewer, and now having the ability to visit the newly opened Miami-Dade County Customer Services Center located in the City Hall at 780 Fisherman Street in Opa-locka.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Water Supply and Sewer Services Contract

In February 1985, the City entered into an agreement with Miami-Dade Water and Sewer Authority (the "Authority") for the purpose of providing to the City all of its potable water supply and sewer services for a period of thirty (30) years subject to termination at any time by operation of law or by mutual consent of the City and the Authority. For the year ended September 30, 2019 and 2018, the City purchased water and sewer services totaling $3,832,428 and $3,857,673 respectively, from the Authority under the terms of this agreement.

Various other claims and lawsuits, which arose in the normal course of operations, are pending against the City and are summarized below:

Threatened Litigation, Claims and Assessments

The City is involved in litigation and additional claims have been asserted against the City which are being handled by the City Attorney's office, in addition to third party Attorneys. A number of cases remain outstanding. In some cases, the City anticipates that its insurance carrier will cover the damages. Please consult with the City Attorney and Risk Manager for further information regarding such claims and lawsuits which arose in the normal course of operations, and are pending against the City. In the opinion of management and based on the advice of the City's Attorney, the outcome of some of these actions is not yet known. However, provision for liability has been accrued on the financial position and results of operations of the City for those cases where the outcome is known.

Contingencies

The City participates in a number of Federal and State grant programs in accordance with the provisions of the Uniform Guidance and the State of Florida Single Audit Act. Pursuant to those provisions, financial assistance programs were tested for compliance with applicable grant requirements. These programs may be subjected 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 requested by the grantor agency. In the opinion of management, future disallowances, if any, of grant program expenditures would not have a material adverse effect on the financial condition of the City.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Grant Contingency

The City receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and may be subject to audit by the grantor agencies. In accordance with *Title 2 U.S. Code of Federal Regulations, Part 200, Uniformed Administrative Requirements, Cost Principals, and Audit Requirement for Federal Awards (Uniform Guidance)* and the Florida Single Audit Act, the City is required to conduct "single audits" when the required thresholds of $750,000 in grant expenditures from either source is exceeded. For the year ended September 30, 2019, a Federal single audit in accordance with the Uniform Guidance was required, however a state single audit in accordance with the Florida Single Audit Act was not.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS

Effective October 1, 2017, the City implemented GASB Statement No. 75, Accounting and *Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the City. The implementation of this statement resulted in a restatement of the City's government-wide statements as discussed in Note 13.

Plan Description

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

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

Benefits Provided

The OPEB Plan provides healthcare insurance benefits for retirees and their dependents.

Funding Policy

The City's funding policy is to pay post-retirement medical benefits from general funds. A trust has not been established to pre-fund these benefits.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Membership

At October 1, 2017, the date of the latest actuarial valuation, plan participation consisted of the following:

Active plan members	119
Inactive plan members	-
	119

Total OPEB Liability

The City's total OPEB liability of $377,107* was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2017.

* This amount has been rolled forward from October 1, 2017.

Actuarial Assumptions and Other Inputs

Valuation Date:	October 1, 2017
Measurement Date:	September 30, 2019
Roll-forward Disclosure	The Total OPEB Liability was rolled forward from the valuation date to the measurement date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.2%
Discount Rate	3.58%
Salary Increases	3% per annum
Retirement Age	Retirement rate assumptions are based on the Florida Retirement System, retirement rates based on those used in the July 1, 2016 actuarial valuation of Florida Retirement System.
Mortality	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017
Retirees Share of Benefit Related Costs	Premium contributions are required from retirees.

The Plan is unfunded; as such no projection of Fiduciary Net Position is required.

Demographic assumptions mirror those used for the Florida Retirement System pension plans.

The discount rate used to determine the liabilities under GASB 75 is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date. The discount rate is 3.58% per annum.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (cont'd)

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follow:

Balance at September 30, 2018 -as restated	$ 341,870
Changes for the year	
Service cost	28,827
Expected interest growth	13,113
Changes in assumptions	-
Differences between expected and actual experience	2,184
Total change in OPEB liability for 9/30/19	385,994
Estimated employer contributions/ benefits payments	(8,887)
Total OPEB Liability - September 30, 2019	$ 377,107

Sensitivity of the total OPEB liability to changes in the discount rate:

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.58%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Discount Rate	**1% Decrease 2.58%**	**Discount Rate 3.58%**	**1% Increase 4.58%**
Total OPEB Liability	$ 417,763	$ 377,107	$ 341,432
Net OPEB Liability	$ 417,763	$ 377,107	$ 341,432

Sensitivity of the total OPEB liability to the healthcare cost trend rate:

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending September 30, 2019.

Ultimate Trend	**1% Decrease 4.00%**	**Medical Trend 7.00% graded down to 5.00%**	**1% Increase 6.00%**
Total OPEB Liability	$ 326,443	$ 377,107	$ 438,148
Net OPEB Liability	$ 326,443	$ 377,107	$ 438,148

NOTE 14. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the "Plan"), which is administered by two administrators. The portion of the plan administered by the International City Management Association Retirement Corporation ("ICMA") was created in accordance with Internal Revenue Code Section 457 (a qualified plan). The other portion constitutes a nonqualified plan benefit and is administered by the Life Insurance Company of Southwest. 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, 2019.

NOTE 15. RISK MANAGEMENT

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

NOTE 16. REQUIRED SUPPLEMENTARY INFORMATION

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

NOTE 17. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate within certain limits, earned but unused personal-time-off, which will be paid to employees upon separation from City service. All personal time-off is accrued when incurred in the government-wide financial statements. In the governmental funds, a liability is recorded only for paid time off payouts for employee separations that occurred within 60 days after the fiscal year ended September 30, 2019. The General Fund and Enterprise Fund have been used in prior years to liquidate the liability for compensated absences.

NOTE 18. RESTATEMENT - PRIOR PERIOD ADJUSTMENTS

The September 30, 2018, beginning net asset position of the Government Activities and Business-Type Activities were restated as a result of the prior period correction of errors. The City's net position increased by $797,348 over the prior fiscal year ended September 30, 2018. This is because the prior period adjustments had a greater amount of credits to the net position than the debit charges that were made to record the corrections.

Restatement of net position at September 30, 2018, due to prior period corrections of an error.

	Restatement of Net Position		
	Governmental Activities	Business-Type Activities	Total
Net position September 30, 2018, previously stated and reported	$ 6,358,459	$ 1,785,876	$ 8,144,335
Prior period adjustment:			
Net effect of Correction of errors, effect of adjustment to revenue, expenditure and other	2,302	795,046	797,348
Net Position, September 30, 2018	$ 6,360,761	$ 2,580,922	$ 8,941,683

Government Activities – The City's net position of Government Activities as of September 30, 2018, has been restated for prior period adjustments. The net position increased by $2,302 resulting from net adjustments associated with the correction of errors relate to prior periods.

- Prior period corrections in the general fund in the amount of $2 million, were related to a combination of transfers of capital improvement debt service funds released from restrictions from prior years to be transferred to the general funds of more than $1.8 million as an increase, and adjustments to the due to/due from other funds associated with these transactions. In addition to other miscellaneous transactions associated with the City's portion of funds due to the State of Florida in accordance with Florida Statute 316.0083, regarding the ordinance to use a traffic infraction detector to identify a motor vehicle that fails to stop at a traffic control signal for a red light.

- The City corrected errors in reporting of the capital improvement debt service fund related to prior years in order to transfer $1.8 million in unrestricted amounts not transferred for fiscal years 2011 to 2018 released from restriction.

- As a result of the City becoming compliant with past due compliance audits related to its share of transportation and transit surtax funding for the fiscal year ended September 30, 2018, there were adjustments totaling ($227,441).

	Governmental Activities
General fund	$ 2,043,855
Capital improvement debt service	(1,814,112)
People's transportation tax	(227,441)
Total	$ 2,302

NOTE 18. RESTATEMENT - PRIOR PERIOD ADJUSTMENTS (cont'd)

Business-Type Activities – The City's net position of Business-Type Activities as of September 30, 2018, has been restated for prior period adjustments. The net position increased by $795,046 resulting from net adjustments to due to/from other funds, cash, revenue, expenditures, and other errors related to prior year.

- The prior period adjustments related to the water and sewer fund totaled $652,662, this was related to adjustments in the 'Unapplied Credits" account related to prior periods beginning in 2009 through 2016, totaling $741,881. In addition to other adjustments related to prior year sewer true up credits for wholesale customers for wastewater services for the City's water and sewer operations, to correct errors related to charges associated with collection in accordance with Section 24-34 of the Code of Miami-Dade County for the Department of Environmental Resource Management (DERM) recorded as a liability for prior year billings, and for other miscellaneous adjustments to correct prior period errors.

- For the storm water, adjustments are related to liabilities associated with contractor retainage and other contracted services, totaling $142,384.

	Business-type Activities
Water and sewer	$ 652,662
Stormwater	142,384
Total	$ 795,046

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED

Accounting Pronouncements -- Adopted and Unadopted

GASB Statement No. 87, *Leases*. The objective of this Statement is to increase the usefulness of governments' financial statements and establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The effective data was for reporting periods beginning after December 15, 2019, for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

GASB Statement No. 88, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 1.* The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements for this Statement are effective for reporting periods beginning after December 31, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. (cont'd)

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5−22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. However, based on GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance, the* requirements of this statements were postponed to after December 15, 2020.

GASB Statement No. 90, *Majority Equity Interest, an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 90*, Majority Equity Interest, an amendment of GASB Statements No. 14* a*nd No. 61*. (cont'd)

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The provisions of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. However, based on GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the requirements of this statements were postponed to December 15, 2019.

Those provisions should be applied on a prospective basis.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 91, *Conduit Debt Obligations*. (cont'd)

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so. An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are

met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset. If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.

- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. However, based on GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance, the* requirements of this statements were postponed to after December 15, 2021.

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 92, *Omnibus 2020*. (cont'd)

- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Earlier application is encouraged and is permitted by topic.

- However, based on GASB Statement No. 95, Postponement of the Effective Dates of Cer*tain Authoritative Guidance, the* requirements of this statement were mostly postponed to fiscal years beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rate.* The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs (Interbank Offered Rate) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

The standard, designed to address the accounting implications of the replacement of an IBOR, establishes that agreements that maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. Indeed, as a result of global reference rate reform, LIBOR is expected to cease to exist in its current form after December 31, 2021. Governments will need to amend or replace financial instruments that are tied to LIBOR. It should be noted that Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, previously required a government to terminate hedge accounting when it changes the reference rate of a hedging derivative's variable payment. Statement No. 87, Leases, previously required a government that replaced the rate on which variable payments depend in a lease contract to apply the provisions for lease modifications.

The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* (cont'd)

This Statement provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides uniform guidance on accounting and financial reporting for transactions that meet the definitions of PPP and APAs. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA (Service Concessions Arrangements).

This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement).

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement).

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. If a PPP involves multiple underlying assets, a transferor and an operator in certain cases should account for each underlying PPP asset as a separate PPP.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Consequently, the statement will improve Financial Reporting providing governments with sufficient time to apply the authoritative guidance addressed in this Statement. Also, it will help to safeguard the reliability of the financial statements, which in turn will benefit the users of those financial statements.

That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year. The requirements of this Statement are effective immediately.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

NOTE 19. NEW ACCOUNTING PRONOUNCEMENTS ISSUED (Continued)

Accounting Pronouncements -- Adopted and Unadopted (cont'd)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* (cont'd)

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

The requirements of the Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021; whereas the requirements of the other parts of the statement are effective immediately.

NOTE 20. STATE AND LOCAL AGREEMENT

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503(1), Florida Statutes. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by Florida Governor Rick Scott.

On June 8, 2016, the City entered into a State and Local Agreement of Cooperation between the Governor as a result of being in a state of financial emergency. The State implemented measures to resolve the financial emergency, the City's cooperation with the Governor to resolve the financial emergency and the Governor to designate the Office of the Chief Inspector General ("Governor's Designee") to serve as the lead entity responsible for coordinating the Governor's efforts in providing intervention and assistance to the City.

One element of exiting from a state of financial emergency is the development of a Five-Year Recovery Plan by the City, demonstrating the City's ability to satisfy the requirements necessary for restoration of the City's fiscal integrity. The City submitted a proposed Five-Year Recovery Plan to the State of Florida, which was approved in August 2020 without modification.

NOTE 21. MANAGEMENT'S REVIEW

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 28, 2021, the date the financial statements were available to be issued. There were no other significant events that management believed require disclosure.

NOTE 22. SUBSEQUENT EVENTS

In December 2019, COVID-19 (Coronavirus) surfaced in Wuhan, China, and has spread around the Globe resulting in social and business disruption. The Coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could be significantly adversely affected. The extent to which the Coronavirus may impact governmental activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the Coronavirus and the actions required to contain it and to treat its impact. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The City recouped $901,927 from Miami-Dade County in March 2020, as a result of completing a three year backlog of the Charter County Transportation System Surtax Review. This amount is the City's portion of Surtax proceeds used in compliance with the Interlocal Agreement for Distribution, Use and Reporting of Charge County Transit System Surtax Proceeds levied by Miami Dade County after completing its annual surtax audit for the fiscal years ended September 30, 2017, September 30, 2016, and September 30, 2015.

