



**OPA-LOCKA COMMUNITY
REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)**

**Audited Financial Statements
For the Year Ended September 30, 2020**

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – General Fund	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	16
Notes to the Basic Financial Statements	17
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	23
Note to Budgetary Information	24
Compliance Reports	
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 <i>Government Auditing Standards</i>	25
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	27
Independent Accountants' Report on Compliance with Florida Statutes	29
Schedule of Findings and Responses	30

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and CRA Executive Director
Opa-locka Community Redevelopment Agency
City of Opa-locka, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Opa-locka Community Redevelopment Agency (the "Agency"), a component unit of the City of Opa-locka, Florida as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Agency, as of September 30, 2020, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, and the budgetary comparison schedule and related notes on pages 21 and 22, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2022 on our consideration of the Agency's internal control over financial reporting and 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 Agency'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 Agency's internal control over financial reporting.

Marcum LLP

Miami, FL
September 1, 2022

Management's Discussion and Analysis

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management’s Discussion and Analysis (MD&A) of the Opa-locka Community Redevelopment Agency (the “Agency” or “CRA”) is designed to provide an objective and easy to read analysis of the financial activities based on currently known facts, decisions, and conditions. The MD&A provides a broad overview and short and long-term analyses of the Agency’s activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Agency’s financial activity and identify changes in the Agency’s financial position and its ability to address the next year’s challenges. Finally, the MD&A will identify any material deviations from the approved budget.

On December 4, 2013, the Agency entered into an Inter-local Cooperation Agreement with the City of Opa-locka (the “City”) and Miami-Dade County (the “County”) which established the Agency’s financing plan and became effective October 1, 2014. Based on the cooperative agreement, the City and County are required to collect tax increment revenues on behalf of the Agency. The tax increment revenues must be used in accordance with the approved budget and the City of Opa-locka Community Redevelopment Agency Redevelopment Plan (“OCRA Redevelopment Plan”) and the terms and conditions of the Inter-local Cooperation Agreement.

- 1) Delegation of Power
- 2) Miami-Dade County Taxing Authority of other Taxing Authority
- 3) Implementation of the Plan
- 4) City/County Coordination
- 5) Project Financing
- 6) Citizen Participation
- 7) Opa-locka Community Redevelopment Agency Board
- 8) Project Management, Administration and Coordination
- 9) Assurances of Affirmative Action
- 10) Indemnification of Others
- 11) Miscellaneous

The Agency is an independent entity and a component unit of the City. The Agency has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement (“GASB”) No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*.

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- For fiscal year 2020, the Agency's tax increment revenues, increased by \$179,005 (32%) to \$734,293, from the prior fiscal year 2019 total of \$555,288.
- The Agency began the fiscal year with a total fund balance of \$779,900.
- The Agency's total net revenues for the year ended September 30, 2020, were \$734,293, while total expenses were \$411,061, increasing net position/fund balance by \$323,232. The increase in the Agency's total net position/fund balance as of September 30, 2020, was due primarily to the increase in tax increment revenues even with increases in operating expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements
- Required supplementary information

In addition, the Agency's report contains required supplementary information to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Agency's finances, in a manner comparable to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting.

The *Statement of Net Position* presents all information on the Agency's assets and liabilities, with the difference between the two 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 Agency is improving or deteriorating.

The *Statement of Activities* presents information showing how the Agency's net position changed during the fiscal year. All changes in revenues are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements present functions of the Agency that are principally supported by tax increment financing (governmental activities). The governmental activities of the Agency include general government activities and redevelopment projects. The Agency has no business-type activities.

The government-wide financial statements are found beginning on page 11 of this report.

Fund Financial Statements

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Agency utilized one fund for the fiscal year ended September 30, 2020: the *General Fund*, which accounts for the operating activities of the Agency.

Governmental funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds 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.

