City of Opa-locka

Commission Chambers
215 Perviz Avenue
Opa-locka, FL 33054

JOINT AUDIT WORKSHOP
Agenda

Tuesday, February 9, 2021
5:30 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 your full name and address, and the name and address of the organization you 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 become boisterous while addressing the commission, shall be declared to be out of order by the presiding officer, and shall be barred from further audience before the Commission by the presiding officer, unless permission to continue or again address the commission be granted by the 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:

“If a person decides to appeal any decision made by the Board, Agency or Commission with respect to the proceedings, and that, for such purpose, that person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.”

CITY OF OPA-LOCKA
PROCEDURES FOR VIRTUAL PARTICIPATION AT COMMISSION MEETINGS

Virtual Participation at Commission Meetings
Due to COVID-19 and pursuant to Governor Ron DeSantis Executive Order Number 20-69, the City of Opa-locka has been holding its meetings virtually using the Zoom teleconferencing platform. As of November 2020, the City of Opa-locka will meet in-person with social distancing while still allowing virtual participation via Zoom.

City Commission Meeting location for in-person meetings
In-person meetings will be held in the Auditorium at Sherbondy Village, 215 Perviz Avenue, Opa-locka, Florida, with offsite participants joining by Zoom.

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

How to participate
For meetings held in-person with virtual participation, members of the public wishing to address the body on any agenda item may do so in person or virtually. **Space for in-person attendance is very limited due to COVID-19 social distancing. Members of the public wishing to address the Commission are strongly encouraged to participate virtually.**

To participate virtually, please register by emailing publiccomments@opalockafl.gov at least 2 hours prior to the scheduled meeting time to request the meeting link.

Providing comments in advance
Those wishing to provide comments on any agenda item are encouraged to do so in advance by submitting their comment via email to publiccomments@opalockafl.gov

Comments on any agenda item must be submitted 2 hours prior to the scheduled meeting time. Comments received after the deadline will be kept for the record, but will not be read during the meeting. If you have comments for more than one agenda item, please state which item you are commenting on.

Reasonable accommodation requests during COVID-19 pandemic
Persons with disabilities who need to request reasonable accommodation(s) to effectively participate in this meeting may contact the Office of the City Clerk. As the City of Opa-locka is currently operating under a Declaration of Emergency relating to the COVID-19 Pandemic, and is practicing CDC recommended social distancing protocols, staff from the Office of the City Clerk may be working remotely.

Persons with disabilities who need reasonable accommodations are asked to e-mail such requests to jflores@opalockafl.gov at least three (3) business days in advance of the need for reasonable accommodation. You may also call (305) 953-2800.

City of Opa-locka public participation and decorum rules

Speaking before the Commission

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Decorum Policy
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If the Chair or Commission declares a virtual participant to be out of order, he or she may be muted by the moderator.

All remarks shall be addressed to the Commission as a body and not to any member thereof.

No person, other than a member of the Commission and the person having the floor, may be permitted to enter into any discussion, either directly or through a member of the Commission, without permission of the Chair. No question may be asked except through the Chair.

Speakers should make their comments concise and to the point.

For questions and/or additional information, please contact the Office of the City Clerk at (305) 953-2800 or (786) 877-4038.

CITY OF OPA-LOCKA
“The Great City”

JOINT AUDIT WORKSHOP
Tuesday, February 9, 2021
5:30 p.m.

<u>AGENDA</u>

1. **WELCOME/OPENING REMARKS:**

2. **ROLL CALL:**

3. **INVOCATION:**

4. **PLEDGE OF ALLEGIANCE:**

5. **PUBLIC COMMENTS:**
   Agenda item(s) only

6. **PRESENTATION:**

   Anthony Brunson, CEO of Anthony Brunson, P.A.

7. **DISCUSSION/QUESTIONS/ANSWERS:**

8. **ADJOURNMENT:**

City of Opa-locka, Florida Audit Workshop

Tuesday, February 9, 2021

ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

City of Opa-locka, Florida
Audit Workshop
Agenda

Section A

I. Introduction of Team Members
II. Objective of an Audit
III. Type of Engagements
IV. Audit Process
V. Type of Audit Opinion(s)
VI. Comprehensive Annual Financial Report (CAFR)

Section B

I. Pre-Audit Meeting Topics
II. Questions

City of Opa-locka, Florida
Audit Workshop
Agenda

Section C

I. History of City of Opa-locka Financial Audit Matters
II. City's Audit Opinions
III. City's Audit Adjustments
IV. City's Internal Control Comments
V. Closing Comments

Exhibits

Audit Opinions
Audit Adjustments
Internal Control Recommendations

Section A.

City of Opa-locka, Florida

Audit Workshop

City of Opa-locka, Florida
Audit Workshop

Team Members

Audrey Robinson
Quality Control Review

Anthony Brunson
Engagement Partner

Tariro Gatsi
Engagement Manager

Karen Greaves
Senior Auditor

Luis Mendoza, Carl Williams
Staff Auditors (2)

City of Opa-locka, Florida
Audit Workshop

Objective of an Audit

1. Auditing the Organization's Financial Statements that are required by local and state law?
2. Is to conduct a financial investigation of the Organization's books and records?
3. Is the primary objective of an audit to let auditors work independently and objectively to review the financial statements and express their opinion based on the results of evidence obtained? The audit opinion and audit report are really mean to the users of financial statements.
4. Perform checks against internal control policies and procedures of the Organization?

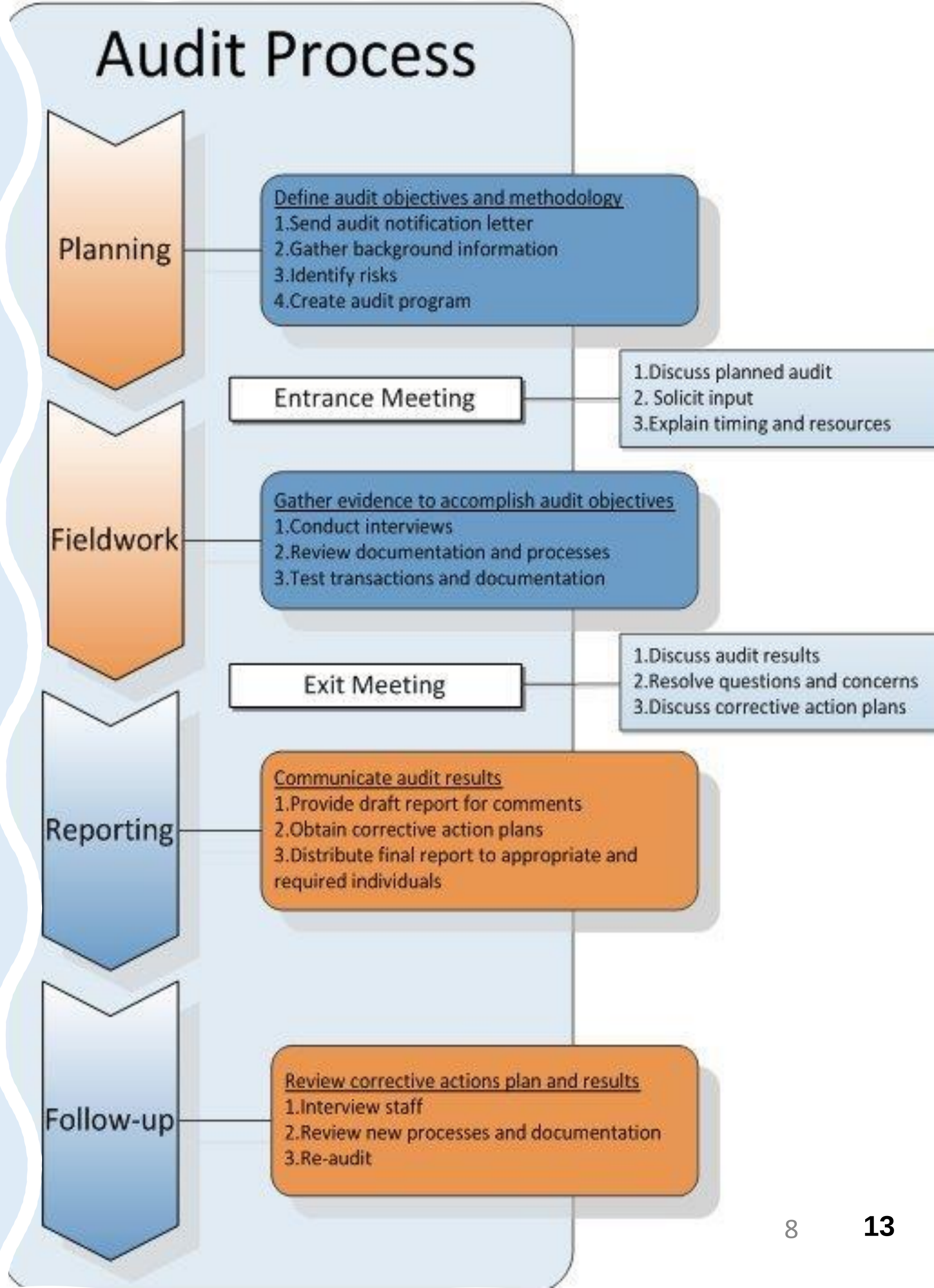
City of Opa-locka, Florida
Audit Workshop