In addition, the City recouped $261,546 in May 2021, as a result of completing its annual surtax audit for fiscal year ended September 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than MD&A)

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
(NON-GAAP BUDGETARY BASIS – UNAUDITED)

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Difference from Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Taxes:				
Property taxes	$ 8,092,596	$ 8,092,596	$ 7,984,161	$ (108,435)
Utility taxes	62,749	62,749	77,475	14,726
Communications service taxes	-	-	-	-
Local option gas tax	-	-	-	-
Local business taxes	191,574	191,574	284,844	93,270
Franchise fees	1,497,041	1,497,041	1,962,804	465,763
Permits and fees	568,201	568,201	693,714	125,513
Intergovernmental	40,703	40,703	117,711	77,008
Charges for services	80,236	80,236	178,402	98,166
Fines and forfeitures	1,200,534	350,534	662,776	312,242
Interest	-	-	-	-
Other	180,100	180,100	460,559	280,459
Total revenues	11,913,734	11,063,734	12,422,446	1,358,712
Expenditures:				
General government:				
City commission	257,886	167,874	182,358	(14,484)
City manager	1,863,653	1,572,545	1,088,338	484,212
City clerk	425,589	425,589	398,005	27,584
City attorney	507,874	507,874	712,159	(204,285)
Finance	805,070	805,070	788,675	16,395
Information technology	-	-	-	-
Human resources	309,821	301,908	317,093	(15,185)
Building licenses	507,303	507,303	413,073	94,230
Community development	379,668	348,695	520,571	(171,876)
Town center	707,188	707,188	312,564	394,624
Total general government	5,764,052	5,344,046	4,732,830	611,216
Public safety:				
Police	6,849,668	6,372,100	6,235,397	136,703
Code enforcement	497,680	455,199	432,847	22,352
Total public safety	7,347,348	6,827,299	6,668,245	159,054
Public works:				
Administration	280,654	276,940	315,886	(38,946)
Sanitation	120,000	120,000	127,977	(7,977)
Street maintenance	910,946	960,849	884,621	76,228
Building maintenance	493,405	424,006	420,042	3,964
Vehicle maintenance	-	-	-	-
Total public works	1,805,005	1,781,795	1,748,526	33,269
Parks and recreation:				
Parks	633,826	591,521	543,626	47,895
Total parks and recreation	633,826	591,521	543,626	47,895
Non-departmental	595,000	595,000	-	595,000
Total non-departmental	595,000	595,000	-	595,000
Total expenditures	16,145,231	15,139,661	13,693,232	1,446,434
Excess of revenues over expenditures	(4,231,497)	(4,075,927)	(1,270,785)	(87,722)
Other financing sources (uses):				
Transfer in			978,660	
Total other financing sources (uses)			978,660	
Net change in fund balance			(292,125)	
Fund balance, beginning			(3,964,529)	
Prior period adjustment			2,043,855	
Fund balances, beginning restated			(1,920,674)	
Fund balance, ending			$ (2,212,800)	

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT DEBT SERVICE
(NON-GAAP BUDGETARY BASIS – UNAUDITED)

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget
Revenues:	**Original**	**Final**	**Actual**	**Positive (Negative)**
Taxes:	$ 1,244,098	$ 1,244,098	$ 1,463,590	$ 219,492
Intergovernmental	2,251,269	2,251,269	2,065,062	(186,207)
Interest	-	-	33	33
Total revenues	3,495,367	3,495,367	3,528,685	33,285
Expenditures:				
Current:				
General government:				
General government	-	-	8,007	(8,007)
Debt service:				
Principal	770,390	770,390	771,488	(1,098)
Interest	439,780	439,780	438,682	1,098
Reserves	-	-	-	-
Total debt service	1,210,170	1,210,170	1,218,177	(8,007)
Total expenditures	1,210,170	1,210,170	1,218,177	(8,007)
Excess of revenues over expenditures	2,285,197	2,285,197	2,310,508	41,292
Other financing sources (uses):				
Transfer in			-	
Transfer out			(978,660)	
Total other financing sources (uses)			(978,660)	
Net change in fund balance			1,331,848	
Fund balance, beginning			6,583,852	
Prior period adjustment			(1,814,112)	
Fund balance, restated			4,769,740	
Fund balance, ending			$ 6,101,588	

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally enacted through passage of an ordinance.

4. Budgetary control is maintained at the departmental and fund level, with finance department providing support to departments in the administration of their budgets. In accordance with the City's budget transfer policy, the City Manager is authorized to transfer budgeted amounts within any fund or functions; however, any supplemental appropriations or revisions that amend the total expenditure of any fund must be approved by the City Commission. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at the balance sheet date are canceled.

5. Annual operating budgets are legally adopted for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds. All budgets are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the department level. This is the level at which expenditures may not exceed appropriations.

6. All annual appropriations lapse at fiscal year-end.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended September 30, 2019, expenditures exceeded appropriations in, general government, under city commission, city attorney, human resources, and community development of the general fund. Overall, general fund increased its revenues positively by $1.36 million and reduced its budgeted expenses by $1.4 million.

For the year ended September 30, 2019, the City had funds withheld by the State of Florida, as a result of the City's noncompliance with Section 11.40(2)(a), Florida Statues, which authorized the Joint Legislative Audit Committee to direct the Department of Revenue and the Department of Finance Services to withhold selected state revenues from municipalities that have failed to file an Annual Financial Report (AFR) and an annual financial audit report (if required), revenues were reduced overall by ($33,285) in total pledged revenue for this fund, while actual debt service and expenditures increased by $8,007 over budget, however overall the change in fund balance was a positive $1,331,848 reported as of September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
City of Opa-locka's proportion of the net pension liability	0.0231%	0.0266%	0.0259%	0.0343%	0.0357%
City of Opa-locka's proportionate share of the net pension liability	$ 7,949,247	$ 8,031,493	$ 7,654,405	$ 8,653,259	$ 4,610,060
City of Opa-locka's covered-employee payroll	$ 6,716,687	$ 7,134,236	$ 6,394,032	$ 7,395,338	$ 9,279,820
City of Opa-locka's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	118.35%	112.58%	119.67%	117.01%	49.68%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

Note: The amounts presented for each fiscal year were determined as of June 30th.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
Contractually required contribution	$ 896,903	$ 926,137	$ 852,437	$ 983,512	$ 1,086,534
Contributions in relation to the contractually required contribution	896,903	926,137	852,437	983,512	1,086,534
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City of Opa-locka's covered-employee payroll	$ 6,716,687	$ 7,134,236	$ 6,394,032	$ 7,395,338	$ 9,279,820
Contributions as a percentage of covered-employee payroll	13.35%	12.98%	13.33%	13.30%	11.71%

Note: The amounts presented for each fiscal year were determined as of September 30th.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
City of Opa-locka's proportion of the net pension liability (asset)	0.0198%	0.0215%	0.0195%	0.0270%	0.0309%
City of Opa-locka's proportionate share of the net pension liability (asset)	$ 2,211,518	$ 2,282,255	$ 2,082,612	$ 3,144,569	$ 3,151,008
City of Opa-locka's covered-employee payroll	$ 6,716,687	$ 7,134,236	$ 6,394,032	$ 7,395,338	$ 9,279,820
City of Opa-locka's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.93%	31.99%	32.57%	42.52%	33.96%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

Note: The amounts presented for each fiscal year were determined as of June 30th.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
Contractually required contribution	$ 135,611	$ 141,785	$ 129,528	$ 161,304	$ 156,110
Contributions in relation to the contractually required contribution	135,611	141,785	129,528	161,304	156,110
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City of Opa-locka's covered-employee payroll	$ 6,716,687	$ 7,134,236	$ 6,394,032	$ 7,395,338	$ 9,279,820
Contributions as a percentage of covered-employee payroll	2.02%	1.99%	2.03%	2.18%	1.68%

Note: The amounts presented for each fiscal year were determined as of September 30th.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OPA-LOCKA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL –
OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2019

Total OPEB Liability	
Service cost	$ 28,827
Interest	13,113
Changes in assumptions	2,184
Benefit payments	(8,887)
Net change in Total OPEB liability	35,237
Total OPEB liability -beginning as restated	341,870
Total OPEB liability -ending	$ 377,107
Covered employer payroll	N/A
Total OPEB liability as a % of covered employee payroll	N/A

Notes to schedule

1. Changes of assumptions – Discount rate was changed as follows:

Discount Rate	
9/30/2018	3.64%
9/30/2019	3.58%

2. The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future years until ten years of information are available.

OTHER SUPPLEMENTARY INFORMATION

CITY OF OPA-LOCKA, FLORIDA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	Special Law Enforcement	People's Transportation Tax	Community Redevelopment Agency	Safe Neighborhood Capital Projects	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 264,734	$ 105,100	$ 628,608	$ 134,553	$ 1,132,994
Due from other funds	410,529	2,038,094	342,502	2,605,968	5,397,093
Due from other governments	-	2,071,694	-	100,000	2,171,694
Restricted cash and cash equivalents	-	-	-	69,104	69,104
Total current assets	675,263	4,214,888	971,110	2,909,625	8,770,885
Total assets	$ 675,263	$ 4,214,888	$ 971,110	$ 2,909,625	$ 8,770,885
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	$ 4,406	$ 53,314	$ 70,204	$ 240,114	$ 368,039
Due to other funds	126	3,030,918	121,006	2,513,049	5,665,100
Total current liabilities	4,532	3,084,232	191,210	2,753,163	6,033,138
Total liabilities	4,532	3,084,232	191,210	2,753,163	6,033,138
NET POSITION					
Restricted for:					
CRA	-	-	779,900	-	779,900
Public safety	670,731	-	-	-	670,731
Transportation	-	1,130,655	-	-	1,130,655
Capital projects	-	-	-	156,461	156,461
Total Fund Balances	670,731	1,130,655	779,900	156,461	2,737,747
Total Liabilities and Fund Balances	$ 675,263	$ 4,214,888	$ 971,110	$ 2,909,625	$ 8,770,885

CITY OF OPA-LOCKA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	Special Law Enforcement	People's Transportation Tax	Community Redevelopment Agency	Safe Neighborhood Capital Projects	Total
REVENUES					
Property Taxes	$ -	$ -	$ 555,288	$ -	$ 555,288
Local option, use and fuel taxes	-	-	-	316,921	316,921
Intergovernmental	2,395	1,012,246	-	-	1,014,641
Charges for services	9,310	-	-	-	9,310
Total revenues	11,705	1,012,246	555,288	316,921	1,896,159
EXPENSES					
Current:					
General government	$ -	$ -	$ 66,660	$ -	$ 66,660
Public safety	4,406	-	-	-	4,406
Transportation	-	998,090	-	57,070	1,055,160
Total expenses	4,406	998,090	66,660	57,070	1,126,226
Excess (deficiency) of revenues over expenditures	7,299	14,156	488,628	259,851	769,933
Net change in fund balances	7,299	14,156	488,628	259,851	769,933
Fund balances, beginning	663,432	1,343,940	291,272	(103,389)	2,195,254
Prior period adjustment	-	(227,441)	-	-	(227,440)
Fund balances, beginning restated	663,432	1,116,499	291,272	(103,389)	1,967,814
Fund balances, ending	$ 670,731	$ 1,130,655	$ 779,900	$ 156,461	$ 2,737,747

CITY OF OPA-LOCKA, FLORIDA

COMBINING STATEMENT OF NET POSITION BALANCES
NON-MAJOR ENTERPRISE FUNDS

SEPTEMBER 30, 2019

	Solid Waste	Storm Water	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 2,022,257	$ 2,022,257
Accounts receivable, net	-	347,785	347,785
Due from other funds	1,690,264	705,945	2,396,209
Due from other governments	-	38,514	38,514
Restricted cash and cash equivalents	-	110,000	110,000
Total current assets	1,690,264	3,224,501	4,914,765
Non-current assets:			
Capital assets, non-depreciable	-	289,056	289,056
Capital assets, depreciable	(1)	31,990	31,990
Total non-current assets	(1)	321,046	321,046
Total assets	$ 1,690,263	$ 3,545,547	$ 5,235,810
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	$ -	$ 264,764	$ 264,764
Due to other funds	1,649,066	1,372,918	3,021,985
Customer deposits	64,144	1	64,145
Total current liabilities	1,713,210	1,637,683	3,350,893
Non-current liabilities:			
Compensated absences	-	28,311	28,311
OPEB obligation	-	3,996	3,996
Other long term debt	-	530,972	530,972
Total non-current liabilities	-	563,278	563,278
Total liabilities	1,713,210	2,200,961	3,914,171
NET POSITION			
Invested in capital assets, net of related debt	(1)	321,046	321,046
Unrestricted	(22,946)	1,023,540	1,000,594
Total Net Position	$ (22,947)	$ 1,344,586	$ 1,321,639