Since the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By comparing, readers may better understand the long-term impact of the Agency's near term financing decisions. The "Balance Sheet – Governmental Funds" and "Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds" provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Budgetary comparison schedule, which constitute Required Supplementary Information pursuant to the Governmental Accounting Standards Board ("GASB"), is provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found beginning on page 13 of this report. The reconciliations between the governmental fund and governmental activities are found on pages 14 and 16.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the basic financial statements can be found beginning on page 17 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

required supplementary information concerning the Agency's budget to actual results for the General Fund for fiscal year 2020. The required supplementary information can be found on page 23 of this report.

There were three amendments to the budget for the fiscal year ended September 30, 2020 affecting the Agency. The budget amendments increased revenues by \$203,292 and re-allocated expenditures within the following line items: general government cost attributed to promotional activities, advertising, CRA reserve, county administrative fee, salaries and payroll taxes, other professional service cost, and transfer out transactions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$1,162,116 at the close of fiscal year 2020. Approximately 50.5% of the Agency's total assets was composed of cash.

SUMMARY OF NET POSITION

	<u>As of September 30,</u>		<u>Change</u>	
	<u>2020</u>	<u>2019</u>	<u>\$</u>	<u>Percent</u>
<u>Assets</u>				
Current assets:				
Cash	\$ 861,020	\$ 628,608	\$ 232,413	37%
Due from other governments	844,328	342,502	501,826	147%
Total assets	\$ 1,705,348	\$ 971,110	\$ 734,238	76%
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 11,165	\$ 70,204	\$ (59,039)	-84%
Due to other governments	532,067	121,006	411,061	340%
Total liabilities	\$ 543,232	\$ 191,210	\$ 352,022	184%
<u>Net position</u>	\$ 1,162,116	\$ 779,900	\$ 382,217	49%

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

SUMMARY OF CHANGES IN NET POSITION

	For the fiscal year ended September 30,		Change	
	<u>2020</u>	<u>2019</u>	<u>\$</u>	<u>Percent</u>
<u>Revenues</u>				
Property taxes	\$ 734,293	\$ 555,288	\$ 179,005	32%
Total revenues	\$ 734,293	\$ 555,288	\$ 179,005	32%
<u>Expenditures</u>				
General government	\$ 411,061	\$ 66,660	\$ 344,401	517%
Total expenditures	\$ 411,061	\$ 66,660	\$ 344,401	517%
Increase (decrease) in net position	323,232	488,628	(165,396)	-34%
Net position, beginning	\$ 779,900	\$ 291,272	\$ 488,628	168%
Prior period adjustment	58,985	-	58,985	N/A
Net position, beginning restated	838,884	291,272	547,612	188%
Net position, ending	\$ 1,162,116	\$ 779,900	\$ 323,232	41%

In 2020, the \$734,293 tax increment revenues refunded to taxing authorities comprised both County (\$232,467) and City (\$501,826). The Agency's net position increased by 41%. Key elements of the increase in 2020 were as follows:

- Total net tax increment revenues increased by \$179,005 or 32%.
- Total expenses for fiscal year 2020 were \$411,061, representing an increase of \$344,401 or 517% over fiscal year 2019 expenditures. The major increase was related to other operating cost.

FINANCIAL ANALYSIS - GOVERNMENTAL FUND

The focus of the Agency's governmental fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. 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 the end of fiscal year 2020, the Agency's governmental fund reported an ending fund balance of \$1,162,116. The increase was attributable to the increase in the tax increment revenues for fiscal year 2020.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL BUDGETARY HIGHLIGHTS

The following information is presented to assist the reader in comparing the original/final budget (adopted) and the actual results. There were a few variances between the final budget and actual results, as shown in the Budgetary Comparison Schedule for the fiscal year ended September 30, 2020.