Type of Engagements

- External Audit
- Internal Audit
- Forensic Audit
- Statutory Audit
- Financial Audit
- Tax Audit
- Information Technology Audit
- Compliance Audit
- Value for Money Audit
- Review Financial Statements
- Agreed-Upon Procedures
- Integrated Audit
- Special Audit
- Operational Audit

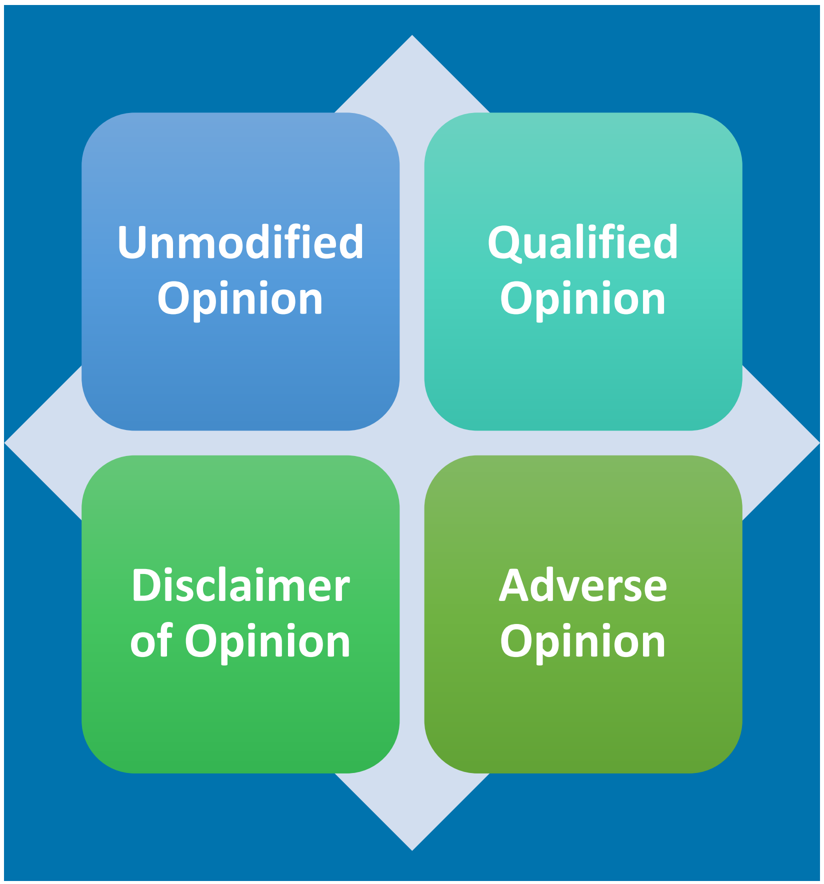
City of Opa-locka, Florida
Audit Workshop

Key Audit Process



City of Opa-locka, Florida
Audit Workshop

Types of Audit Opinion



City of Opa-locka, Florida
Audit Workshop

Comprehensive Annual Financial Report (CAFR)

A. https://youtu.be/tS6Rugps4_Q

B. Certificate of Achievement For Excellence on Financial Reporting

- Miami-Dade County
- City of Miami Gardens

City of Opa-locka, Florida
Audit Workshop

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Miami-Dade County

Florida

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

City of Opa-locka, Florida
Audit Workshop

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miami Gardens
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Executive Director/CEO

Section B.

City of Opa-locka, Florida

Audit Workshop

CITY OF OPA-LOCKA

Pre-Audit Conference

September 30, 2019

ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

City of Opa-locka
Pre-Audit Conference

Scope of Examination:

- Audit Of Financial Statements Pursuant To Generally Accepted Auditing Standards And *Government Auditing Standards*
- Review Of Internal Controls Governing Financial Operations, As Well As Laws and Regulations
- Tests Of Compliance With Major Federal Awards And State Projects, If Applicable
- Audit In Accordance With The Provisions of Chapter 10.550, Rules of Florida’s Auditor General
- Program Specific Audits, if any

City of Opa-locka
Pre-Audit Conference

Engagement Management

- Key Organizational
  - Management
  - City Council
  - Attorney
- Revenue Streams Impact
  - Revenue Sharing
  - Property Taxes
  - Utility Taxes
  - Federal and State Grants
  - COVID-19 Related Funding?

City of Opa-locka
Pre-Audit Conference

Audit Plan Timetable:

- Interim Procedures
  - Fully Executed Engagement Letter
  - PBC Letter
  - Confirmations
  - Working Trial Balance

- Interim Procedures -Field Work
  - IT Application Control Testing
  - Transaction Systems Sampling and Tests of Controls
  - Capital Additions
  - Debt Compliance and Changes
  - Federal and State Single Audit Compliance
  - Status of Prior Year Comments

City of Opa-locka
Pre-Audit Conference

Year End Fieldwork -Timeline:

- Working Trial Balances ________________________
- Year-end Fieldwork ________________________
- Initial Draft Financial Statements ________________________
- Audit Reports Presented to Management ________________________
- City Commission Presentation ________________________

City of Opa-locka
Pre-Audit Conference

Other Matters:

- Fraudulent Activities Noted During the Year?
- Annual Financial Report—Department of Financial Services
- Other Areas of Audit Focus
- Anthony Brunson P.A. Web Portal

City of Opa-locka
Pre-Audit Conference

New GASB Pronouncements

- GASB Statement –
  - 84, *Fiduciary Activities* The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Postponed by 1 year. (Revised effective date: reporting periods beginning after December 15, 2019)
  - 87, *Leases* The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.- Postponed by 18 months (Revised effective date fiscal years beginning after June 15, 2021)

City of Opa-locka
Pre-Audit Conference

New GASB Pronouncements (cont'd)

- GASB Statement –
  - 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. (Revised effective date reporting periods beginning after December 15, 2020)
  - 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61* The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Postponed by 1 year (Revised effective date: reporting periods beginning after December 15, 2019)

New GASB Pronouncements (cont'd)

GASB Statement

- 91, *Conduit Debt Obligations* The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

- 92, *Omnibus 2020* The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

City of Opa-locka
Pre-Audit Conference

Deliverables:

- Opinion on the Financial Statements
- Reports Required by Uniform Guidance and the State of Florida Single Audit Act, if any
- Management Letters Required by the Rules of the Auditor General of the State of Florida
- State of Florida Annual Local Government Financial Report
- Data Collection Form, if any

City of Opa-locka
Pre-Audit Conference

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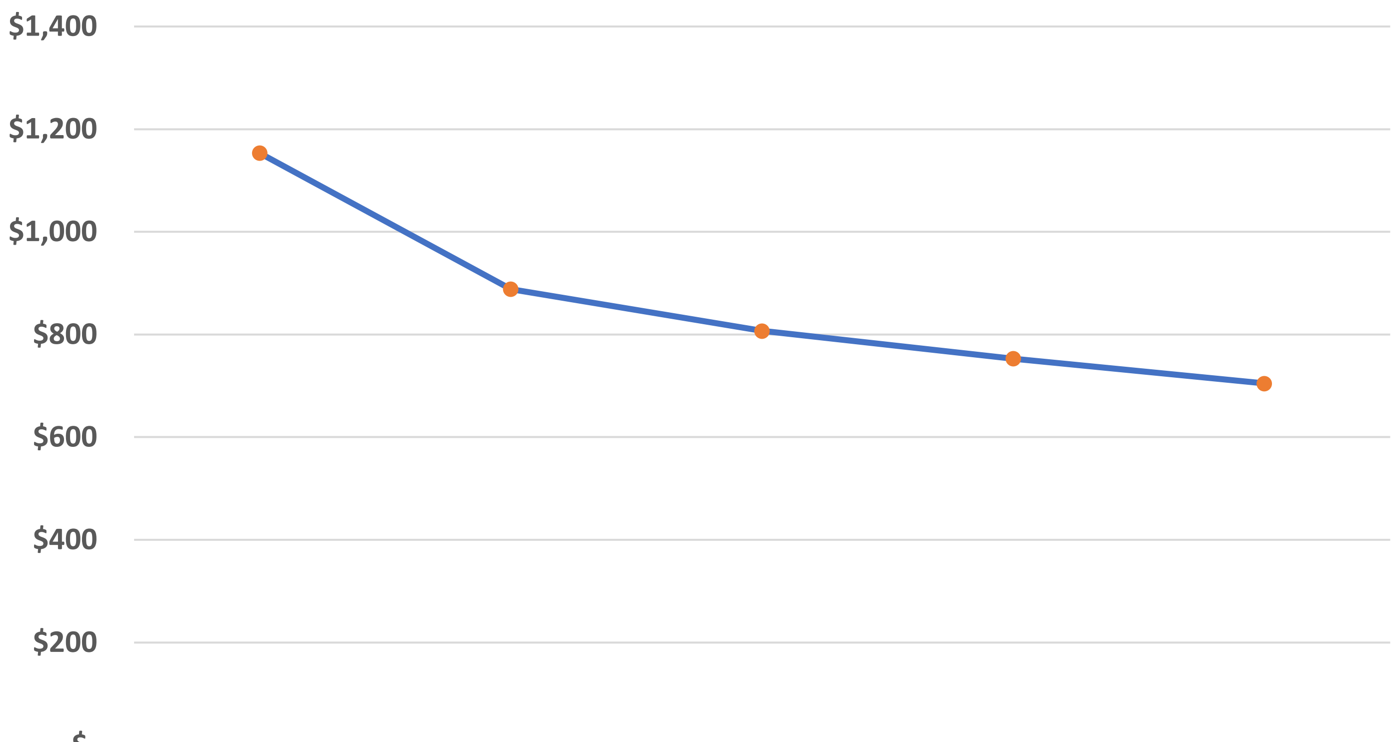
Section C.