CITY OF OPA-LOCKA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION—NON-MAJOR ENTERPRISE FUNDS

SEPTEMBER 30, 2019

	Stormwater	Solid Waste	Total
Operating revenues:			
Charges for services	$ 1,535,691	$ -	$ 1,535,691
Total operating revenues	1,535,691	-	1,535,691
Operating expenses:			
Operating, administrative and maintenance	703,709	-	703,709
Depreciation	-	-	-
Bad debts and other	691,979	-	691,979
Total operating expenses	1,395,688	-	1,395,688
Non-operating revenues (expenses):			
Interest and other debt costs	2,764	-	2,764
Total non-operating revenues (expenses)	2,764	-	2,764
Change in net position	137,240	-	137,240
Net position, beginning	1,064,962	(22,947)	1,042,015
Prior period adjustment	142,384	-	142,384
Net position, beginning restated	1,207,346	(22,947)	1,184,399
Net position, ending	$ 1,344,586	$ (22,947)	$ 1,321,639

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS

SEPTEMBER 30, 2019

	Stormwater	Solid Waste	Total
Cash flows from operating activities:			
Cash received from customers	$ 1,132,107	$ -	$ 1,132,107
Cash paid to vendors	(619,661)	-	(619,661)
Cash paid to employees	(84,047)	-	(84,047)
Receipts from other governments	5,924	-	5,924
Net cash provided by operating activities	434,323	-	434,323
Cash flows from noncapital financing activities:			
Transfer from (to) other funds	398,864	-	398,864
Net cash provided by noncapital financing activities	398,864	-	398,864
Cash flows from capital and related financing activities:			
Interest paid on long term debt	(2,764)	-	(2,764)
Net cash used in capital and related financing activities	(2,764)	-	(2,764)
Net increase (decrease) in cash	830,423	-	830,423
Cash, beginning	1,301,834	-	1,301,834
Cash, ending	2,132,257	-	2,132,257
Display as:			
Unrestricted	2,022,257	-	2,022,257
Restricted	110,000	-	110,000
Total	$ 2,132,257	$ -	$ 2,132,257
Reconciliation of operating income to cash provided by operating activities:			
Operating (loss)	$ 137,240	$ -	$ 137,240
Adjustment to reconciled operating income to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
Increase (decrease) in:			
Accounts receivable	180,025	-	180,025
Due from other governments	5,924	-	5,924
Due from other funds	(164,414)	727	(163,687)
Increase (decrease) in:			
Accounts payable and accrued liabilities	43,148	-	43,148
Customer deposits	-	(727)	(727)
Compensated absences	(11,408)	-	(11,408)
Other liabilities and pension	(16,921)	-	(16,921)
Due to other funds	260,729	-	260,729
Other	-	-	-
Net cash provided by operating activities	$ 434,323	$ -	$ 434,323

COMPLIANCE SECTION

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

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

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Opa-locka, ("Opa-locka") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Opa-locka's basic financial statements and have issued our report thereon dated June 28, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. **2019-01, 2019-02, 2019-03, 2017-01, 2017-02, 2017-03, 2017-04, 2017-05, 2015-01,** and **2015-03**.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. **2017-06, 2015-02,** and **2014-01**.

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

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Compliance and Other Matters

In connection with our engagement to audit the financial statements of Opa-locka, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item **2015-05**. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

City of Opa-locka's Response to Findings

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

Purpose of this Report

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

Alley Dunn P.A.

Miami, Florida
June 28, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNALCONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited City of Opa-locka, (the "City") Florida's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*; Those standards and the Uniform Guidance , require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

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Report on Internal Control over Compliance

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Alberni Caballero & Fierman P.A.

Miami, Florida
June 28, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued	**Unmodified**	
Internal control over financial reporting:		
• Material weaknesses identified?	_X_ Yes	____ No
• Significant deficiency identified that are not considered to be material weaknesses?	_X_ Yes	____ No
• Non-compliance material to financial statements noted?	_____ Yes	_X_ No

Federal Awards

Internal control over major programs:		
• Material weaknesses identified?	_____ Yes	_X_ No
• Significant deficiency identified that are not considered to be material weaknesses?	_____ Yes	_X_ None Reported

Type of Auditors' Report Issued on Compliance for Major Program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 the Uniform Guidance	_____ Yes	_X_ No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between **Type A** and **Type B** programs:	$750,000	
Auditee qualified as low-risk auditee?	_____ Yes	_X_ No

Section II – Current Year - Financial Statement Findings

Material Weakness

2019-01 Support for Water and Sewer Consumption

Condition

We were not able to obtain and review the source documentation for water and sewer consumption calculations used in the utility billing process.

Criteria

Pertinent accounting records should be secured and retained as a standard business practice.

Cause of Condition

The computer housing, Itron MV-RS meter reading software used to record consumption for water and sewer was reprioritized by IT for other uses, and a backup of the consumption data records was not retained. In addition, records to show the basis for calculation of consumption estimates used in the billing process were not retained.

Potential effect of Conditions

Water and sewer revenues recorded for the year cannot be re-calculated, and the revenue balance may be misstated.

Recommendation

The City should retain all pertinent documentation and records that support their account activity and balances pursuant to Florida statutes record retention policy.

View of Responsible Officials and Planned Corrective Actions

It should be clarified that pursuant to Florida Statute’s record retention policy, all pertinent documentation and records that support the City’s revenue activity and accounts receivable balances are maintained on the City’s server within the Utility Billing system referred to as SunGard (e-Community).

It is also notated that when estimated billings are used, the basis for calculation of consumption in the billing process is a procedure authorized by City Ordinance Section 21-93. This Ordinance states that in the event any meter has been damaged, destroyed or required repair, or in the event any meter is found to be defective or has ceased to register, said meter will be adjusted, repaired, or changed and the department will estimate the bill for the period, either by adopting and using the registration of a correct meter or by comparison with the amount charged during the corresponding period of the previous year, taking into account the capacity of the installation.

Section II – Current Year - Financial Statement Findings (Continued)

Material Weakness (cont'd)

2019-01 Support for Water and Sewer Consumption (cont'd)

View of Responsible Officials and Planned Corrective Actions (cont'd)

Furthermore, the Itron MV-RS meter reading software (also known as handheld computer) previously used to record consumption is a device that served the purpose of reading each customers' meter and then transferring the resulting consumption data to the City's Utility Billing system (UB) known as SunGard (e-Community).

Once the consumption data was transferred from the Itron MV-RS meter reader to the City's server, it was saved and is presently retained on the City's server to this date. The utility billing consumption data for FY2019 is still currently being viewed and relied upon on the server by authorized City staff. The FY2019 utility billing consumption data includes those customer accounts that were not yet transferred to the management of Miami-Dade County Water and Sewer Department (the "County" or "WASD") through the agreement ratified by both the City and the County on August 4, 2017. Sample reports from the server, such as monthly consumption data for each customer and their respective payment log per customer were generated as of this writing and are available for review by the external auditor.

It is also clarified that although more than 5,000 customer utility billing accounts were transferred to WASD for outsourced management of the utility billing process on behalf of the City, the data for the City's utility billing customers currently being billed by WASD are available upon request by the City.

Section II – Current Year - Financial Statement Findings (Continued)

Material Weakness

2019-02 Untimely Recognition of Half Cent Tax Revenue

Condition

The City did not deposit checks sent by the State of Florida in FY2019 for Half Cent Tax revenue, a part of the Capital Projects Debt Service revenue for July 2019 and August 2019 amounting to approximately $231,000. Per the City, the checks were never received and thus never deposited. As a result, these funds were recorded by the State of Florida as unclaimed property. The State subsequently deposited the funds into the City's bank account in September 2020, and because the City did not know what these funds were for, proceeds were recorded as miscellaneous income in FY2020.

Criteria

Comprehensive review and reconciliation of revenue accounts should be performed timely to ensure the completeness and accuracy of cash proceeds.

Cause of Condition

The City did not fully investigate the source of proceeds prior to its revenue recognition.

Potential effect of Conditions

The inability to determine completeness of revenue may increase the City's exposure to fraud and the potential for misappropriation of resources. In addition, it impedes efficient cashflow management and may result in improper revenue recognition and potential loss of income.

Recommendation

Management should enhance its control environment over the revenue and receivables process to ensure timely and proper recognition of revenue.

View of Responsible Officials and Planned Corrective Actions

The City concurs that it should enhance its control environment over the revenue and receivables process to ensure timely and proper recognition of revenue. The corrective actions taken to address this includes but are not limited to the following:

- Active recruitment within the Finance Department; and management's review of a necessary budget revision to hire additional resources such as a Finance Director, Senior Accountants with the knowledge, experience, and capability to perform a comprehensive review and reconciliation of revenue and receivable accounts on a timely basis. The City's Finance Department has not been operating at full capacity on an ongoing basis and lacks sufficient staffing to address all of the following: (1) day to day operations, (2) back log of financial and compliance audits, (3) reconciliation of all governmental and business type activity accounts, (4) addressing research and correction of errors related to the prior periods, (5) complex and ongoing assignments and special projects.

Section II – Current Year - Financial Statement Findings (Continued)

Material Weakness (cont'd)

2019-02 Untimely Recognition of Half Cent Tax Revenue (cont'd)

View of Responsible Officials and Planned Corrective Actions (cont'd)

- At such time, that the hiring is completed, continued use of temporary staff persons to monitor, analyze, and prepare journal entries to record the revenue and accounts receivable activity will be done, along with a schedule of routine and monthly transactions. Training on accounting policies and procedures and the City's revenue budget will be provided as a guide to assure that proper recording of revenues expected are timely posted. The use of the budget will alert staff to perform research and make inquiries when certain revenue is not received as scheduled.

Management expects that implementation of the corrective action stated above will enhance its control environment over the revenue and receivables process.

Section II – Current Year - Financial Statement Findings (Continued)

Material Weakness

2019-03 Inaccurate Calculation and Accrual of Department of Environmental Resources Management (DERM) Revenue

Condition

The DERM service fee revenue was accrued at 8% but paid to Miami Dade County at 6%. Although the rate changed from 8% to 6% effective October 1, 2017, the City continued to accrue the DERM at the old rate. As a result, there is more revenue accrued compared to the actual DERM payment to Miami-Dade County for the same period overstating revenue by approximately $182,000.

Criteria

Per Section 24-34 of the Code of Miami-Dade County (the County), "Each water or sewer utility shall collect from its customers and pay to the County a County service fee equal to eight dollars ($8.00) per each one hundred dollars ($100.00) of the receipts of said utility derived from its water and/or sewer utility operations conducted within the County to cover the cost of providing certain environmental services to and certain environmental regulation of said water or sewer utilities. Effective October 1, 2017, the service fee shall be reduced to $6.00 per each $100.00 of the receipts of each water or sewer utility derived from its water and/or sewer utility operations conducted within the County."

Cause of Condition

The City is accruing DERM revenue at a higher rate than is required by or remitted to the County.

Potential effect of Conditions

This results in the overstatement of DERM revenue.

Recommendation

The City must accrue for DERM revenue at the rate stipulated by the County's Code.

View of Responsible Officials and Planned Corrective Actions

This condition has been resolved. In addition, the City is taking corrective action, to review customer's accounts for adjustment of the two (2) percent difference.

Section III – Prior Year - Financial Statement Findings and Status

Material Weakness

2017-01 Florida Auditor General Report Findings

Condition

On May 23, 2019, the Auditor General of the State of Florida prepared a report on the City, pursuant to an operational audit conducted by the Agency. As a result of the audit, multiple findings and recommendations were submitted to City seeking actual or proposed corrective actions.

Criteria

Prudent accounting practices include policies, procedures, and controls over the safeguarding, recording, processing, and reporting of the City's financial Operations and transactions.

Recommendation

We recommend that the City designate a member of management take timely action to resolve issues identified or proposed action plans to formally address issues cited as soon as time permits.

Current Year Status

The Auditor General report dated May 23, 2019, contained 99 findings and related recommendations. Many items prescribed in the proposed corrective action plan were addressed; however, several items remain open.

View of Responsible Officials and Planned Corrective Actions

The City has undertaken a rigorous program of correcting prior issues where practical and is developing documented policies and procedures where appropriate to establish guidance and checks and balances to avoid a recurrence of these problems in the future. At this time, 30 findings have been deemed as satisfactorily completed, with work underway on the remainder.

The Government Finance Officers Association (GFOA) recommends that every government should consider the feasibility of establishing a formal internal audit function to help management maintain a comprehensive framework of internal controls and that if not feasible, the local government is encouraged to consider (1) assigning internal audit responsibilities to its regular employees or (2) obtaining the services of an accounting firm (other than the independent auditor) for the purposes;

- The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means, which should include the scope of work, who the internal auditor reports to (i.e. top management and/or the audit committee/governing body), submission of an annual report, and the auditing standard(s) to follow;

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material Weakness (cont'd)

2017-01 Florida Auditor General Report Findings (cont'd)

View of Responsible Officials and Planned Corrective Actions (cont'd)

- It is recommended that internal auditors of state and local governments conduct their work in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accounting Office's publication *Government Auditing Standards*, including those applicable to the independence of internal auditors;

- At a minimum, the head of the internal audit function should possess a college degree and appropriate relevant experience. It also is highly desirable that the head of the internal audit function hold some appropriate form of professional certification (e.g., certified internal auditor, certified public accountant, certified information systems auditor); and

- All reports of internal auditors, as well as the annual internal audit work plan, should be made available to the government's audit committee or its equivalent.