	Budgeted amounts		Actual results - budgetary basis	Variance with final budget - favorable (unfavorable)
	Original	Final		
<u>Revenues</u>				
Property taxes	\$ 531,000	\$ 734,293	\$ 734,293	\$ -
Carryforward from prior year	281,347	78,054	-	(78,054)
Total revenues	\$ 812,347	\$ 812,347	\$ 734,293	\$ (78,054)
<u>Expenditures</u>				
General government	\$ 812,347	\$ 812,347	\$ 411,061	\$ 401,286
Total expenditures	\$ 812,347	\$ 812,347	\$ 411,061	\$ 401,286
Net change in fund balance	\$ -	\$ -	\$ 323,232	
Fund balance, beginning			\$ 779,900	
Prior period adjustment			58,984	
Fund balance, beginning restated			838,884	
Fund balance, ending			\$ 1,162,116	

Revenue

The budgeted "tax increment revenue" in the amount of \$734,293 was realized without variance.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures

The anticipated spending was severely impacted by the COVID-19 pandemic in fiscal year 2020, along with the priorities and decisions made by the Agency's board.

The net positive variance of \$401,286 for "general government" is due primarily to the following major factors:

1. Positive variance of approximately \$180,800 in unspent in promotional activities not initiated because of the pandemic's uncertainty.
2. Positive variance of approximately \$175,000 in unspent in other professional services.
3. Other variances related to reductions in other contracted services, county administrative fees, information technology charges and insurance charges for risk fee allocations from the City.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency had no capital assets for fiscal year ended September 30, 2020.

Long-Term Debt

The Agency had no debt for fiscal year ended September 30, 2020.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Agency Board approved the 2020-2021 budget in the amount of \$1,807,130 which included an estimated final year-end carryover of \$760,220. Tax increment revenue projections were based upon actual values from the County's Property Appraiser's Office and the City of Opa-locka. The Tax Increment Financing (TIF) increase was attributable to an increase in property valuations within the Agency's district. The Agency anticipates further TIF revenue growth in the coming years as perennial increases in property values continue and future redevelopment projects break ground.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Darvin Williams, MPH, Interim City Manager-Interim Executive Director of the Opa-locka CRA, 780 Fisherman Street, Fourth Floor, City of Opa-locka Florida, 33054.

Basic Financial Statements

Government-wide Financial Statements

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
ASSETS	
Cash	\$ 861,020
Due from other governments, Note 4	844,328
Total assets	<u>\$ 1,705,348</u>
LIABILITIES	
Accounts payable	\$ 11,165
Due to other governments, Note 4	532,067
Total liabilities	<u>\$ 543,232</u>
NET POSITION	
Restricted for:	
Community redevelopment	\$ 1,162,116
Total net position	<u><u>\$ 1,162,116</u></u>

The accompanying notes are an integral part of these financial statements.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2020

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenue Charges for services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:			
General government	\$ 411,061	\$ -	\$ (411,061)
Total	<u>\$ 411,061</u>	<u>\$ -</u>	<u>\$ (411,061)</u>
		General Revenue:	
		Tax increment revenue	\$ 734,293
		Total general revenues	<u>\$ 734,293</u>
		Change in net position	\$ 323,232
		Net position, beginning	\$ 779,900
		Prior period adjustment, Note 7	58,985
		Net position, beginning restated	<u>\$ 838,884</u>
		Net position, ending	<u>\$ 1,162,116</u>

The accompanying notes are an integral part of these financial statements.

Fund Financial Statements

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

BALANCE SHEET - General Fund
September 30, 2020

	General Fund
ASSETS	
Cash	\$ 861,020
Due from other governments, Note 4	<u>\$ 844,328</u>
Total assets	<u><u>\$ 1,705,348</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 11,165
Due to other governments, Note 4	<u>\$ 532,067</u>
Total liabilities	\$ 543,232
FUND BALANCE	
Restricted for community redevelopment	<u>\$ 1,162,116</u>
Total fund balance	<u>\$ 1,162,116</u>
Total liabilities and fund balance	<u><u>\$ 1,705,348</u></u>

The accompanying notes are an integral part of these financial statements.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2020

Total Governmental Fund Balance	\$ 1,162,116
Amounts reported for governmentnal activities in the statement of net position are different as a result of:	
No items exist	-
Total Net Position	\$ 1,162,116

The accompanying notes are an integral part of these financial statements.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