City of Opa-locka, Florida
Audit Workshop

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

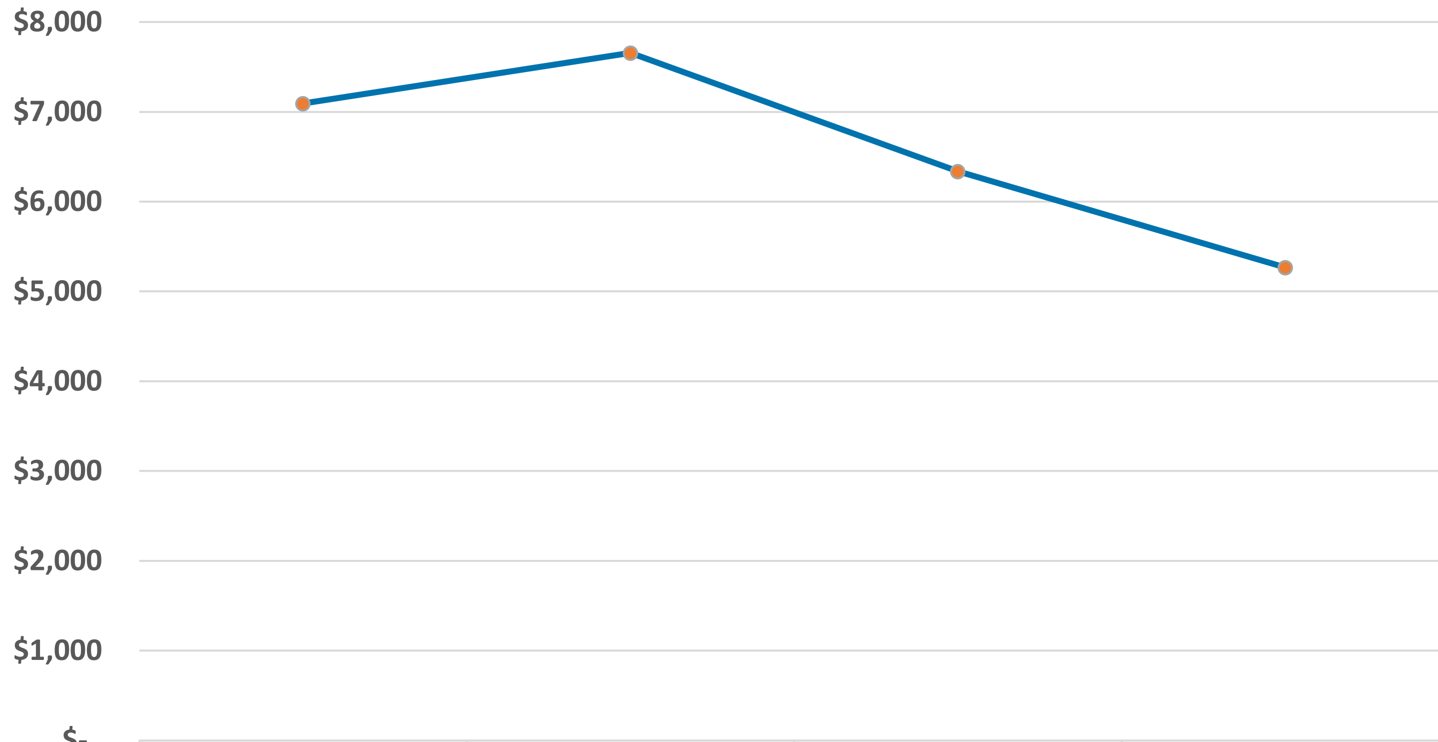
City of Opa-locka Property Tax Base (000's)



	2020	2019	2018	2017	2016
Property Tax Base	$1,153,400	$888,200	$806,800	$752,900	$704,700

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

Overview of Revenues – Governmental Activities (000's)



	2018	2017	2016	2015
Property Taxes	$7,092	$7,655	$6,337	$5,267

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

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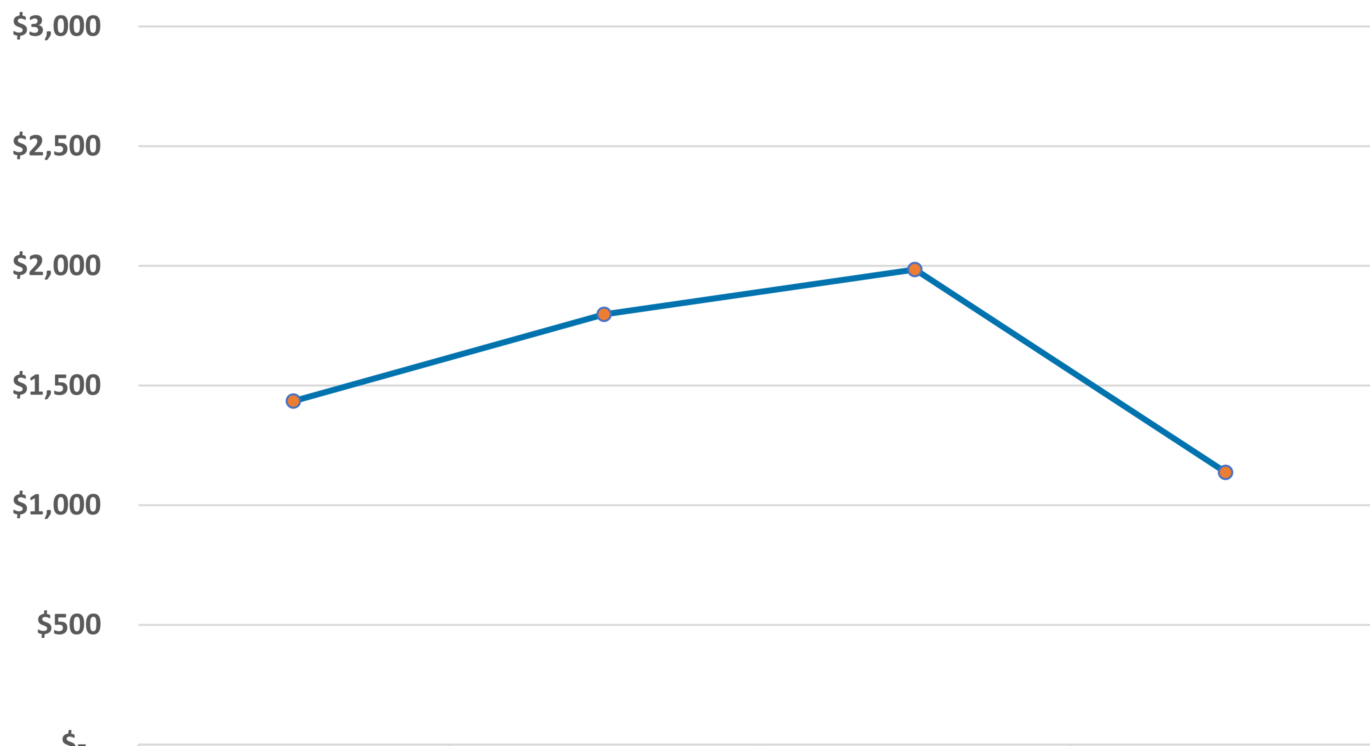