In review of the City's Five-Year Financial Recovery Plan produced by the City in fiscal year 2020-2021, there is limited capacity for additional staffing and an internal auditor is not envisioned at this time. The City believes based on operational and financial data known at this time, that it is not feasible to establish a separate internal audit function at this time. However, it is considering assigning internal audit responsibilities to its regular employees by creating an Internal Audit Committee to brief the City Manager on an advisory basis internally in the near future.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material Weakness

2017-02 Strengthen Staff Resources in the Finance and Accounting Department

Condition

In performing the City's audits, we noted conditions of personnel turnover as well as a lack of full-time employees who possess the skills, knowledge, and experience in the governmental industry.

Criteria

The City should have available finance and/or accounting staff members who understand and have experience in the accounting and financial reporting requirements of the governmental industry.

Recommendation

We recommend that the City assess the accounting department staffing needs as well as hire an experienced governmental accounting person or trained existing staff member to enhance their skill sets.

Current Year Status

An initial working trial balance (WTB) was received from the City's Finance and Accounting department on March 24, 2021, for the fiscal year ended September 30, 2019. During field work for this engagement, 52 audit adjustments with approximately 1,350 data entry lines cumulatively adding to $51,984,500, were required to correct the original WTB submission. A complete assessment of the skillset and knowledge of the City's team is required to address required daily tasks.

View of Responsible Officials and Planned Corrective Actions

The City is currently advertising the recruitment of an experienced governmental accounting professional to employ as the Finance Director. In addition, the City has assessed and identified areas of weakness in the Finance Department to make corrective action, and provide the necessary resources and tools to further strengthen the department. The City has added an additional resource consultant to assist with providing the government accounting experience on an interim basis. Lastly, the City has had improvements in the audit adjustments, by reducing audit adjustments from more than 150 to 52 in the current fiscal year, which demonstrates the City's methods are being enhanced.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material Weakness

2017-03 There is No Physical Inventory of Infrastructure and Fixed Assets

Condition

The City has not performed a physical inventory of infrastructure assets or other capital assets owned by the City.

Criteria

The implementation of GASB 34 established financial reporting standards for state and local governments. In connection therewith, the recognition of major general infrastructure assets is required to be capitalized and reported.

Recommendation

We recommend that the City perform a physical inventory of its infrastructure and capital assets and soon as time permits.

Current Year Status

On April 21, 2021, the City received an appraisal and physical inventory report for the infrastructure and fixed assets of the City. Hence, item is no longer applicable.

View of Responsible Officials and Planned Corrective Actions

Since this corrective action was taken as soon as time permitted, management recommends that this Finding be closed and will budget the performance of a physical inventory count.

<u>Section III – Prior Year - Financial Statement Findings and Status (Continued)</u>

Material Weakness

2017-04 Reconciliation of Cash Accounts

Condition

During review of cash accounts, we noted that the account reconciliation was not accurately completed. For governmental funds checks totaling $35,560 that cleared the bank account prior to September 30, 2017, were included in reconciling listing of outstanding as of September 30, 2017. For the water and sewer fund checks totaling $583,141 that cleared the bank prior to September 30, 2017, were included in the reconciling listing of outstanding checks as of September 30, 2017.

Criteria

Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Cause

Failure of the City to perform timely reconciliation of cash accounts.

Effect

Material journal entries were proposed to correct errors and misstatements.

Recommendation

We recommend that the bank reconciliations be reviewed for accuracy and completeness on a timely basis by the someone with the appropriate skill-set identify significant discrepancies. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents.

Current Year Status

Bank reconciliations were not fully completed for the fiscal year ended September 30, 2019, until the month of March 2021.

In addition, as a result of reconciling discrepancies, audit adjustments amounting to approximately $1.1 million were posted to adjust the cash balances at year end.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material Weakness

2017-04 Reconciliation of Cash Accounts (cont'd)

View of Responsible Officials and Planned Corrective Actions

For multiple years, the City's Finance Department was functioning without the required staffing levels and supervisory oversight. However, in recent years, the City has implemented corrective action to reconcile cash activity on a monthly basis and has created policies and procedures to improve the preparation and monitoring controls over the bank reconciliation process.

Additionally, the City has hired two Staff Accountants to be responsible for completing the bank reconciliations and applicable journal entries on a monthly basis and has demonstrated progress in this area.

To strengthen the timeliness of these reconciliations, the City's Consultant began holding weekly briefing meetings with these Staff Accountants to ensure that the bank reconciliation process is being properly completed as planned. These weekly meetings provide structure and enhance the Finance Department's ability to produce bank reconciliation of cash on a timely basis, and creates a plan to get current on producing bank reconciliations.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material Weakness

2017-05 Internal Control Over Payroll Processing and Personnel File Maintenance

Condition

During our review of payroll and personnel files we noted the following:

- There were discrepancies between the payrate documented on the Payroll register and the payrate documented personnel files
- Proper documentation to support pay rates were not available in all personnel files
- There was no evidence of proper approval on timesheets
- There was no evidence that payroll transactions including journal entries were properly reviewed and approved prior to posting to the general ledger

Criteria

Prudent accounting practices include policies, procedures and controls over the recording, processing, and reporting of accounting events and transactions.

Cause of Condition

Failure to design and implement adequate internal controls over payroll and personnel file maintenance.

Potential Effect of Condition

Unauthorized or fraudulent transactions could be posted, additionally lack of adequate reviews and approvals could result in financial statement misstatements.

Recommendation

We recommend that the City design and implement adequate internal controls and policies and procedures for payroll processing and personnel file maintenance.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material Weakness

2017-05 Internal Control Over Payroll Processing and Personnel File Maintenance (cont'd)

Current Year Status

The City appears to have addressed many of the findings noted above. However, certain record retention and employment file documentation issues remain.

View of Responsible Officials and Planned Corrective Actions

The City has reviewed the internal control finding on discrepancies between the pay rate as documented in the Payroll System and the pay rate as documented on personnel files. We concur and the following procedures have been implemented during the subsequent period.

- On a monthly basis, and prior to the processing of the first payroll of the month, the City's Human Resources Director will be required to process a "Payroll Pay Rate Report" to monitor and review discrepancies and the completeness of personnel files.

- To ensure that there is clear evidence of proper approval on timesheets, the City has developed an electronic timesheet approval process within its ADP payroll system. This system includes an automatic cross reference mechanism that ties each employee's name to a specific supervisor. Should an attempt be made to approve an employee's time by an unauthorized supervisor, that employee's time will be rejected in the system, until the properly matched supervisor has approved the timesheet. An electronic timesheet approval process is currently in effect.

- The payroll register for each payroll period is currently reviewed by the Finance Director or designated personnel to perform this supervisory function with a signature as evidence of review to demonstrate reasonableness of the payroll process.

- The policies and procedures for payroll processing and personnel file maintenance are available for review upon request.

With the auditor's confirmation that the above internal control items are currently in effect at the City, management requests that this finding be closed.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Significant Deficiency

2017-06 Pension Plan Remittance

Condition

During our review of the 457 Pension plan payments, we noted that for 5 months during fiscal year 2017 the City failed to remit funds in a timely manner as outlined in the DOL regulations.

Criteria

The City participates in a deferred compensation plan as described in IRC section 457. Pursuant to the Department of Labor (DOL) regulations participants contributions received by an employer must be remitted to the Plan no later than the 15th business day of the month following the month in which the participant contribution are received by the employer.

Cause of Condition

Failure of the City design and implement adequate controls.

Potential Effect of Condition

Non-compliance with specific regulations may cause the Plan to become ineligible for the tax benefits of Section 457.

Recommendation

We recommend that the City implement procedures that with ensure full compliance with the Plan documents.

Current Year Status

This comment remains relevant for FY 2019. The City failed to remit funds in a timely manner as outlined in the DOL regulations for all 12 months.

View of Responsible Officials and Planned Corrective Actions

The City has addressed and corrected untimely remittance of 457 Pension plan payments by designating appropriate staff personnel to review and monitor routinely. This staff person uses the following steps to ensure timely processing of the pension plan payments due monthly:

- Monitors the City's receipt of the monthly invoice and records the receipt date and the amount due.

- Should an invoice not be received during a certain month, the staff person will follow-up with a phone call to the company to inquire of the invoice and request a duplicate copy to prevent a delay in processing the payment.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Significant Deficiency (cont'd)

2017-06 Pension Plan Remittance (cont'd)

View of Responsible Officials and Planned Corrective Actions (cont'd)

- Prepares the Requisition for payment and track the length of time taken to have it approved as a Purchase Order (PO).
- Follows up on the time taken for PO to be received in Accounts Payable from the City Manager's Office.
- Follows up on the time taken for the wire transfer to be processed and sent to Pension Plan Agent.
- To document the pension plan file, HR's staff person will obtain a copy of the monthly wire transfer confirmation and attach it to copy of the invoice and Requisition request.

In addition to the procedures above, there will be oversight and monitoring by both the Human Resources Director and staff within the Finance Department.

With the auditor's confirmation that the above internal control items are currently in effect at the City, management requests that this finding be closed.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Material weakness

2015-01 Timeliness of Recording Individual Transactions

Condition

We believe that the City of Opa-locka does not maintain adequate financial records. Certain transactions are not summarized in a general ledger, nor all transactions recorded on the books in a timely manner. Such a system does not permit the preparation of accurate and reliable financial statements.

Criteria

Prudent accounting practices include policies, procedures and controls over the recording, processing, and reporting of accounting events and transactions.

Recommendation

We recommend that a designated member of management performs periodic analysis of significant accounts to determine the completeness of account balances and investigate and resolve any issues identified. This practice serves to enforce checks and balances necessary for strong internal controls and accurate financial reporting.

Current Year Status

This condition still exists in FY2019. For example, several accounts payable, accruals, other liabilities related to payroll benefits expenses were materially misstated as of the year end due to multiple incorrect and incomplete entries posted to the accounts over many years.

View of Responsible Officials and Planned Corrective Actions

The City has assessed and reviewed the internal accounting policies, procedures and controls over the recording, processing, and reporting of its accounting events and transactions. To enhance the accuracy and reliability of these events and transactions, Management has implemented the following procedures:

- The City has developed the necessary policies and accounting procedures to address this finding.
- The City has made plans to give group/and or individual training sessions to Finance Department staff in the areas of journal entry preparation; closing a fiscal month in order to begin activity in a new month; reviewing the importance of obtaining sufficient, competent evidential matter to support transaction.
- The City is actively reconciling accounts to produce relevant and accurate financial data.
- Additionally, the City is in the process of recruiting a seasoned Finance Director to provide financial management, oversight, staff supervision and to continually monitor and improve the Finance Department's financial reporting system.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

Significant Deficiency

2015-02 Upgrade the Accounting System

Condition

The software programs used to perform the financial functions and related activity does not have the capability of producing reports that are necessary for management to accurately report on the City's financial position. For example, during our audit, we noted that the City was not able to provide an accounts payable aging report or an alternate report to support the accounts payable balance in the general ledger system.

Criteria

The financial accounting and reporting system should provide the information management needs to monitor the City's financial condition and make appropriate decisions in a timely basis.

Recommendation

We recommend that the City conduct an evaluation of the existing financial system and an analysis of projected needs. This evaluation should focus on ensuring that the City's financial systems maximize the productivity of its staff and meet the financial reporting needs of management.

Current Year Status

The condition still exists in current year.

View of Responsible Officials and Planned Corrective Actions

The City has determined that the existing financial accounting and reporting system does not meet all of its needs.

In assessing and evaluating the operational and financial needs of the City, such as the referenced accounts payable aging report or an alternate report to support the accounts payable balance in the general ledger system, management will consider the use of the budgetary process to cover the cost of vitally needed financial system enhancements.

An intense analysis by the IT Director of the City's financial system needs, has revealed the need for a new enterprise resource planning (ERP) software system that can provide integrated management of the City's main business processes, to include financial management and accounting system needs, along with other core business processes for the City.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

2015-03 Financial Reporting Policies and Procedures Manual and Reconciliation of General Ledger Accounts to Supporting Documents

Condition

During the audit, we noted that significant general ledger accounts were not properly reconciled. A formal accounting policies and procedures manual would facilitate continuity in the necessary procedures.

Criteria

Prudent financial reporting requires accurate and timely reconciliation of general ledger accounts. The existence of a formal policy and procedures manual could assist with the timeliness of reconciling account balances.

Recommendation

We recommend that the City develop a formal financial reporting policies and procedures manual which include the reconciliation of general ledger accounts on a monthly basis among other process and procedures. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a specific period, which makes it easier to perform future reconciliations. Also, formal documentation can be used to reinforce established policies and procedures and serve as a training tool.

Current Year Status

A similar condition is still applicable for FY 2019.

View of Responsible Officials and Planned Corrective Actions

The City is developing and updating its existing financial reporting policies and procedures and has implemented systems to continually monitor the monthly general ledger reconciliation process, including providing supporting documentation for accounting transactions (i.e. journal entries).

In addition to developing and updating its existing financial reporting policies and procedures, the City found it necessary to perform an intense analysis of projected financial system needs which revealed that the hiring of senior staff with government accounting and financial reporting experience would begin to strengthen the financial capabilities and reporting reliability of the Finance Department. It is recommended that the Finance Director and two additional Senior Accountants would have shared duties in the areas of general ledger accounting, knowledge of generally accepted accounting principles (GAAP) and financial reporting.