- General Fund

For the fiscal year ended September 30, 2020

	General Fund	
REVENUES		
Property taxes	\$	734,293
Total revenues	\$	<u>734,293</u>
EXPENDITURES		
General government	\$	411,061
Total expenditures	\$	<u>411,061</u>
Increase (decrease) in fund balance	\$	323,232
Fund balance, beginning	\$	779,900
Prior period adjustment		58,985
Fund balance, beginning restated	\$	<u>838,884</u>
Fund balance, ending	\$	<u><u>1,162,116</u></u>

The accompanying notes are an integral part of these financial statements.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND**

**TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2020**

Net Change in Fund Balance - Total Governmental Funds	\$ 323,232
Amounts reported for governmentnal activities in the statement of activities are different because:	
No items exist	-
Change in Net Position	\$ 323,232

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
NOTES TO THE FISCAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Opa-locka Community Redevelopment Agency (the “Agency” or “CRA”) is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should therefore be read in conjunction with the basic financial statements.

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency’s accounting policies are described below.

a. Financial Reporting Entity

The Agency is an independent government agency that was fully established in 2013 by the City of Opa-locka (the “City”) and Miami-Dade County, under Chapter 163 of the Florida Statutes. The purpose of the Agency is to formulate a workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slum and blighted areas within the City. The CRA Board of Directors is composed of seven board members, the five members of the Opa-locka City Commission and two appointees from the Board of County Commissioners of Miami-Dade County, one appointee from District 1 and District 2. To achieve this mission, the Agency is charged with the responsibility of eliminating conditions of blight that exist within the City and helping to improve the quality of life by revitalizing the City’s physical, economic, educational, and social resources. The designated CRA area comprises some 514 acres, approximately 18% of the City.

Community Redevelopment Agencies (“CRA”) are a common governmental tool for redevelopment in the State of Florida and operate on a budget generated by an increase in property taxes within the area. Once a CRA is established, a percentage of the increase in real property taxes goes to the CRA. This tax increment is used to finance the redevelopment projects outlined in the Community Redevelopment Plan. Thus, the principal mission of the Agency is the preservation or enlargement of the community redevelopment area’s tax base from which taxing authorities receive tax revenues to carry out public initiatives that stimulate the rehabilitation or redevelopment of the community redevelopment area.

On December 4, 2013, the Agency entered an Inter-local Cooperation Agreement with the City and Miami-Dade County (the “County”) effective October 1, 2014. Based on the cooperative agreement, the City and County collect tax increment revenues on behalf of the Agency. The tax increment revenues must be used in accordance with the approved budget, the City of Opa-locka Community Redevelopment Agency Redevelopment Plan, and the terms and conditions of the Inter-local Cooperation Agreement.

As defined by GAAP, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
NOTES TO THE FISCAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

the reporting entity's financial statements to be misleading or incomplete. Components units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the CRA does not have any component units to report.

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 the statement of activities) report information on all the Agency's activities. 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 or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or 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 specific function. Taxes and other items not properly included among program revenues are reported as general revenues. The Agency does not have any business-type activities.

c. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balance) 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 available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Interest on invested funds is recognized when earned. 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.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
NOTES TO THE FISCAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Agency reports the following major governmental fund:

- The **General Fund** is the Agency's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

d. Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

e. Cash

The Agency's cash include cash on hand in deposit account with a financial institution. The Agency utilizes City National Bank for its banking activities.

f. Capital Assets

Capital assets, which currently include lands, furniture, and equipment, are reported in the governmental-type activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$1,000 and an estimated useful life more than one year. Property and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received. During and as of the fiscal year ended September 30, 2020, the Agency has not acquired any capital assets.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
NOTES TO THE FISCAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Nature and Purpose of Classifications of Fund Balance

In the fund financial statements, governmental fund report fund classifications that comprise a hierarchy based primarily on the extent to which the Agency 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, a) constraints placed on the use of resources by creditors, grantors, contributors, or 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 Agency's Board through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the Agency's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by Agency management based on Board's 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.

h. 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 of assets, liabilities, disclosures of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ with actual results.

i. Implementation of GASB Statements:

The were no new significant GASB Statements which were implemented by the Agency during the fiscal year ended September 30, 2020.