	2018	2017	2016	2015
Charges for Services	$1,435	$1,798	$1,985	$1,137

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

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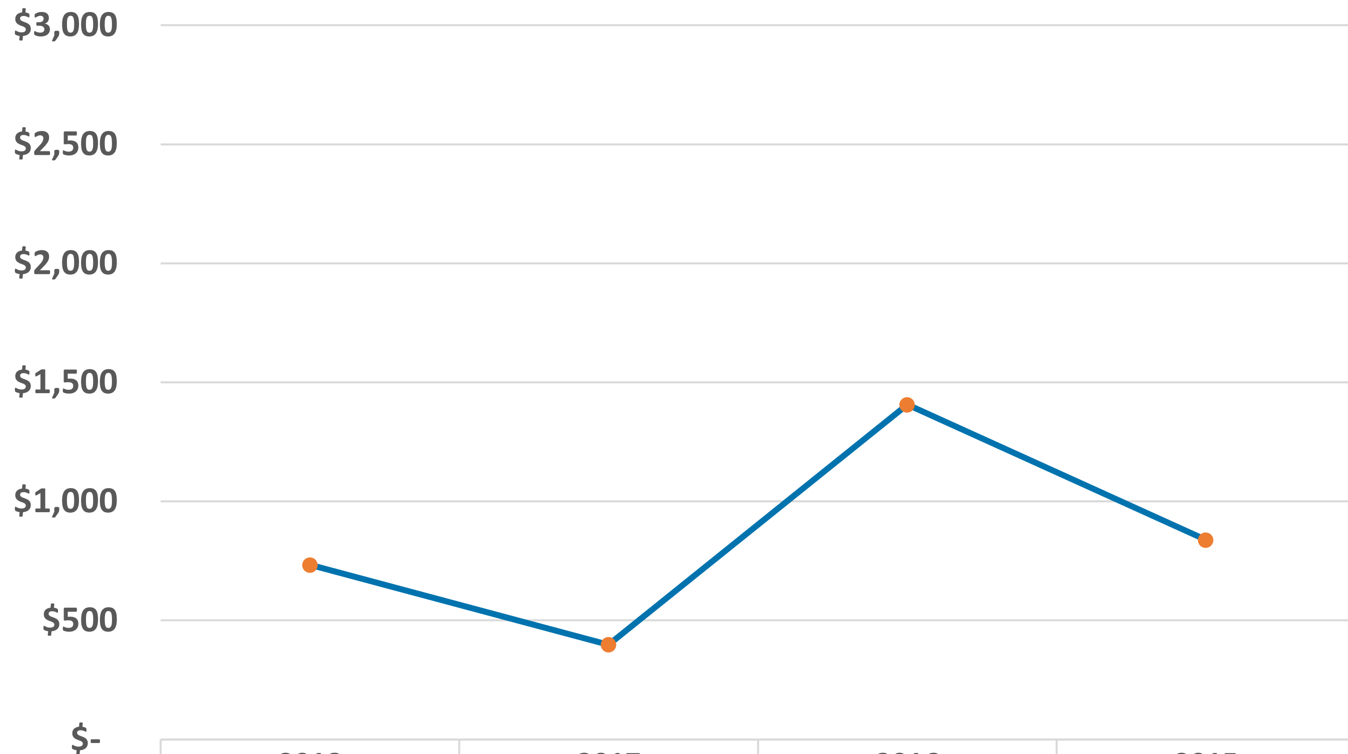

	2018	2017	2016	2015
Grants & Contributions	$733	$398	$1,406	$838

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

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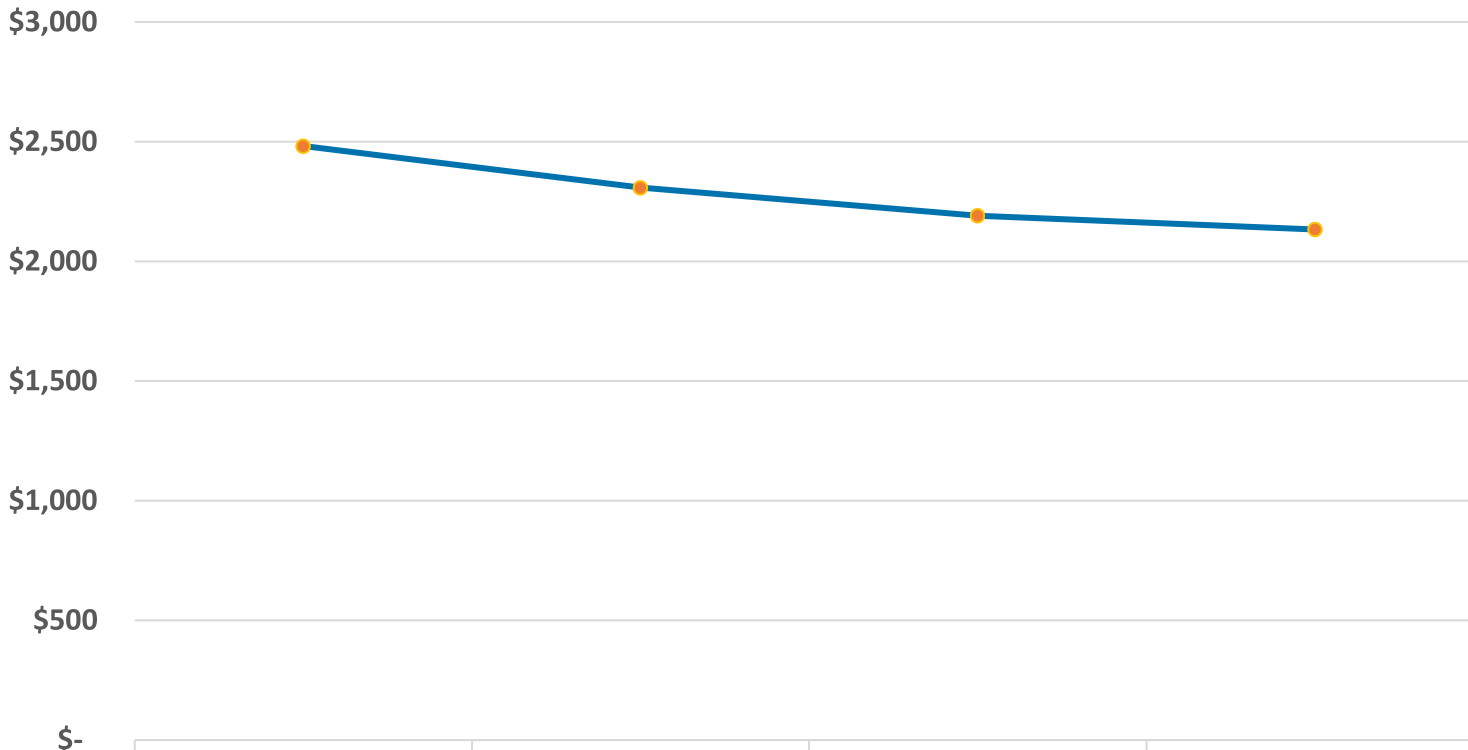
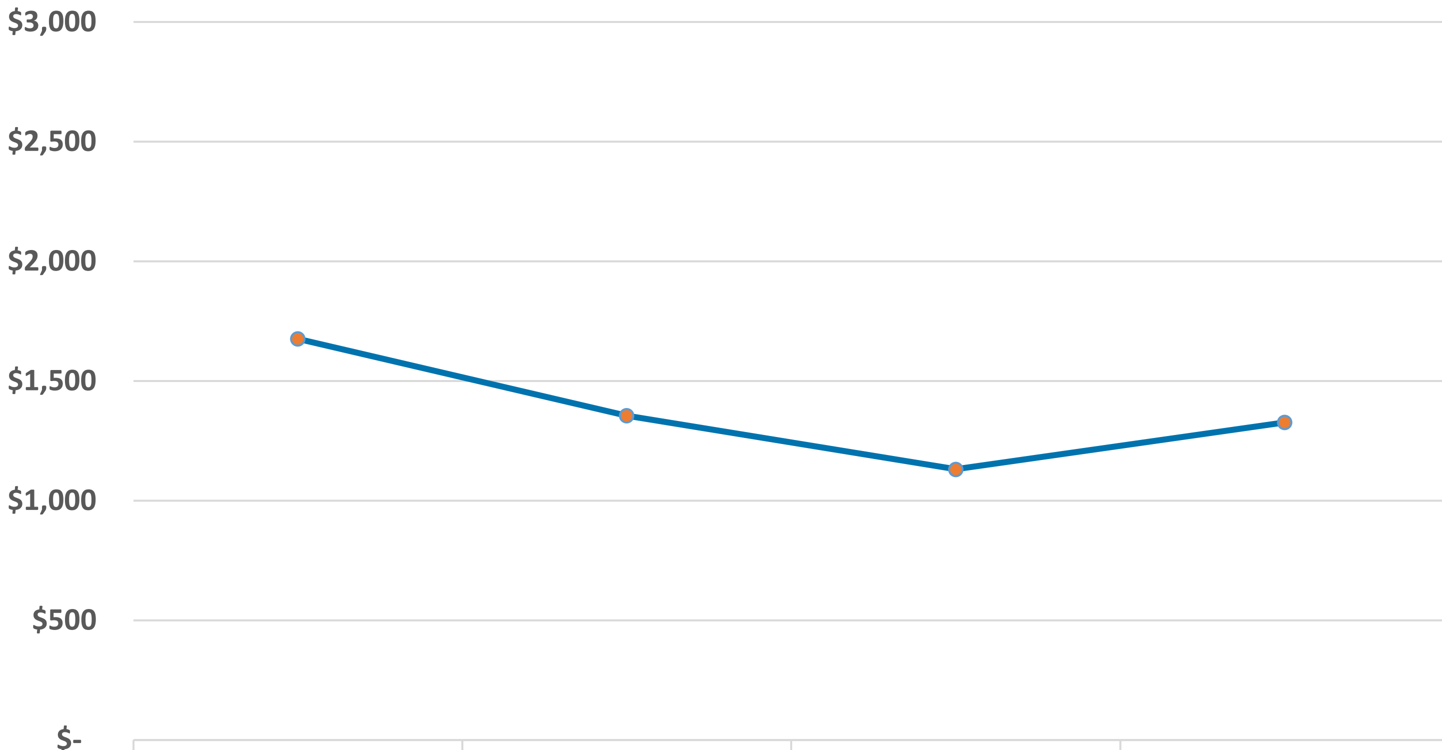