The additional Senior Accountant staff would have the experience and knowledge to be able to implement procedures that would identify errors and irregularities on a timely basis in the general ledger and accounting records, and would have the ability to correct such errors on a monthly basis.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

2014-01 Checks Outstanding for Over 12 Months

Condition

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

Criteria

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

Cause of Condition

The City did not perform complete monthly bank reconciliation.

Potential Effect of Condition

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

Recommendation

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

Prior Year Status

The City has reviewed this issue and has voided all stale dated checks through the current period. The City has developed management review and internal control processes to review and approve journal entries posted in the general ledger system for voided and stale dated checks.

Current Year Status

This condition is still applicable in current year.

View of Responsible Officials and Planned Corrective Actions

The City has resolved this finding by implementing corrective action that entailed enhancing its policies and procedure by development an unclaimed property policy to address staled checks. This policy adheres to the State of Florida Governing Statue – Chapter 717 for Unclaimed Property.

In addition, the City has submitted to the State of Florida staled dated checks that met the abandoned property criteria for previous years where applicable.

Unclaimed Property is a financial asset that has been left inactive, unclaimed, or abandoned by its owner; most often consisting of uncashed checks. These unclaimed assets are held by the reporting entity (City of Opa-locka) for a set period of time, vendor checks are held for five years and payroll checks are held for a year. If the holder is unable to locate and re-establish contact with the owner, the asset is reported and remitted to the Florida Department of Financial Services, Bureau of Unclaimed Property.

Section III – Prior Year - Financial Statement Findings and Status (Continued)

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

Condition

There has been a lack of information for timely reporting.

Criteria

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

Cause of Condition

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

Potential Effect of Condition

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

Prior Year Status

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503(1), Florida Statues. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by Florida Governor Rick Scott.

The City is in process of preparing its Five-Year Recovery Plan in accordance with Florida Statue, 218.503 (3)(h).

Current Year Status

The proprietary funds are not being used by the governmental funds for operations, this has been resolved and significant progress has occurred to spend under budget. In addition, the City presented their Five-Year Recovery Plan to the State in August 2020, which was approved and implemented effective fiscal year 2021.

Section IV - Current Year Findings - Federal Award - Major Programs

No current year findings.

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal Grantor /Pass-Through Grantor/Program Title	Federal CFDA / CSFA Number	Contract or Identifying Number	Total Expenditures
Special Law Enforcement Funds			
U.S. Department of Justice	16.922		$ 58,752
U.S. Department of Treasury	21.016		39,709
Total Special Law Enforcement Funds			98,462
Environmental Protection Agency			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF00D321150	65,901
Environmental Protection Agency			
Passed-though:			
Florida Department of Environmental Protection			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS-12000114-0	684,562
Capitalization Grants For Drinking Water State Revolving Funds	66.468	FS984522-140	5,052
Total Environmental Protection Agency			755,515
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 853,977

CITY OF OPA-LOCKA, FLORIDA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 GENERAL

The accompanying Schedules of Expenditures of Federal Awards presents the activity of all federal awards programs of City of Opa-locka, Florida, (the "City") for the year ended September 30, 2019. All federal awards expended from federal agencies are included in this Schedule

NOTE 2 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards include the federal grant activities of the City and is presented on the accrual basis of accounting. The information in these Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these Schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 INDIRECT COST RATE

The City has elected to use the 10 percent de minimus cost rate. However, this has not been applied to any federal grants.

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

To the Honorable Mayor and Member of the City Council
City of Opa-locka, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Opa-locka**,** Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated, June 28, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an Examination Conducted in Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated, June 28, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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(305) 789-6673

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met.

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503(1), Florida Statues. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by Florida Governor Rick Scott.

The City submitted its Five-Year Recovery Plan in accordance with Florida Statue, 218.503 (3)(h) in August 2020.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2019, 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, 2019.

Additional Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. Findings are identified in the schedule of findings and questioned costs.

Purpose of this Letter

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

Alley Bynum P.A.

Miami, Florida
June 28, 2021

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

To the Honorable Mayor and Member of the City Council
City of Opa-locka, Florida

We were engaged to examine the City of Opa-locka's (the City) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

The City failed to provide written investment policy that is consistent with the requirements of the applicable Florida Statutes; as such were not able to test compliance with policy requirements. Additionally, the City's books and records were not adequately maintained, hence we were not able to perform sufficient procedures to determine the status of any surplus funds that the City may have.

Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the City complied with the specified requirements of Section 218.415, Florida Statutes for the year ended September 30, 2019.

Anthony Brunson P.A.

Miami, Florida
June 28, 2021

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Miami, FL 33131
(305) 789-6673

RESOLUTION 7 (b)

Sponsored by: City Manager

RESOLUTION NO. ________

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, EXTENDING AN AGREEMENT WITH TRIMERGE CONSULTING GROUP, P.A., FOR A THREE-MONTH PERIOD; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Opa-locka ("City") previously solicited quotes from the Miami-Dade County Management Consulting Services Pool to obtain Certified Public Accountant Services and on June 9, 2017, one company submitted a sealed quote in response to RFQ No. 17-0609200; and

WHEREAS, the City Commission authorized the negotiation of an Agreement with TriMerge Consultant Group, P.A. ("TriMerge") on June 14, 2017 through Resolution 17-9375 and later entered into a new Agreement with TriMerge on October 30, 2019 through Resolution 19-9711. The latter Agreement expired on September 30, 2020. The City Commission subsequently authorized a first amendment of the Agreement with TriMerge Consultant Group, P.A. extending the Agreement for an additional six (6) month period on September 30, 2020 through Resolution 20-9812; a second amendment authorized an extension on April 14, 2021 through Resolution 21-9857; and

WHEREAS, the Agreement between TriMerge Consulting Group, P.A. and City expired on June 30, 2021 and the parties desire to extend the existing agreement for a three (3) month term on an emergency basis and on the same terms and conditions as the existing agreement.

WHEREAS, the City Commission finds that it is in the best interest of the City to approve the third amendment to the Agreement with TriMerge Consultant Group, P.A., attached hereto as Exhibit "A".

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA:

Section 1. RECITALS ADOPTED.
The recitals to the preamble herein are incorporated by reference.

Section 2. AMENDING AGREEMENT
The City hereby authorizes the extension of an Agreement with TriMerge Consultant Group, P.A., attached as Exhibit "A", for an additional three (3) month

period.

Section 3. AUTHORIZATION
The City Commission hereby authorizes the City Manager to execute an extension with TriMerge Consultant Group, P.A. on the same terms and conditions of the existing agreement and in a form acceptable to the City Attorney.

Section 4. SCRIVENER'S ERRORS.
Sections of this Resolution may be renumbered or re-lettered and corrections of typographical errors which do not affect the intent may be authorized by the City Manager, or the City Manager's designee, without need of public meeting.

Section 5. EFFECTIVE DATE.
This Resolution shall take effect immediately upon adoption and is subject to the approval of the Governor or his designee.

PASSED AND ADOPTED this ______day of July, 2021.

____
Matthew A. Pigatt, Mayor

ATTEST:

____
Joanna Flores, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

____
Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: _____________________________

Seconded by: ___________________________

VOTE:

	YES	NO
Commissioner Burke	___________	___________
Commissioner Davis	___________	___________
Commissioner Taylor	___________	___________
Vice-Mayor Williams	___________	___________
Mayor Pigatt	___________	___________

City of Opa-locka
Agenda Cover Memo

City Manager:	John E. Pate		**CM Signature:**				
Commission Meeting Date:	July 9, 2021		**Item Type:** *(Enter X in box)*	**Resolution**	**Ordinance**		**Other**
				X			
Fiscal Impact: *(Enter X in box)*	**Yes**	**No**	**Ordinance Reading:** *(Enter X in box)*		**1st Reading**		**2nd Reading**
	X		**Public Hearing:** *(Enter X in box)*		**Yes**	**No**	**Yes** / **No**
						X	X (No)
Funding Source: *Account#* **:** **17-513312** **61-513340**	*(Enter Fund & Dept)* Ex: Government and Enterprise Fund		**Advertising Requirement:** *(Enter X in box)*		**Yes**		**No**
							X
Contract/P.O. Required: *(Enter X in box)*	**Yes**	**No**	**RFP/RFQ/Bid#:**				
	X						
Strategic Plan Related *(Enter X in box)*	**Yes**	**No**	**Strategic Plan Priority Area:**		**Strategic Plan Obj./Strategy:** *(list the specific objective/strategy this item will address)*		
	X		**Public Safety** ☐ **Bus. & Economic Dev** ☐ **Enhance Organizational** ■ **Quality of Education** ☐ **Qual. of Life & City Image** ■ **Communication** ☐				
Sponsor Name City Manager's Office			**Department:**				

Short Title:

A resolution authorizing the City Manager to execute an agreement with TriMerge Consulting Group, PA for financial professional staffing and various other services.

Staff Summary:

The City is operating without financial management and does not have a Finance Director or Grants Manager, and also has open Accountant positions.

In the absence of in-house staff, TriMerge oversees all aspects of the City's fiscal affairs, including coordinating, managing and controls, the financial emergency, addressing financial matters of the Auditor General findings, financial and compliance audits both current and past due, technical support and advisory to management and the City Commission, day-to-day operations, both supervision and management, performance evaluations, budgetary development support, monitoring TRIM legislation support, managing the accounting for the general ledger and fund accounting, adhering to Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) statements applicable to the City in addition to the Financial Accounting Standards Board (FASB) statements that are applicable, along with interpretation and implementation of these standards in which the City must comply with for financial accounting and reporting compliance, adhering to Florida Statues with respect to financial matters affecting the City, grant accounting and compliance with regulatory bodies, laws and rules.

Financial Impact – A budget amendment will be required. At the current billing rate, it is estimated that $123,500 of expense will be incurred over the three-month extension. The charge will be split between Finance, 17-513312, Other Professional Services ($74,100) and Water-Sewer Finance 61-513340, Other Contracted Services ($49,400). Budget Amendment #4 will include the following amendments – 17-513312 (+$57,000) and 61-513340 (+$38,000) to cover this additional expense. These amendments will be funded by General Fund Contingency and Water-Sewer Fund Contingency respectively.

Proposed Action:

Staff recommends the approval of this contract for these services with TriMerge Consulting Group, P.A. to provide temporary professional financial management and leadership to the City through September 30, 2021.

Attachment:
See attachment (Agreement)

THIRD AMENDMENT TO AGREEMENT BETWEEN THE CITY OF OPA-LOCKA AND TRIMERGE CONSULTING GROUP, P.A.

THIS THIRD AMENDMENT TO THE AGREEMENT is made this __________ day of _________________, 2021, by and between TRIMERGE CONSULTING GROUP, P.A., and **CITY OF OPA-LOCKA, FLORIDA (**the **"CITY"),** a Florida municipal corporation**.**

WHEREAS, the City of Opa-Locka ("City") entered into an Agreement for temporary professional accounting staffing services as set forth in the Agreement.

WHEREAS, the prior Agreement has expired and the parties desire to amend Article 10.1 of the Agreement in order to extend the contract for a six month term ending September 30, 2021; and

WHEREAS, the City Commission desires to authorize the City Manager to execute the Third Amendment to the Agreement between CITY and TRIMERGE CONSULTING GROUP, P.A, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth herein, the parties hereby agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.

2. Article 10, Section 10.1 entitled "Term and Termination", shall be amended to read as follows with all other provisions of the Agreement remaining the same:

ARTICLE 10
TERM AND TERMINATION

10.1 This Agreement shall commence upon the effective date and end on ~~March 31, 2021~~ September 30, 2021.

Except as modified by this Amendment and previously, the Agreement remains unmodified and in full force and effect in accordance with the terms thereof, and the CITY and the hereby ratifies, confirms, and adopts the Agreement as amended herein.

IN WITNESS WHEREOF, CITY and TRIMERGE CONSULTING GROUP, P.A, have caused this Amendment to be executed on the date first above written.

ATTEST: **OPA-LOCKA CITY CLERK**	**CITY OF OPA-LOCKA**
BY:______________________________ City Clerk	By:______________________________ City Manager
	APPROVED AS TO FORM AND LEGAL SUFFICIENCY
	By:______________________________ City Attorney

IN WITNESS WHEREOF, CITY and TRIMERGE CONSULTING GROUP, P.A, have caused this Amendment to be executed on the date first above written.

CONTRACTOR

WITNESSES:

_______________________________ BY:________________________________
Geraldine Lazarre

____

ATTEST:

____
SECRETARY

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE COUNTY)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared ______________ as ________________, of a Florida corporation, and acknowledged executed the foregoing Contract as the proper official of ________, for the use and purposes mentioned in it and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this __ day of _______, 2020.