NOTE 2 – CASH DEPOSITS

All deposits of the Agency are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security or Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or more than, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely collateralized throughout the fiscal year. Accordingly, the CRA's deposits are considered fully insured or collateralized in accordance with the provisions of GASB Statements.

NOTE 3 – CAPITAL ASSETS

The Agency has no capital assets.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
NOTES TO THE FISCAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – RELATED PARTY TRANSACTIONS

The Agency received tax increment revenues from the City's General Fund totaling \$501,826 for the fiscal year ended September 30, 2020, which are reflective as tax increment revenues in the accompanying financial statements.

Due from other governments of \$844,328 represent receipts due from the City, while due to other governments of \$532,067 represent funds due to the City's General Fund, Water and Sewer Fund and other, the net effect is \$312,261 due to the CRA from the City. These funds were paid subsequent to September 30, 2020 in full.

The CRA's general government expenditure of \$411,061 includes accrued charges accumulated and spanning over multiple years due to the Water and Sewer Fund of the City of \$344,971 to fund CRA operations; these funds were paid subsequent to September 30, 2020.

NOTE 5 – TAX INCREMENT REVENUE

The primary source of revenues is tax increment funds received through the City and the County. This revenue is computed by multiplying the operating tax rate for the City and the County by the increased value of property located within the boundaries of the redevelopment area of the Agency, over the base property value, less five percent (administrative fee). Both the City and the County are required to annually fund this amount without regard to tax collections or other obligations.

NOTE 6 – RISK MANAGEMENT

The Agency is currently not aware of any open litigation. However, the Agency is exposed to various risks of loss related to torts, and errors and omissions.

In addition, the Agency does not have any employees and therefore, does not have any benefit related costs. The CRA uses City personnel and contractors to perform all operational activities.

On October 6, 2015, the Agency's Board instituted for the City of Opa-locka's City Manager to serve as the Executive Director of the Agency. The Executive Director appointed the City of Opa-locka's Planning and Community Development (PCD) employees to serve as the Agency's Manager/Executive Director and staff and requiring the Agency to pay ten percent (10%) of the PCD's salary and benefits to be paid by the Agency's TIF Trust account.

The Agency is exposed to various risks of loss for worker's compensation, general liability and other various risks of loss related to theft, errors, and omissions. The Agency is covered for such risks under the Florida Municipal Insurance Trust through the City of Opa-locka.

NOTE 7 – PRIOR PERIOD ADJUSTMENT

The October 1, 2019, beginning net position/fund balance of the Agency was restated as a result of the prior period correction of errors. The Agency's net position/fund balance increased by \$58,985 over the prior fiscal year ended September 30, 2019. This is because the prior period adjustments

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
 (A Component Unit of the City of Opa-locka, Florida)
NOTES TO THE FISCAL FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – PRIOR PERIOD ADJUSTMENT cont’d

had a greater amount of credits to the net position/fund balance than the debits that were made to record the corrections.

Restatement of net position/fund balance at September 30, 2020 due to prior period correction of an error.

Restatement of Net Position/Fund Balance

	<u>Total</u>
Net position/fund balance September 30, 2019, previously stated and reported	\$ 779,900
Prior period adjustment:	
Net effect of correction of errors, effect of adjustment to revenue, expenses/expenditures and other	<u>58,985</u>
Net Position/Fund Balance, September 30, 2019	<u><u>\$ 838,884</u></u>

Prior period corrections were related to a combination of adjustments associated with adjustments to informational technology and insurance charges for risk, salary adjustments, accounts payable and liabilities related to prior years that have been corrected and bank charges.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 1, 2022, the date which the financial statements were available for issue.