	2018	2017	2016	2015
Other Taxes	$2,482	$2,308	$2,191	$2,133

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

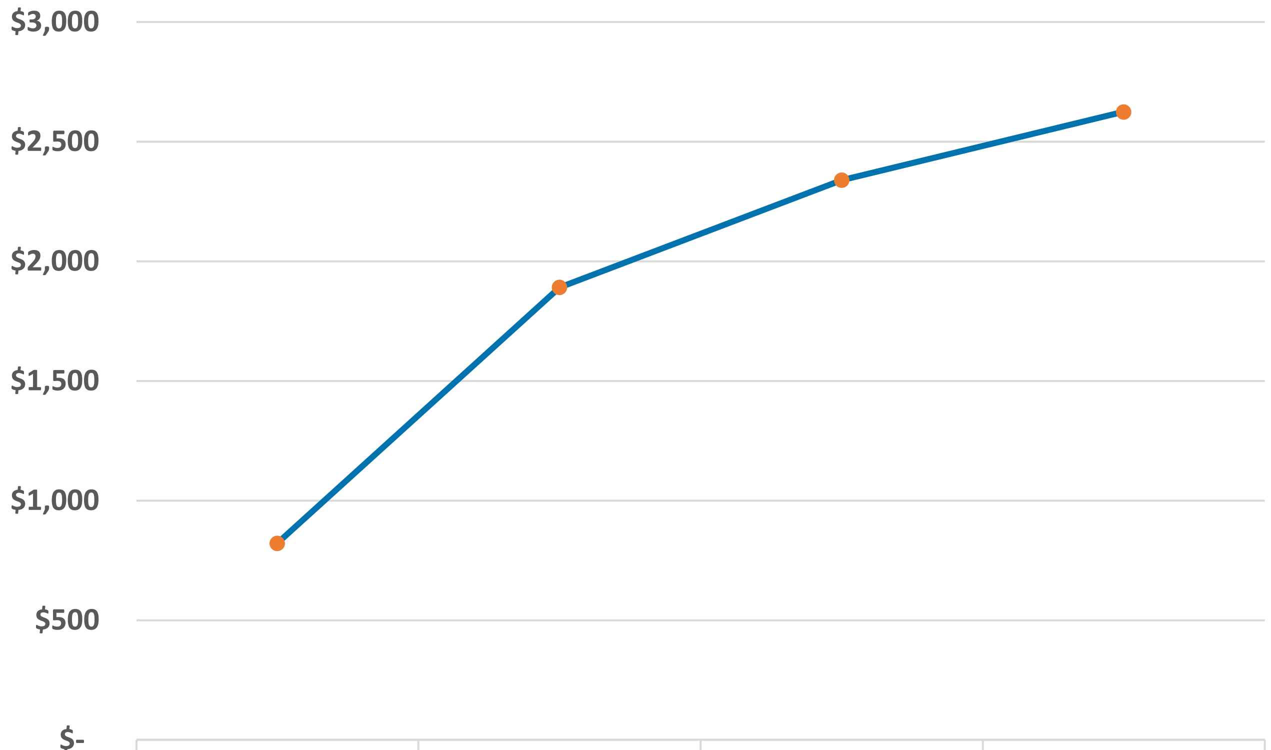
Overview of Revenues – Governmental Activities (000's)



	2018	2017	2016	2015
Franchise Fees	$1,676	$1,355	$1,131	$1,327

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

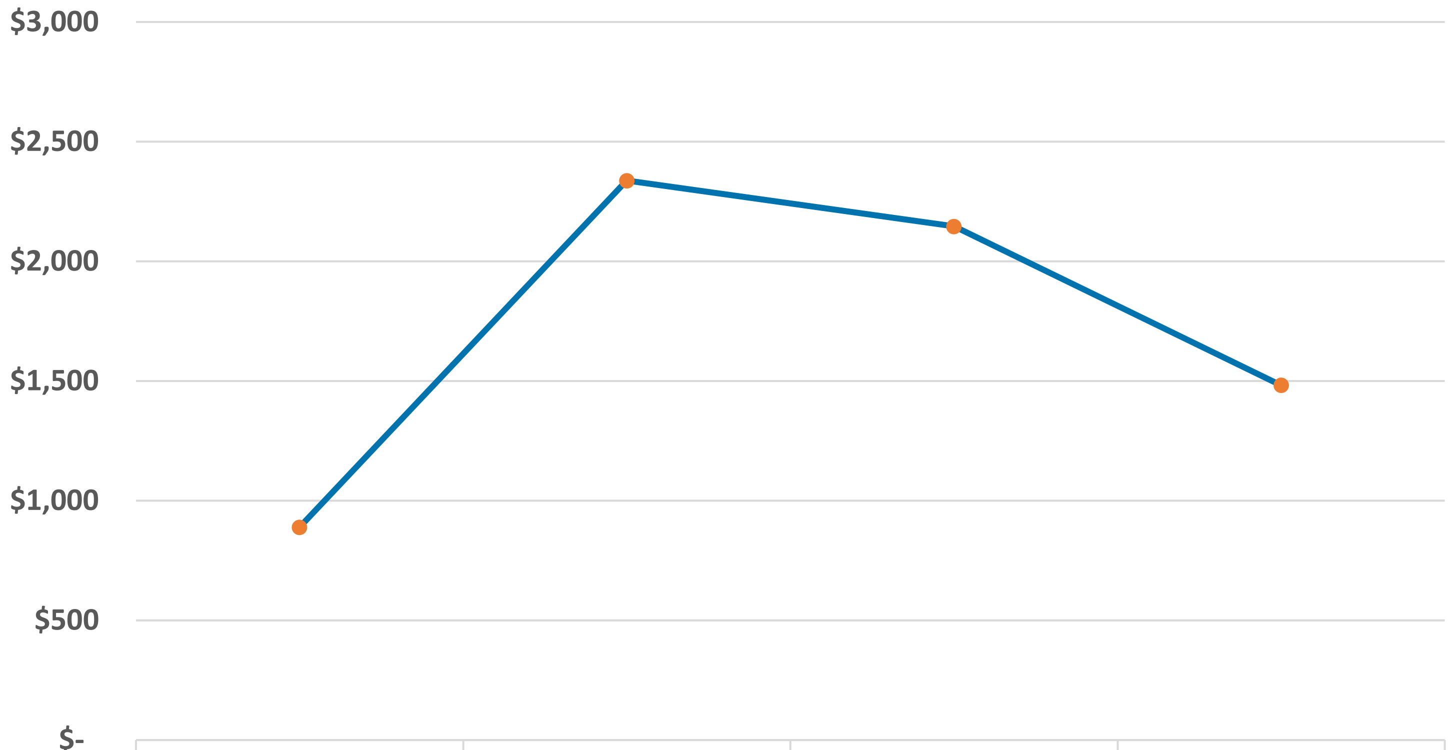
Overview of Revenues – Governmental Activities (000's)