____
NOTARY PUBLIC

My Commission Expires:

Sponsored by: City Manager

RESOLUTION NO. 21-9857

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, EXTENDING AN AGREEMENT WITH TRIMERGE CONSULTING GROUP, P.A., FOR A THREE-MONTH PERIOD; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Opa-Locka ("City") previously solicited quotes from the Miami-Dade County Management Consulting Services Pool to obtain Certified Public Accountant Services and on June 9, 2017, one company submitted a sealed quote in response to RFQ No. 17-0609200; and

WHEREAS, the City Commission authorized the negotiation of an Agreement with TriMerge Consultant Group, P.A. ("TriMerge") on June 14, 2017 through Resolution 17-9375 and later entered into a new Agreement with TriMerge on October 30, 2019 through Resolution 19-9711. The latter Agreement expired on September 30, 2020. The City Commission subsequently authorized a first amendment of the Agreement with TriMerge Consultant Group, P.A. extending the Agreement for an additional six (6) month period on September 30, 2020 through Resolution 20-9812; and

WHEREAS, the Agreement between TriMerge Consulting Group, P.A. and City expired on March 31, 2021 and the parties desire to extend the existing agreement for a three (3) month term on an emergency basis and on the same terms and conditions as the existing agreement.

WHEREAS, the City Commission finds that it is in the best interest of the City to approve the second amendment to the Agreement with TriMerge Consultant Group, P.A., attached hereto as Exhibit "A".

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA:

Section 1. RECITALS ADOPTED.
The recitals to the preamble herein are incorporated by reference.

Section 2. AMENDING AGREEMENT
The City hereby authorizes the extension of an Agreement with TriMerge Consultant Group, P.A., attached as Exhibit "A", for an additional three (3) month period.

Section 3. AUTHORIZATION

The City Commission hereby authorizes the City Manager to execute an extension with TriMerge Consultant Group, P.A. on the same terms and conditions of the existing agreement and in a form acceptable to the City Attorney.

Section 4. SCRIVENER'S ERRORS.

Sections of this Resolution may be renumbered or re-lettered and corrections of typographical errors which do not affect the intent may be authorized by the City Manager, or the City Manager's designee, without need of public meeting.

Section 5. EFFECTIVE DATE.

This Resolution shall take effect immediately upon adoption and is subject to the approval of the Governor or his designee.

PASSED AND ADOPTED this 14th day of April, 2021.

Matthew A. Pigatt, Mayor

ATTEST:

Joanna Flores, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: Commissioner Burke

Seconded by: Commissioner Davis

VOTE: 4-1

Commissioner Burke	NO
Commissioner Davis	YES
Commissioner Taylor	YES
Vice-Mayor Williams	YES
Mayor Pigatt	YES

City of Opa-locka
Agenda Cover Memo

City Manager:	John E. Pate		**CM Signature:**	*John E. Pate*			
Commission Meeting Date:	April 14, 2021		**Item Type:** *(Enter X in box)*	**Resolution** X	**Ordinance**		**Other**
Fiscal Impact: *(Enter X in box)*	**Yes** X	**No**	**Ordinance Reading:** *(Enter X in box)*	**1st Reading**		**2nd Reading**	
			Public Hearing: *(Enter X in box)*	**Yes**	**No** X	**Yes**	**No** X
Funding Source: *Account#* : 17-513312 61-513340	*(Enter Fund & Dept)* Ex: Government and Enterprise Fund		**Advertising Requirement:** *(Enter X in box)*	**Yes**		**No** X	
Contract/P.O. Required: *(Enter X in box)*	**Yes** X	**No**	**RFP/RFQ/Bid#:**				
Strategic Plan Related *(Enter X in box)*	**Yes**	**No** X	**Strategic Plan Priority Area:** Public Safety ☐ Bus. & Economic Dev ☐ Enhance Organizational ■ Quality of Education ☐ Qual. of Life & City Image ■ Communication ☐	**Strategic Plan Obj./Strategy:** *(list the specific objective/strategy this item will address)*			
Sponsor Name City Manager's Office			**Department:**				

Short Title:

A resolution authorizing the City Manager to execute an agreement with TriMerge Consulting Group, PA for financial professional staffing and various other services.

Staff Summary:

The City is operating without financial management and does not have an employed Finace Director and Grants Manager.

In tackling the City's fiscal affairs (coordinating, managing and controls), the financial emergency, addressing financial matters of the Auditor General findings, financial and compliance audits both current and past due, technical support and advisory to management and the City Commission, day-to-day operations, both supervision and management, performance evaluations, budgetary development support, monitoring TRIM legislation support, managing the accounting for the general ledger and fund accounting, adhering to Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) statements applicable to the City in addition to the Financial Accounting Standards Board (FASB) statements that are applicable, along with interpretation and implementation of these standards in which the City must comply with for financial accounting and reporting compliance, adhering to Florida Statues with respect to financial matters affecting the City, grant accounting and compliance with regulatory bodies, laws and rules.

Financial Impact - This agreement is for a three-month period and is based on hours worked each month. The budget for this service for the full year has been stabled as $150,000 in Finance (Other Professional Services - 17-513312) and $100,000 in Water-Sewer Finance (Other Contracted Services - 61-5133400 which is sufficient to cover the duration of this agreement.

Proposed Action:

Staff recommends the approve of this request to engagement in a contract for these services with TriMerge Consulting Group, P.A. to provide temporary professional financial management and leadership to the City until a permanent solution is recommended.

Attachment:
See attachment (Agreement)

SECOND AMENDMENT TO AGREEMENT BETWEEN THECITY OF OPA-LOCKA AND TRIMERGE CONSULTING GROUP, P.A.

THIS SECOND AMENDMENT TO AGREEMENT is made this ________ day of _____, 2021, by and between TRIMERGE CONSULTING GROUP, P.A., and CITY OF OPA-LOCKA, FLORIDA (the CITY"), a Florida municipal corporation.

WHEREAS, the City of Opa-Locka ("City") entered into an Agreement for temporary professional accounting staffing services as set forth in the Agreement; and

WHEREAS, the prior Agreement has expired and the parties desire to amend Article 10.1 of the Agreement in order to extend the contract for an additional three-month term ending June 30, 2021; and

WHEREAS, the City Commission desires to authorize the City Manager to execute the Second Amendment to the Agreement between CITY and TRIMERGE CONSULTING GROUP, P.A, as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth herein, the parties hereby agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.

2. Article 10, Section 10.1 and 10.2 entitled "Term and Termination", shall be amended to read as follows with all other provisions of the Agreement remaining the same:

ARTICLE 10
TERM AND TERMINATION

10.1 This Agreement shall commence upon the effective date and end on ~~March 31, 2021~~ June 30, 2021.

10.2 The City or Contractor may terminate this agreement with thirty (30) days notice to the other at the addresses set forth in Paragraph 11.7 of this Agreement.

Except as modified by this Amendment and previously, the Agreement remains unmodified and in full force and effect in accordance with the terms thereof, and the CITY and the hereby ratifies, confirms, and adopts the Agreement as amended herein.

IN **WITNESS WHEREOF,** CITY and TRIMERGE CONSULTING GROUP, P.A, have caused this Second Amendment to be executed on the date first above written.

ATTEST
OPA-LOCKA CITY CLERK

BY:______________________________
CITY CLERK

CITY OF OPA-LOCKA

BY:______________________________
CITY MANAGER

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY:______________________________
CITY ATTORNEY

IN **WITNESS WHEREOF,** CITY and TRIMERGE CONSULTING GROUP, P.A, have caused this Amendment to be executed on the date first above written.

CONTRACTOR

WITNESSES:

_____________________________ BY:______________________________

GERALDINE LAZARRE

____

____

ATTEST

____

SECRETARY

STATE OF FLORIDA
COUNTY OF MIAMI-DADE COUNTY)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgements, personally appeared _________________________ as _______________, of _________________________ a Florida corporation, and acknowledged executed the foregoing Contract as the proper official of __________________, for the use and purposes mentioned in it and affixed the official seal of the corporation, and that that the instrument is the act and dead of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this __ day of ________, 2021.

____

NOTARY PUBLIC

My Commission Expires

AGREEMENT

THIS IS AN AGREEMENT, dated the 20 day of June, 2019, between:

CITY OF OPA-LOCKA, a Florida municipal corporation, hereinafter "CITY,"

and

TRIMERGE CONSULTING GROUP, P.A.
a company, authorized to do business in the State of Florida, hereinafter "CONTRACTOR."

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants, and payments hereinafter set forth, CITY and CONTRACTOR agree as follows:

ARTICLE 1 PREAMBLE

In order to establish the background, context and form of reference for this Contract and to generally express the objectives, and intentions, of the respective parties herein, the following statements, representations and explanations shall be accepted as predicates for the undertakings and commitments included within the provisions which follow and may be relied upon by the parties as essential elements of the mutual considerations upon which this Contract is based.

1.1 CITY is in immediate need of a contractor for temporary professional accounting staffing services as set forth in this Agreement.

1.2 CITY desires to contract with a professional company with the knowledge and ability to perform the services sought.

1.3 CITY has worked with CONTRACTOR and the prior contract has expired.

ARTICLE 2 SCOPE OF WORK

2.1 CONTRACTOR shall furnish all of the materials, tools, supplies, and labor necessary to perform all of the work described in Exhibit "A" ("Work").

2.2 CONTRACTOR hereby represents to CITY, with full knowledge that CITY is relying upon these representations when entering into this Contract with CONTRACTOR, that CONTRACTOR has the professional expertise, experience and manpower to perform the services to be provided by CONTRACTOR pursuant to the terms of this Agreement.

2.4 CONTRACTOR assumes professional and technical responsibility for performance of its services to be provided hereunder in accordance with applicable recognized professional standards and relevant Florida Statutes.

ARTICLE 3
COMMENCEMENT OF SERVICES

3.1 The CONTRACTOR shall commence Work upon the effective date stated and pursuant to the resolution approving same.

ARTICLE 4 CONTRACT SUM

4.1 The CITY hereby agrees to pay CONTRACTOR for the faithful performance of this Contract as follows:

CONTRACTOR shall bill invoices on a monthly basis and provide periodic invoices to the City based on the hours of work completed by personnel on a monthly basis, during the course of the engagement upon the rate and terms as presented below with the City of Opa-locka. Invoices will include service for the work provided, which shall be hours of work completed by personnel as set forth herein.

TriMerge Consulting Group, PA

Customer: City of Opa-locka

Request for Technical Assistance for Certified Public Accountant Services through
Temporary Professional Staffing Business Unit

Classification	Standard Hourly Bill Rate	Discount	Staffing Hourly Bill Rate
Partner Level -[CPA]	$ 225	40%	$ 139.05
Senior Manager Level - [CPA]	$ 175	40%	$ 108.15
Manager Level - [CPA]	$ 150	40%	$ 92.70
Manager Level	$ 145	40%	$ 89.61
Senior Level	$ 140	60%	$ 57.68
Staff Associate Level	$ 125	60%	$ 51.50
Administrator Level	$ 95	60%	$ 39.14

Reimbursement for Out of Pocket Cost *(Approved)*

Service fees do not include out-of-pocket expenses advanced on behalf of the CITY by the CONTRACTOR, any out-of-pocket expenses incurred must be approved by the CITY in advance.

Services may be terminated for nonpayment. This engagement does not contemplate any services not specifically included in this letter in advance.

4.2 CONTRACTOR shall be solely responsible for and shall provide for the payment of workers compensation insurance coverage and premium, and all other insurance pursuant to Article 5 below, withholding taxes, FICA, pension and profit sharing contributions, retirement contributions, if any, all remunerations; all labor, contract compliance, and all other charges, fees, permits and expenses associated with the employment of such personnel provided by CONTRACTOR hereunder. CITY shall bear no responsibility for any such charge, fees, permits or expenses associated with the employment of such personnel by
CONTRACTOR.

4.3 Payment to CONTRACTOR for all tasks and charges under this Contract shall be in accordance with the following conditions:

A. Disbursements. There are no reimbursable expenses associated with this Contract unless otherwise approved in writing.

B. Payment Schedule. Invoices received from CONTRACTOR pursuant to this Contract will be reviewed by the City Manager.

C. Availability of Funds. CITY's performance and obligation to pay under this Agreement is contingent upon an annual appropriation for its purpose by the City Commission.

D. Prompt Pay. Payment is due within 30 days.

4.4 The making and acceptance of the final payment shall constitute a waiver of all claims by the CITY other than those arising from unsettled liens, or from unknown failure of the Work to comply with the requirements of the Exhibit A. It shall also constitute a waiver of all claims by the CONTRACTOR, except those previously made and still unsettled.

ARTICLE 5 CONTRACTOR'S LIABILITY INSURANCE

5.1 The CONTRACTOR shall neither commence Work under this Contract until he has obtained all insurance required under this paragraph and such insurance has been approved by the CITY nor allow any Subcontractor to commence work on its subcontract until all similar such insurance required of the subcontractor has been obtained and approved.

5.2 Certificates of insurance, reflecting evidence of the required insurance, shall be filed with the City prior to the commencement of the Work. These Certificates shall contain a provision that coverage afforded under these policies will not be canceled until at least thirty days (30) prior written notice has been given to the CITY. Policies shall be issued by companies authorized to do business under the laws of the State of Florida.

5.3 Financial Ratings must be no less than "A" in the latest edition of "Bests Key Rating Guide", published by A.M. Best Guide.

5.4 The CONTRACTOR shall hold the CITY, its agents, and employees, harmless on account of claims for damages to persons or tangible property arising out of the negligent acts or omissions of Contractor or its Subcontractors in the performance of the Work and name the CITY as an additional insured under their Comprehensive General Liability insurance policy.