Required Supplementary Information

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
(UNAUDITED)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted amounts		Actual results - budgetary basis	Variance with final budget - favorable (unfavorable)
	Original	Final		
<u>Revenues</u>				
Property taxes	\$ 531,000	\$ 734,293	\$ 734,293	\$ -
Carryforward from prior year	281,347	78,054	-	(78,054)
Total revenues	\$ 812,347	\$ 812,347	\$ 734,293	\$ (78,054)
<u>Expenditures</u>				
General government	\$ 812,347	\$ 812,347	\$ 411,061	\$ 401,286
Total expenditures	\$ 812,347	\$ 812,347	\$ 411,061	\$ 401,286
Net change in fund balance	\$ -	\$ -	\$ 323,232	
Fund balance, beginning			\$ 779,900	
Prior period adjustment			58,984	
Fund balance, beginning restated			838,884	
Fund balance, ending			\$ 1,162,116	

See note to budgetary comparison schedule.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Opa-locka, Florida)
NOTES TO BUDGETARY COMPARISON
SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (“GAAP”). Pursuant to the By-Laws of the Opa-locka Community Redevelopment Agency (“Agency” or “CRA”), as adopted on July 22, 2015, the Executive Director must prepare an annual budget and work program for approval by the Board of Directors for each fiscal year, and such other budgets as the Board may determine. The Agency is not authorized to expend any monies other than those authorized in the budget except that Directors shall amend the budget from time to time as may be necessary. As agreed to in the Interlocal Cooperation Agreement with the County and the City, the County must approve the Agency’s annual budget prior to expenditures of any funds contributed by the City or the County, except for the payment of debt service and related payments for which tax increment financing (“TIF”) revenues have been pledged. Further, without such approval, all required agency costs must be funded through City advances or other eligible sources and not from the TIF fund revenues.

A draft of the annual budget is prepared, approved by the Board of Directors, and submitted to the County no later than 10 days prior to the beginning of the fiscal year. Should changes in the millage rates require modification of the budget, the budget must be revised and made final, and submitted to the County on or before the 15th day of the beginning of the fiscal year. The budget is then legally enacted through the passage of a resolution. The legal level of control, the level at which expenditures may not exceed the budget, is at the fund level.

COMPLIANCE REPORTS

**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 Board of Directors and CRA Executive Director
Opa-locka Community Redevelopment Agency
City of Opa-locka, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Opa-locka Community Redevelopment Agency (the "Agency"), a component unit of the City of Opa-locka, Florida, as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated September 1, 2022.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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 responses as items MW2020-001 and MW2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item SD2020-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of finding and responses as item SD2020-001.

Agency Management's Responses to Findings

The Agency management's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Agency's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Marcum LLP

Miami, FL
September 1, 2022

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

To the Board of Directors and CRA Executive Director
Opa-locka Community Redevelopment Agency
City of Opa-locka, Florida

Report on the Financial Statements

We have audited the financial statements of the Opa-locka Community Redevelopment Agency (the “Agency”), a component unit of the City of Opa-locka, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated September 1, 2022.

Auditors’ 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; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ 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 Auditor General. Disclosures in those reports, which are dated September 1, 2022, 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. There were no findings or recommendations made in the preceding annual financial audit report of the City of Opa-locka, Florida as it relates specifically to the Agency.

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 information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Section 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 Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have reported our findings and responses. Additionally, a recommendation to improve financial management has been reported in Appendix A.

Additional Matters

Section 10.554(1)(i)3., 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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 Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Miami, FL
September 1, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTES**

To the Board of Directors and CRA Executive Director
Opa-locka Community Redevelopment Agency
City of Opa-locka, Florida

We have examined the Opa-locka Community Redevelopment Agency (the “Agency”), a component unit of the City of Opa-locka, Florida, compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2020. Management of the Agency is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency’s compliance with the specified requirements.

In our opinion, the Agency complied, in all material respects, with Section 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2020.

This report is intended solely to describe our testing of compliance with aforementioned sections of the Florida Statutes, and it is not suitable for any other purpose.