	2018	2017	2016	2015
Intergovernmental Revenue	$822	$1,891	$2,339	$2,625

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

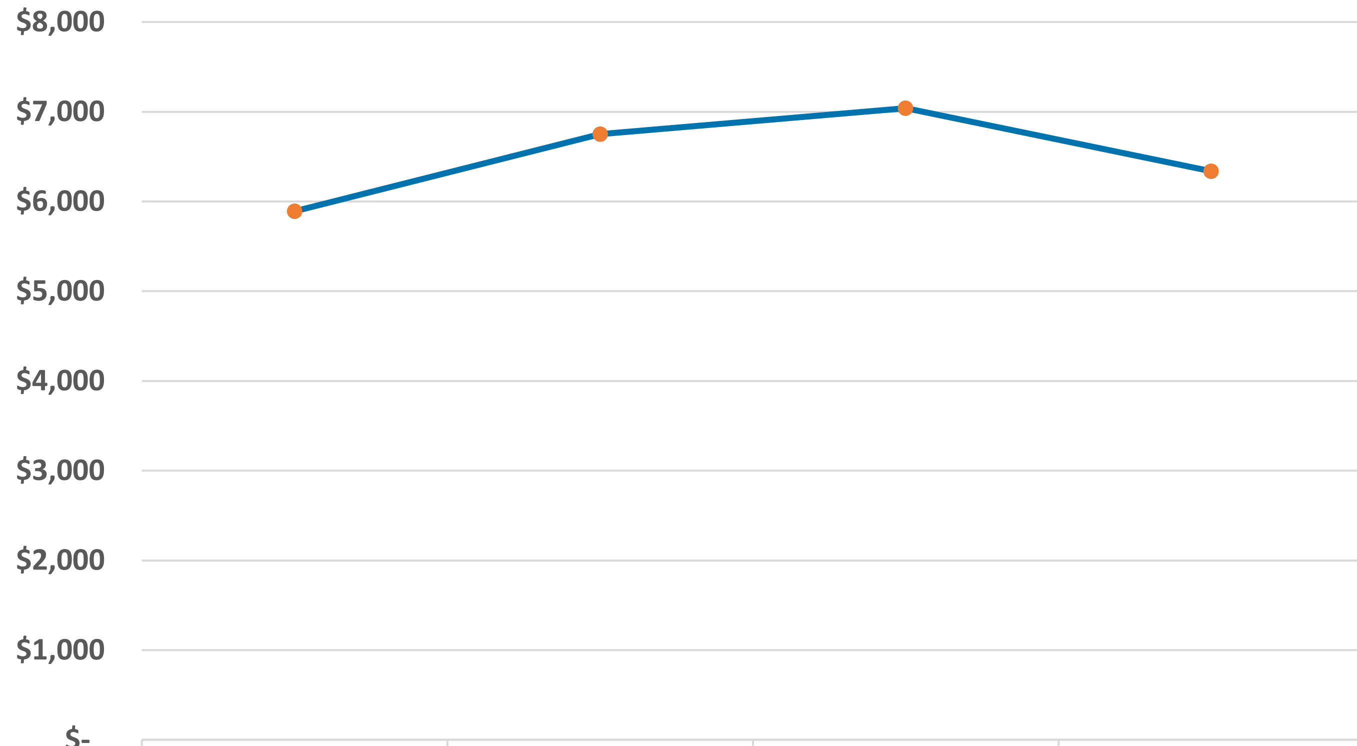
Overview of Revenues – Governmental Activities (000's)



	2018	2017	2016	2015
Other Revenue	$889	$2,337	$2,146	$1,482

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

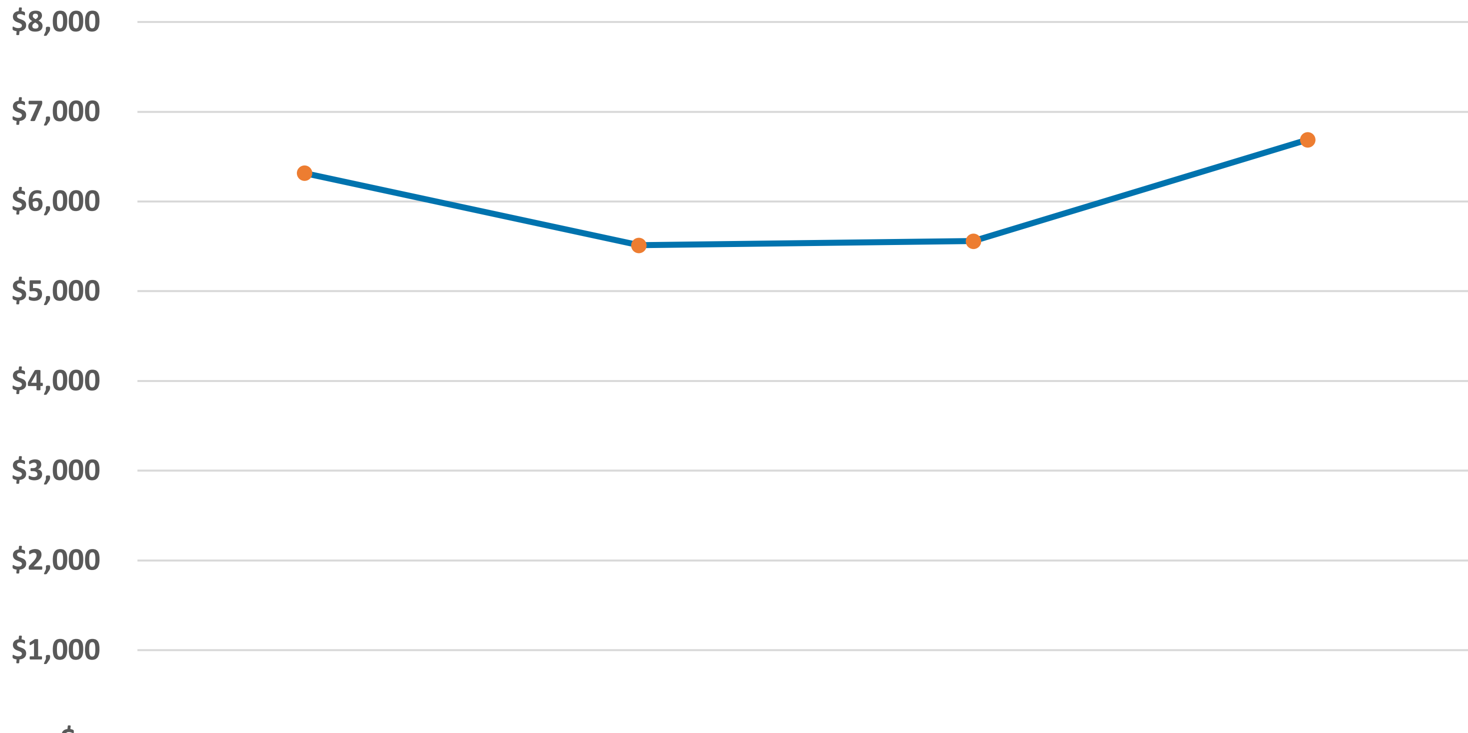
Overview of Operating Expenditures – Governmental Activities (000's)



	2018	2017	2016	2015
General Government	$5,892	$6,752	$7,040	$6,337

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

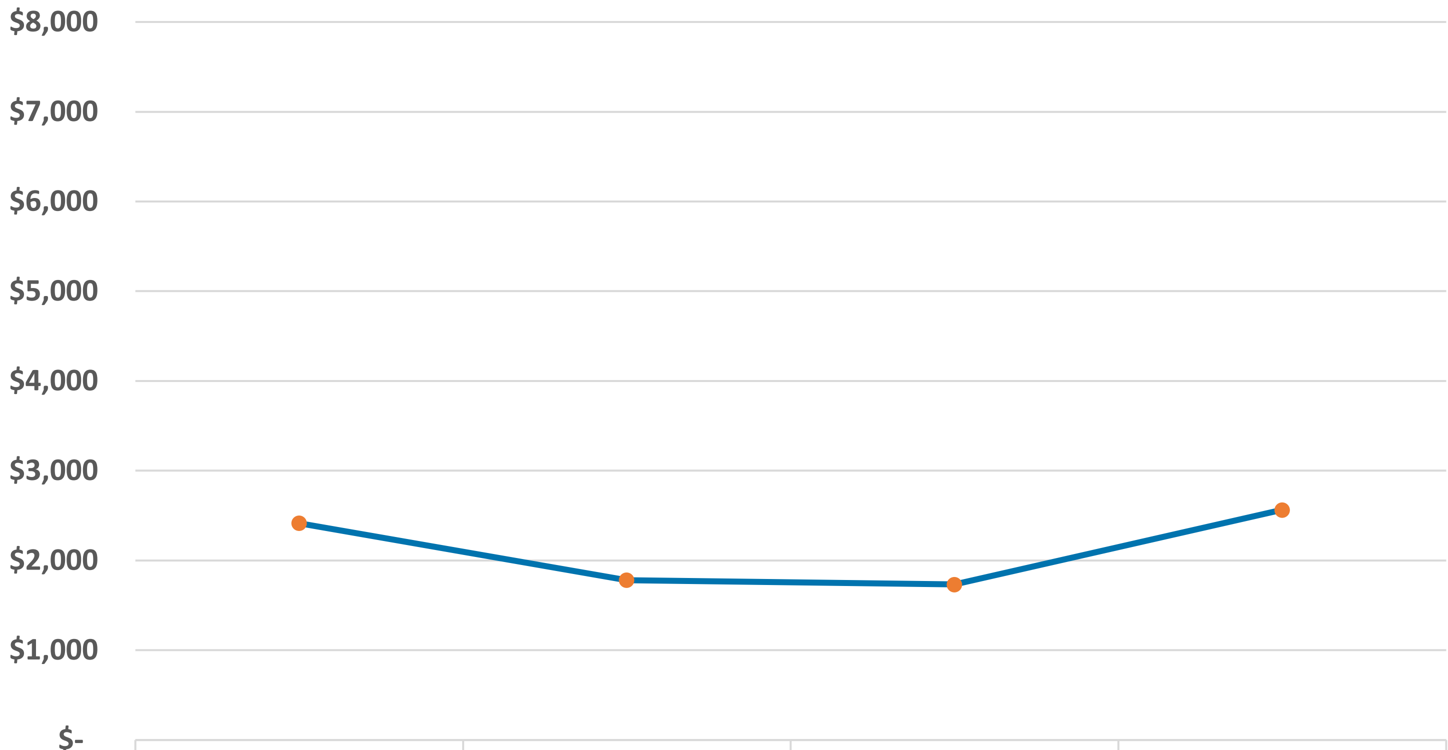
Overview of Operating Expenditures – Governmental Activities (000's)