5.5 The CITY reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

ARTICLE 6 CONTRACTOR'S INDEMNIFICATION

6.1 The CONTRACTOR agrees to release the CITY from and against any and all liability and responsibility in connection with the losses caused by CONTRACTOR'S negligent act or omissions. The CONTRACTOR further agrees not to sue or seek any money or damages from CITY in connection with losses caused by CONTRACTOR'S negligent act or omissions, except in the event that the CITY fails to pay to CONTRACTOR the fees and costs as provided for in Article 4 herein.

6.2 The CONTRACTOR agrees to indemnify and hold harmless the CITY, its trustees, elected and appointed officers, agents, servants and employees, from and against any and all claims, demands, or causes of action of whatsoever kind or nature, and the resulting losses, costs, expenses, reasonable attorneys' fees, liabilities, damages, orders, judgments, or decrees, sustained by the CITY or any third party arising out of, or by reason of, or resulting from the CONTRACTOR's negligent acts, errors, or omissions.

6.3 If a court of competent jurisdiction holds the CITY liable for certain tortuous acts of its agents, officers, or employees, such liability shall be limited to the extent and limit provided in 768.28, Florida Statutes. This provision shall not be construed as a waiver of any right or defense that the CITY may possess. The CITY specifically reserves all rights as against any and all claims that may be brought.

6.4 If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation. The costs of any mediation proceeding shall be shared equally by all parties.

ARTICLE 7 INDEPENDENT CONTRACTOR

7.1 This Contract does not create an employee/employer relationship between the parties. It is the intent of the parties that the CONTRACTOR is an independent contractor under this Contract and not the CITY's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers Compensation Act, and the State unemployment insurance law. The CONTRACTOR shall retain sole and absolute discretion in the judgment of the manner and means of carrying out the CONTRACTOR's activities and responsibilities hereunder provided. This Contract shall not be construed as creating any joint employment relationship between the CONTRACTOR and the CITY and the CITY will not be liable for any obligation incurred by CONTRACTOR, including but not limited to unpaid minimum wages and/or overtime premiums.

ARTICLE 8 CONTRACT BOND

8.1 There shall be no bond requirements for this Contract.

ARTICLE 9 CHANGES TO SCOPE OF WORK AND ADDITIONAL WORK

9.1 CITY or CONTRACTOR may request changes that would increase, decrease or otherwise modify the Scope of Services/Basic Services to be provided under this Agreement as described in Exhibit A, as long as such changes are in writing and are approved by the City Commission.

ARTICLE 10
TERM AND TERMINATION

10.1 This Agreement shall commence upon the effective date and end on September 30, 2020.

10.2 It is the City's intent is to issue a Request for Proposals (RFP) for financial services, on permanent basis, within 60-90 days following the Resolution approving this Agreement. The City or Contractor may terminate this agreement with thirty (30) days notice to the other at the addresses set forth in Paragraph 11.7 of this Agreement.

ARTICLE 11 MISCELLANEOUS

11.1 Legal Representation. It is acknowledged that each party to this Contract had the opportunity to be represented by counsel in the preparation of this Contract and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing same shall not apply due to the joint contribution of both parties.

11.2 Assignments. This Contract, or any interest herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances, by either without the prior written consent of CITY. For purposes of this Contract, any change of ownership of CONTRACTOR shall constitute an assignment which requires CITY approval. However, this Contract shall run to the CITY and its successors and assigns.

11.3 Records. CONTRACTOR shall keep books and records and require any and all subcontractors to keep books and records as may be necessary in order to record complete and correct entries as to personnel hours charged to this engagement, and any expenses for which CONTRACTOR expects to be reimbursed, if applicable. Such books and records will be available at all reasonable times for examination and audit by CITY and shall be kept for a period of three (3) years after the completion of all work to be performed pursuant to this Contract. Incomplete or incorrect entries in such books and records will be grounds for disallowance by CITY of any fees or expenses based upon such entries.

11.4 CITY is a public agency subject to Chapter 119, Florida Statutes. To the extent CONTRACTOR is acting on behalf of CITY pursuant to Section 119.0701, Florida Statutes, CONTRACTOR shall:

a. Keep and maintain public records that ordinarily and necessarily would be required to be kept and maintained by CITY were CITY performing the services under this Contract;

b. Provide the public with access to such public records on the same terms and conditions that the County would provide the records and at a cost that does not exceed that provided in Chapter 119, Florida Statutes, or as otherwise provided by law;

c. Ensure that public records that are exempt or that are confidential and exempt from public record requirements are not disclosed except as authorized by law; and

d. Meet all requirements for retaining public records and transfer to CITY, at no cost, all public records in possession of the CONTRACTOR upon termination of this Contract and destroy any duplicate public records that are exempt or confidential and exempt. All records stored electronically must be provided to the CITY.

11.5 Ownership of Documents. Reports, surveys, plans, studies, financial records, and other data provided in connection with this Contract are and shall remain the property of CITY.

11.6 No Contingent Fees. CONTRACTOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONTRACTOR, to solicit or secure this Contract, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for CONTRACTOR, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Contract. For the breach or violation of this provision, the CITY shall have the right to terminate the Contract without liability at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

11.7 Notice. Whenever any party desires to give notice unto any other party, it must be given by written notice, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended and the remaining party, at the places last specified, and the places for giving of notice shall remain such until they shall have been changed by written notice in compliance with the provisions of this section. For the present, the CONTRACTOR and the CITY designate the following as the respective places for giving of notice:

CITY:	John Pate, City Manager 780 Fisherman Street Opa-Locka, FL 33054
Copy To:	Burnadette Norris-Weeks, City Attorney Burnadette Norris-Weeks, P.A. 401 North Avenue of the Arts Fort Lauderdale, Florida 33311
CONTRACTOR:	TriMerge Consulting Group, P.A. Geraldine Lazarre, President 39 NW 166th Street, Suite 1 Miami, FL 33169

Binding Authority. Each person signing this Contract on behalf of either party individually warrants that he or she has full legal power to execute this Contract on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Contract.

11.8 Exhibits. Each Exhibit referred to in this Contract forms an essential part of this Contract. The exhibits if not physically attached should be treated as part of this Contract and are incorporated herein by reference.

11.9 Headings. Headings herein are for convenience of reference only and shall not be considered on any interpretation of this Contract.

11.10 Severability. If any provision of this Contract or application thereof to any person or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.

11.11 Governing Law. This Contract shall be governed by the laws of the State of Florida with venue lying in Miami-Dade County, Florida.

11.12 Disputes. Any claim, objection, or dispute arising out of the terms of this Contract shall be litigated in the 11th Judicial Circuit Court in and for Miami-Dade County.

11.13 Attorney's Fees. To the extent authorized by law, in the event that either party brings suit for enforcement of this Contract, the prevailing party shall be entitled to attorney's fees and court costs in addition to any other remedy afforded by law.

11.14 Extent of Contract. This Contract together with Contract Documents, attached as an Exhibit hereto, as amended herein above represents the entire and integrated agreement between the CITY and the CONTRACTOR and supersedes all prior negotiations, representations or agreements, either written or oral. The City Manager has authority to make minor and non-monetary changes to this Agreement as determined by the City Manager.

11.15 Waiver. Failure of the either party to insist upon strict performance of any provision or condition of this Contract, or to execute any right therein contained, shall not be construed as a waiver or relinquishment for the future of any such provision, condition, or right, but the same shall remain in full force and effect.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

CITY OF OPA-LOCKA

MANAGER:

____
John E. Pate

Attest:

City Clerk

City Attorney

CONTRACTOR :
TRIMERGE CONSULTING GROUP, PA

WITNESSES:

BY:________________________
Geraldine Lazarre, President

ATTEST:

SECRETARY

STATE OF FLORIDA)
)SS:
COUNTY OF MIAMI-DADE COUNTY)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared Geraldine Lazarre as President, of TriMerge a Florida corporation, and acknowledged executed the foregoing Contract as the proper official of TriMerge, for the use and purposes mentioned in it and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this 9th day of April, ~~2019.~~ 2020

NOTARY PUBLIC

My Commission Expires:

Notary Public State of Florida
Diane Cure-Darden
My Commission GG 201979
Expires 04/01/2022

EXHIBIT "A"
SCOPE OF WORK

The CITY MANAGER shall supervisor the services provided by the CONTRACTOR or his/her designee. The SCOPE OF WORK does not constitute an audit, attestation, review, or compilation of the financial statements in accordance with the standards established by the American Institute of Certified Public Accountants. The SCOPE OF WORK performed will assist the CITY MANAGER and provide recommendations to the CITY MANAGER on financial and accounting matters for the FINANCE DEPARTMENT, on an as-needed hourly basis. The parties agree that the day to day management and operations of the CITY is the responsibility of the CITY MANAGER. The parties further agree that all working papers and reports shall be owned by the CITY.

CONTRACTOR shall assist and provide the duties herein and provide recommendations to the City Manager on the following:

- Coordinate, manages, and provide recommendations on the controls of the City's fiscal affairs including budget development, financial planning and financial reporting functions, including the supervision of the preparation of the annual budget for presentation to the City Commission
- Supervises personnel responsible for coordinating, managing and controlling the budget, cost accounting services. Supervise, train and motivate Finance Department employees.
- Evaluate employees within the Finance Department and make recommendations to the City Manager regarding hiring and firing.
- Advises the City Manager and the City Commission concerning matters of finance, associated regulatory issues, and financial reporting requirements.
- Coordinate and manage the accounting function, ensuring that the City derives maximum benefit through the judicious management of all funds (operating, debt service, capital improvement, special revenue, internal, enterprise fund and other).
- Assist with coordinating and managing customer accounting functions related to the receipt of funding from various Departments.
- Supervise the operations and activities of the accounting functions (i.e. cash, petty cash, payroll, accounts payable, accounts receivable, grant receivable, general ledger, fixed assets, long term liability and other etc.).
- Assist in legislative and other governmental activities as may be required relative to receipt of necessary funding in support of City programs and services.
- Participate as an active member of the City's bargaining team related to financial matters.
- Provide knowledge of financial and business operations of the City, knowledge of computers and applications, knowledge of organizational and management theory and practice.
- Provide ability to knowledge in problem-solving situations, analyze problem and recommendation and implement workable solutions.
- Coordinate the auditing of the City's internal accounts and proper record keeping of the property inventory.
- Review and analyze financial reports and online data as necessary to effectively administer the City's budgets.

- Develop and present, as required, written/oral reports to include appropriate charges, graphs, and diagrams to illustrate financial status and budget information.
- Monitor compliance with legal requirements related to the City's budget to include TRIM legislation.
- Perform other duties as assigned commensurate with the skills and abilities of providing project and financial management of the Finance Department.
- Provide outstanding customer service and use positive interpersonal communication skills. Interact tactfully, professional, and courteously with residents and other members of the public, in addition to City employees.
- Ensure compliance with City rules and applicable federal laws and regulations.
- Provide astute individual with strong project management capabilities.
- Assist and cooperate with cases in litigation and pre-litigation stages.
- Ability to exercise considerable initiative and sound judgment in a positive and constructive way; plan, organize and assign work of the Finance Department staff.
- Assist with reading, analyzing and interpreting general business periodicals professional journals, technical procedures, or governmental regulations.
- Assist with prepare the City's Annual Financial Report, preparing financial statements and schedules, notes and tables required for GAAP compliance, and coordinate its printing.
- Develop internal controls and accounting policies and procedures that ensure compliance with GAAP; Assure compliance with laws, codes and regulations governing municipal accounting.
- Review/approve general ledger transactions are complete prior to monthly and year end close.
- Assist in the formulation and update of the Finance Department policies and procedures.
- Provide technical assistance to staff involving financial reporting, payroll, accounts payable, fixed assets, special funds, and grants.
- Assist in analyze out-of-balance conditions, financial reports, budget documents and related accounting papers, and identify causes or problems, recommend solutions and provide correction for account problems.
- Work closely with the finance department to coordinate year end closing of accounts and make needed adjustments.
- Assist the department with review of general ledger accounts in preparation of schedules, provide additional information, documentation and explanation to the financial auditor, and drafting the financial statements and notes for the annual FY2015 and FY2016 financial reports.
- Assist with the compilation of financial and statistical information for various reports.
- Assist with the preparation of monthly and quarterly reports for Federal, State and Local authorities.
- Assist with maintaining current and up to date accounts payable records and prepare and evaluate policies, programs, and operations and assist with updating of policy and procedures.
- Assist with analyzing expenditure and revenue accounts of all funds for accuracy and completeness.
- Assist in prepare journal entries and makes needed month-end adjustments.
- Assist in the preparation of annual reports to State on City's finances.

- Assist in performing bank statement reconciliations and monthly general ledger accounts reconciliation.
- Assist with forecasting and preparation of cash flow.
- Assist with tracing fixed assets and updating SunGard Fixed Asset Module.
- Assist with preparing various routine accounting schedules, and internal and external reports.
- Assist with evaluating, updating and ensuring that the city's uniform accounting practices and procedures meet the requirements of Section 218.33 of the Florida Statutes.
- Assist with providing accurate timely report of activity and routine status updates as required.
- Assist the Finance Department with review of general ledger accounts in preparation of schedules; provide additional information, documentation and explanation to the financial auditor, and drafting the financial statements and notes for the annual FY2019 financial reports.