	2018	2017	2016	2015
Public Safety	$6,316	$5,512	$5,558	$6,689

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

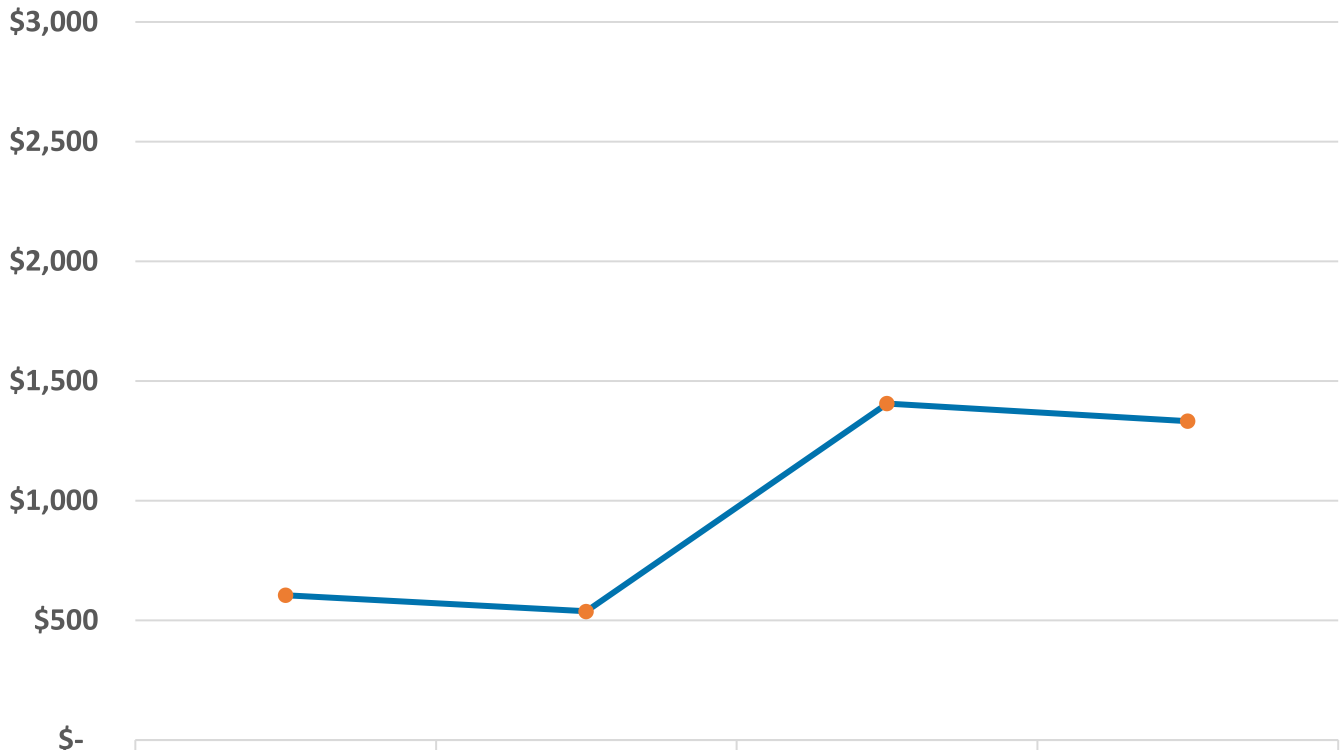
Overview of Operating Expenditures – Governmental Activities (000's)



	2018	2017	2016	2015
Transportation	$2,415	$1,780	$1,733	$2,564

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

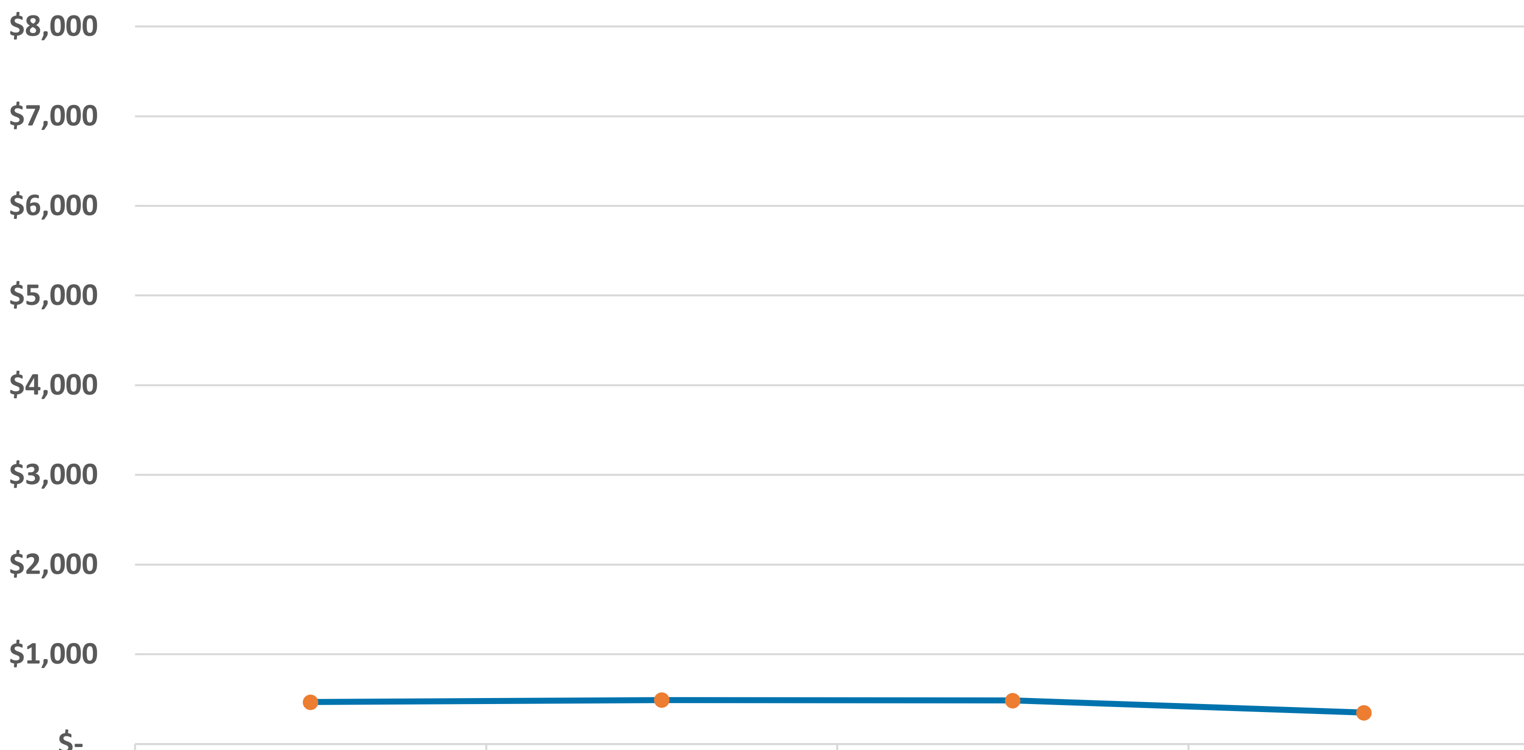
Overview of Operating Expenditures – Governmental Activities (000's)



	2018	2017	2016	2015
Culture and Recreation	$605	$537	$1,406	$1,332

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

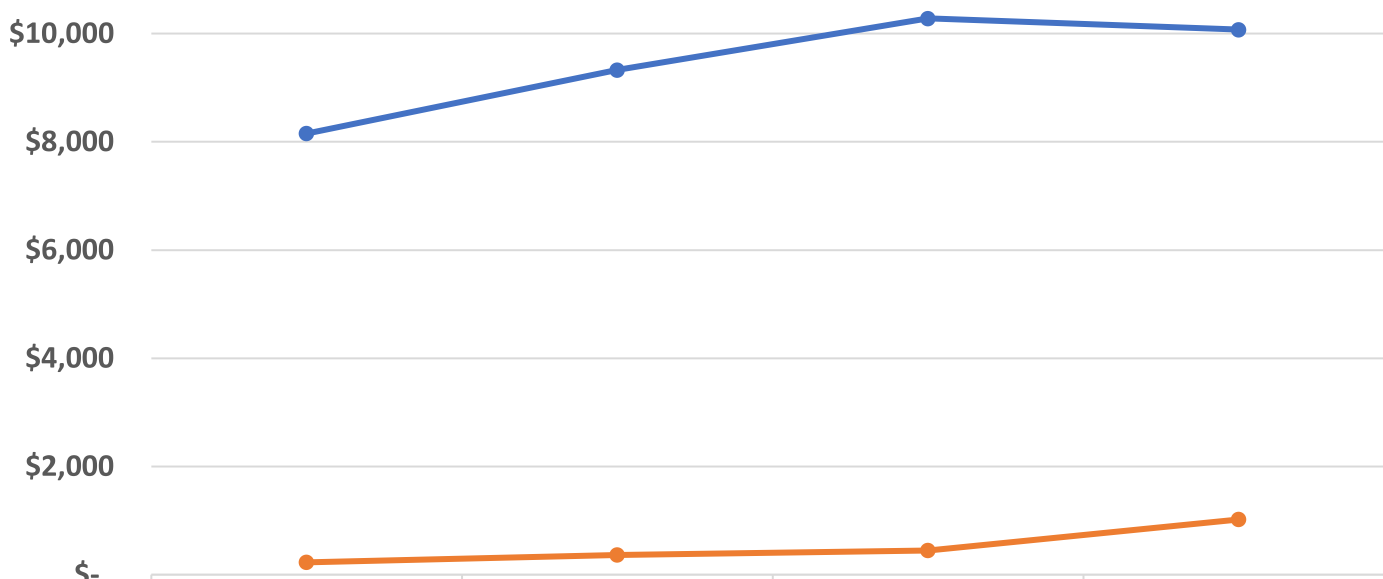
Overview of Operating Expenditures – Governmental Activities (000's)



	2018	2017	2016	2015
Interest	$467	$490	$485	$348

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

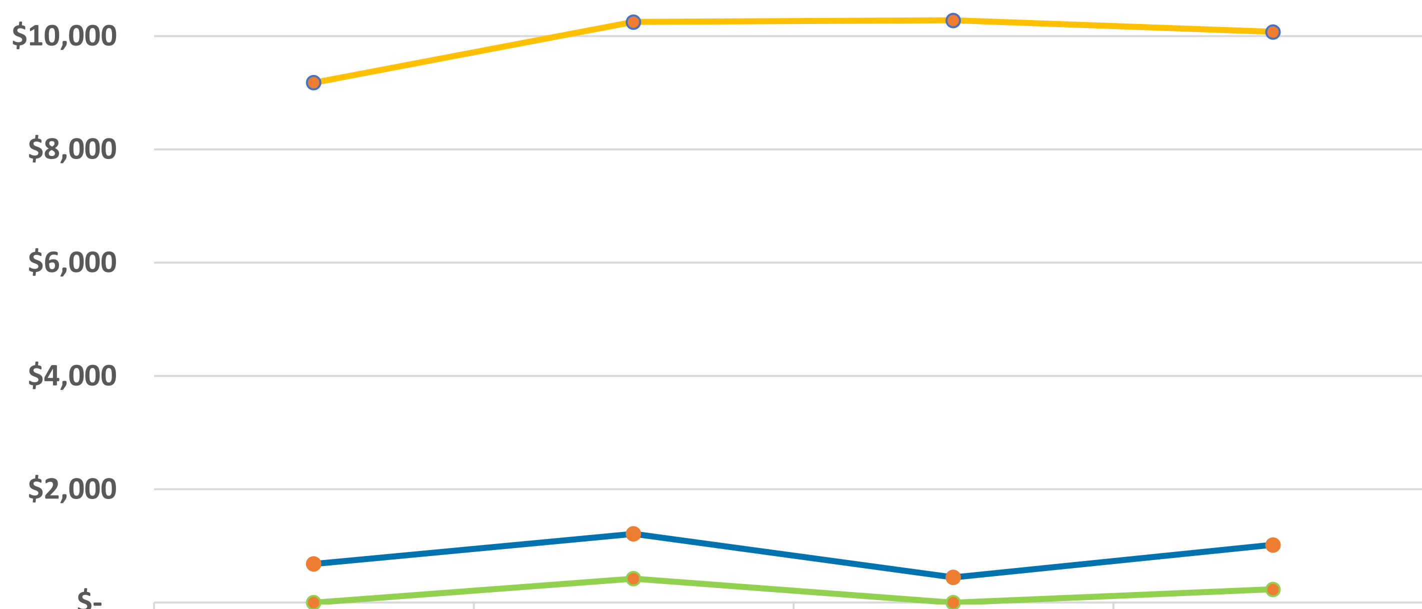
Overview of Revenues – Proprietary Activities (000's)



	2018	2017	2016	2015
Charges for Services	$8,156	$9,329	$10,280	$10,075
Other Revenue	$228	$365	$448	$1,021

City of Opa-locka, Florida
Audit Workshop
History of City of Opa-locka's Financial Audit Matters

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



	2018	2017	2016	2015
Water and Sewer	$9,181	$10,250	$10,280	$10,075
Stormwater	$683	$1,215	$448	$1,021
Solid Waste	$-	$424	$-	$235

City of Opa-locka, Florida
Audit Workshop

City's Audit Opinions

	2015	2016	2017	2018
Audit Opinion	Disclaimer	Disclaimer	Qualified	Qualified
Opinion Date	February 23, 2018	March 15, 2019	September 25, 2019	May 13, 2020

City of Opa-locka, Florida
Audit Workshop

City's Audit Adjustments

Each audit year there were several adjustments made after receiving the final working trial balance.

City of Opa-locka, Florida
Audit Workshop

City's Internal Control Comments

Description		Status
Material Weaknesses		
2014-03	Deteriorating Financial Condition (Repeat finding from FY2013)	Although not fully resolved, significant progress has occurred.
2015-01	Timeliness of Recording Individual Transactions	Similar condition noted in the current year (2018) audit.
2015-03	Financial Reporting Policies and Procedures Manual and Reconciliation of General Ledger Accounts to Supporting Documents	Similar condition noted in the current year (2018) audit.
2017-01	Florida Auditor General Report Findings	Many items prescribed in the proposed corrective action plan were addressed; however, several items remain open (2018).
2017-02	Strengthen Staff Resources in the Finance and Accounting Department	
2017-03	There is No Physical Inventory of Infrastructure and Fixed Assets	This comment remains relevant for fiscal year 2018.
2017-04	Reconciliation of Cash Accounts	This comment remains relevant for fiscal year 2018.
2017-05	Internal Control Over Payroll Processing and Personnel File Maintenance	This comment remains relevant for fiscal year 2018.

City of Opa-locka, Florida
Audit Workshop

City's Internal Control Comments

Description		Status
Significant Deficiency		
2014-01	Checks Outstanding for Over 12 Months	Item has been implemented and cleared for fiscal year 2018.
2014-02	Budgets (Repeat finding from FY2013)	Item has been implemented and cleared for fiscal year 2018.
2015-02	Upgrade the Accounting System	Similar condition noted in the current year (2018) audit.
2015-04	Journal Entries	Item has been implemented and cleared for fiscal year 2018.
2015-05	Deficit Cash Balances	Item has been implemented and cleared for fiscal year 2018.
2017-06	Pension Plan Remittance	This comment remains relevant for fiscal year 2018.

Internal Control and Compliance

66-468 - Capitalization Grants for Drinking Water State Revolving Funds		
2016-01	Insufficient Supporting Documentation	This item is not applicable for fiscal year 2018.

EXHIBITS

City of Opa-locka, Florida
Audit Workshop