Sponsored by: City Manager

RESOLUTION NO. 19-9711

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, RESCINDING RESOLUTION NO. 19-9710; AUTHORIZING THE CITY MANAGER TO EXECUTE AN EMERGENCY AGREEMENT WITH TRIMERGE CONSULTING GROUP, P.A., FOR TEMPORARY PROFESSIONAL ACCOUNTING STAFFING SERVICES AS SET FORTH IN EXHIBIT "A" HERETO; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Opa-Locka ("City") previously solicited quotes from the Miami-Dade County Management Consulting Services Pool to obtain Certified Public Accountant Services and on June 9, 2017, one company submitted a sealed quote in response to RFQ No. 17-0609200; and

WHEREAS, the City Commission authorized the negotiation of an Agreement with TriMerge Consultant Group, P.A. on June 14, 2017 via Resolution 17-9375; and

WHEREAS, the Agreement between TriMerge Consulting Group, P.A. and City has expired and the parties desire to enter into a new agreement on an Emergency basis as set forth in the Agreement attached as Exhibit "A".

WHEREAS, the City Commission finds that it is in the best interest of the City to approve the Agreement with TriMerge Consultant Group, P.A.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA:

Section 1. RECITALS ADOPTED.
The recitals to the preamble herein are incorporated by reference.

Section 2. RESCINDING RESOLUTION.
The City hereby rescinds Resolution No. 19-9710 and any other Resolution in conflict.

Section 3. AUTHORIZATION
The City Commission hereby authorizes the City Manager to execute the Agreement with TriMerge Consultant Group, P.A., in the form attached hereto as Exhibit "A".

Section 4. SCRIVENER'S ERRORS.
Sections of this Resolution may be renumbered or re-lettered and corrections of typographical errors which do not affect the intent may be authorized by the City Manager, or the City Manager's designee, without need of public meeting.

Section 5. EFFECTIVE DATE.
This Resolution shall take effect immediately upon adoption and **is subject to the approval of the Governor or his designee.**

PASSED AND ADOPTED this 30th day of October, 2019.

Matthew A. Pigatt, Mayor

ATTEST:

Joanna Flores, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: Vice Mayor Davis

Seconded by: Commissioner Burke

VOTE: 5-0

Commissioner Bass	YES
Commissioner Burke	YES
Commissioner Kelley	YES
Vice-Mayor Davis	YES
Mayor Pigatt	YES

City of Opa-Locka
Agenda Cover Memo

Department Director:				**Department Director Signature:**			
City Manager:	John E. Pate			**CM Signature:**			
Commission Meeting Date:	*10.30.19*		**Item Type:** *(Enter X in box)*	**Resolution**	**Ordinance**	**Other**	
				X			
Fiscal Impact: *(Enter X in box)*	**Yes**	**No**	**Ordinance Reading:** *(Enter X in box)*		**1st Reading**	**2nd Reading**	
	x		**Public Hearing:** *(Enter X in box)*		**Yes** / **No**	**Yes** / **No**	
					x (No)	x (No)	
Funding Source:	*(Enter Fund & Dept)* Ex:		**Advertising Requirement:** *(Enter X in box)*		**Yes**	**No**	
Account# : **17-513340** **61-513340**	Both the Government and Enterprise Fund					x	
Contract/P.O. Required: *(Enter X in box)*	**Yes**	**No**	**RFP/RFQ/Bid#:**				
	x						
Strategic Plan Related *(Enter X in box)*	**Yes**	**No**	**Strategic Plan Priority Area:**		**Strategic Plan Obj./Strategy:** *(list the specific objective/strategy this item will address)*		
	X		**Enhance Organizational** ■ **Bus. & Economic Dev** ☐ **Public Safety** ☐ **Quality of Education** ☐ **Qual. of Life & City Image** ■ **Communication** ☐				
Sponsor Name	City Manager		**Department:**		City Manager		

Short Title:

A resolution authorizing the City Manager to execute an emergency agreement with TriMerge Consulting Group, PA for temporary financial professional staffing from the office of certified public accountants and various other services.

Staff Summary:

The City is operating without financial management and leadership, currently the City does not have an employed Finance Director, Budget Administrator and Grants Writer/Accounting/Manager.

In tackling the City's fiscal affairs (coordinating, managing and controls), the financial emergency addressing financial matters of the Auditor General findings, financial and compliance audits both current and past due, technical support and advisory to management and the City Commission, day to day operations, both supervision and management, budgetary development, monitoring and TRIM legislation, managing the accounting for the general ledger and fund accounting, adhering to Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) statements applicable to the City in addition to Financial Accounting Standards Board (FASB) statements that are applicable, along with interpretation and implementation of these standards in which the City must comply with for financial accounting and reporting compliance, adhering to Florida Statues with respect to financial matters affecting the City, grant accounting and compliance with regulatory bodies, laws and rules, the City is without any financial leadership and oversight. There is a great need of assistance within the Finance Department and the budget process.

The City of Opa-locka believes this request qualifies as an emergency.

Proposed Action:

Staff recommends the approval of this request to engagement in a contract for these services with TriMerge Consulting Group, P.A. to provide temporary professional financial management and leadership to the City on this interim basis until a permanent solution is recommended.

Attachment:

Agreement

FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF OPA-LOCKA AND TRIMERGE CONSULTING GROUP, P.A.

THIS FIRST AMENDMENT TO AGREEMENT is made this 30th day of September, 2020, by and between TRIMERGE CONSULTING GROUP, P.A., and **CITY OF OPA-LOCKA, FLORIDA** (the "**CITY**"), a Florida municipal corporation.

WHEREAS, the City of Opa-Locka ("City") entered into an Agreement for temporary professional accounting staffing services as set forth in the Agreement.

WHEREAS, the prior Agreement has expired and the parties desire to amend Article 10.1 of the Agreement in order to extend the contract for a six month term ending March 31, 2021; and

WHEREAS, the City Commission desires to authorize the City Manager to execute the First Amendment to the Agreement between CITY and TRIMERGE CONSULTING GROUP, P.A, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth herein, the parties hereby agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.

2. Article 10, Section 10.1 and 10.2 entitled "Term and Termination", shall be amended to read as follows with all other provisions of the Agreement remaining the same:

ARTICLE 10
TERM AND TERMINATION

10.1 This Agreement shall commence upon the effective date and end on ~~September 30, 2020~~ March 31, 2021.

10.2 It is the City's intent is to issue a Request for Proposals (RFP) for financial services, on permanent basis, ~~within 60-90 days~~ following the Resolution approving this Agreement. The City or Contractor may terminate this agreement with thirty (30) days notice to the other at the addresses set forth in Paragraph 11.7 of this Agreement.

Except as modified by this Amendment and previously, the Agreement remains unmodified and in full force and effect in accordance with the terms thereof, and the CITY and the hereby ratifies, confirms, and adopts the Agreement as amended herein.

IN WITNESS WHEREOF, CITY and TRIMERGE CONSULTING GROUP, P.A. have caused this Amendment to be executed on the date first above written.

ATTEST:
OPA-LOCKA CITY CLERK

BY:____________________________
City Clerk

CITY OF OPA-LOCKA

By:____________________________
City Manager

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By:____________________________
City Attorney

IN WITNESS WHEREOF, CITY and TRIMERGE CONSULTING GROUP, P.A, have caused this Amendment to be executed on the date first above written.

CONTRACTOR

WITNESSES:

[illegible signature] ____________________ BY: [signature] ____________________

[signature] ____________________ Geraldine Lazarre

Althea Whittingham

____

ATTEST:

____

SECRETARY

STATE OF FLORIDA)

) SS:

COUNTY OF MIAMI-DADE COUNTY)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared [illegible] Lazarre as [illegible], of [illegible] a Florida corporation, and acknowledged executed the foregoing Contract as the proper official of ________, for the use and purposes mentioned in it and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this 21 day of [illegible], 2020.

[signature] ____________________

NOTARY PUBLIC

My Commission Expires:

Notary Public State of Florida
Diane Cure Darden
My Commission GG 201979
Expires 04/11/2022

NOTARY PUBLIC • STATE OF FLORIDA

Sponsored by: City Manager

RESOLUTION NO. 20-9812

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, EXTENDING AN AGREEMENT WITH TRIMERGE CONSULTING GROUP, P.A., FOR A SIX MONTH PERIOD; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Opa-Locka ("City") previously solicited quotes from the Miami-Dade County Management Consulting Services Pool to obtain Certified Public Accountant Services and on June 9, 2017, one company submitted a sealed quote in response to RFQ No. 17-0609200; and

WHEREAS, the City Commission authorized the negotiation of an Agreement with TriMerge Consultant Group, P.A. on June 14, 2017 through Resolution 17-9375 and later entered into a new agreement on October 30, 2019 through Resolution 19-9711; and

WHEREAS, the Agreement between TriMerge Consulting Group, P.A. and City will expire on October 1, 2020 and the parties desire to extend the existing agreement for a six (6) month term on an emergency basis and on the same terms and conditions as the existing agreement.

WHEREAS, the City Commission finds that it is in the best interest of the City to approve the Agreement with TriMerge Consultant Group, P.A.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA:

Section 1. RECITALS ADOPTED.
The recitals to the preamble herein are incorporated by reference.

Section 2. AMENDING AGREEMENT
The City hereby authorizes the extension of an Agreement with TriMerge Consultant Group, P.A., attached as Exhibit "A", for an additional six (6) month period.

Section 3. AUTHORIZATION
The City Commission hereby authorizes the City Manager to execute an extension with TriMerge Consultant Group, P.A. on the same terms and conditions of the existing agreement and in a form acceptable to the City

Attorney.

Section 4. SCRIVENER'S ERRORS.
Sections of this Resolution may be renumbered or re-lettered and corrections of typographical errors which do not affect the intent may be authorized by the City Manager, or the City Manager's designee, without need of public meeting.

Section 5. EFFECTIVE DATE.
This Resolution shall take effect immediately upon adoption and is subject to the approval of the Governor or his designee.

PASSED AND ADOPTED this 30th day of September, 2020.

Matthew A. Pigatt, Mayor

ATTEST:

Joanna Flores, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: Vice Mayor Davis

Seconded by: Commissioner Bass

VOTE: 5-0

Commissioner Bass	YES
Commissioner Burke	YES
Commissioner Kelley	YES
Vice-Mayor Davis	YES
Mayor Pigatt	YES

City of Opa-Locka
Agenda Cover Memo

Department Director:				**Department Director Signature:**			
City Manager:	John E. Pate			**CM Signature:**	John E. Pate		
Commission Meeting Date:	09.30.2020		**Item Type:** *(Enter X in box)*	**Resolution**	**Ordinance**	**Other**	
				X			
Fiscal Impact: *(Enter X in box)*	**Yes**	**No**	**Ordinance Reading:** *(Enter X in box)*		**1st Reading**	**2nd Reading**	
	x		**Public Hearing:** *(Enter X in box)*		**Yes** / **No**	**Yes** / **No**	
					x (No)	x (No)	
Funding Source: Account# : 17-513312 61-513340	*(Enter Fund & Dept)* Ex: Government and Enterprise Fund		**Advertising Requirement:** *(Enter X in box)*		**Yes**	**No**	
						x	
Contract/P.O. Required: *(Enter X in box)*	**Yes**	**No**	**RFP/RFQ/Bid#:**				
	x						
Strategic Plan Related *(Enter X in box)*	**Yes**	**No**	**Strategic Plan Priority Area:** Enhance Organizational ■ Bus. & Economic Dev ☐ Public Safety ☐ Quality of Education ☐ Qual. of Life & City Image ■ Communcation ☐		**Strategic Plan Obj./Strategy:** *(list the specific objective/strategy this item will address)*		
	x						
Sponsor Name	City Manager		**Department:**		City Manager		

Short Title:

A resolution authorizing the City Manager to execute an agreement with TriMerge Consulting Group, PA for financial professional staffing and various other services.

Staff Summary:

The City is operating without financial management and does not have an employed Finance Director and Grants Writer/Manager.

In tackling the City's fiscal affairs (coordinating, managing and controls), the financial emergency, addressing financial matters of the Auditor General findings, financial and compliance audits both current and past due, technical support and advisory to management and the City Commission, day-to-day operations, both supervision and management, budgetary development, monitoring TRIM legislation, managing the accounting for the general ledger and fund accounting, adhering to Generally Accepted Accounting Principles (GAAP) and

Government Accounting Standards Board (GASB) statements applicable to the City in addition to Financial Accounting Standards Board (FASB) statements that are applicable, along with interpretation and implementation of these standards in which the City must comply with for financial accounting and reporting compliance, adhering to Florida Statues with respect to financial matters affecting the City, grant accounting and compliance with regulatory bodies, laws and rules.

Financial Impact

This agreement is for a six-month period and and is based on hours worked each month. The budget for this service for the full year has been established as $150,000 in Finance (Other Professional Services - 17-513312) and $100,000 in Water-Sewer Finance (Other Contracted Services - 61-513340) which is sufficient to cover the duration of this agreement.

Proposed Action:

Staff recommends the approval of this request to engagement in a contract for these services with TriMerge Consulting Group, P.A. to provide temporary professional financial management and leadership to the City until a permanent solution is recommended.

Attachment:

Agreement