Marcum LLP

Miami, FL
September 1, 2022

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

MW2020-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING

Criteria

The Agency should implement Accounting Policies and Procedures to ensure the financial statement closing process is completed in a timely manner.

Condition

The Agency is currently not performing its monthly and annual financial reporting closing process in a timely manner.

Cause

The Agency has not properly established monthly and year-end financial closing procedures to ensure all transactions are properly captured and reported in the general ledger in a timely manner.

Effect

A lack of completing required closing procedures led to preliminary misstatements to the financial statements and a significant number of adjusting journal entries and reversal entries to be posted after the commencement of the audit. The lack of controls may lead to current and future accounting errors. Errors discovered after the Agency's prior-period financial statements are issued are reported as prior-period adjustments (see Note 7 of the financial statements).

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESS (CONTINUED)

MW2020-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING (CONTINUED)

Recommendation

The Agency should ensure that adequate procedures and internal controls are in place to ensure that the financial reports are complete and accurate and completed in a timely manner. We believe that the year-end closing could proceed more quickly and smoothly by developing a logical order for closing procedures and assigning responsibility for completing the procedures to specific Agency personnel. In order to make the financial reports generated by the accounting system as meaningful as possible, the Agency should reconcile the general ledger accounts on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period. This makes it easier to perform future reconciliations. Also, it provides for accurate and timely financial reports which are relied upon Agency management for operational decisions.

Views Responsible Officials and Planned Corrective Action

Agency management concurs with the auditor. The Interim CRA Manager has been designated to propose policies and procedures to address financial accounting, reporting and audit concerns to the Board with a timeline for deliverables. In addition, monthly and quarterly financial reports will be presented to the Board.

MW2020-002 – FLORIDA AUDITOR GENERAL FINDINGS

Criteria

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

Condition

On May 23, 2019, the Auditor General of the State of Florida (the "AG") prepared a report on the City of Opa-locka, Florida, pursuant to an operational audit conducted by the AG. As a result of the audit, multiple findings and recommendations were submitted specifically related to the Agency seeking actual or proposed corrective action plans.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESS (CONTINUED)

MW2020-002 – FLORIDA AUDITOR GENERAL FINDINGS (*CONTINUED*)

Cause

The Agency is not prioritizing the importance to establish and adhere to prudent policies, procedures and controls over the safeguarding, recording, processing and reporting of the Agency's financial operations and transactions.

Effect

A lack of proper policies, procedures and controls over financial operations and transactions may lead to a misappropriation of assets, financial statement misstatements, and/or non-compliant transactions.

Recommendation

The Agency should designate a member of management to take timely action to resolve issues identified or proposed action plans to formally address issues cited in the AG report in a timely manner.

Views Responsible Officials and Planned Corrective Action

Agency management concurs with the auditor. The Interim CRA Manager has been designated to propose an action plan and recommendations to formally address the issues cited in the AG report, which will be presented to the Board for approval.

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY

SD2020-001 – Non-Compliance with Florida Statutes

Criteria

Chapter 2019-163, Laws of Florida, amended Section 163.387(8), Florida Statutes, 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 county or municipality annual financial report filed with the Department of Financial Services (see Sections 163.387(8)(c) and 218.32(3)(b), Florida Statutes). In addition, Chapter 2021-116, Laws of Florida, amended Section 218.39(1)(h), Florida Statutes, to require the separate audit to be filed with the Auditor General. In accordance with Auditor General Rule 10.557(3), the CRA audit report must include basic financial statements, notes to the financial statements, and management’s discussion and analysis and other required supplementary information. As such, a CRA must have an annual financial audit of its accounts and financial statements completed within 9 months after the end of its fiscal year.

Condition

The Agency did not issue and file the September 30, 2020 Financial Statements with the Auditor General by June 30, 2021 as required by Florida Statutes.

Cause

The Agency does not have an established Financial Statements review policy and procedure to ensure all year-end amounts and disclosures as required by the Governmental Accounting Standards Board (“GASB”), are properly and accurately captured and reported in the Financial Statements in a timely manner. The City of Opa-locka, Florida (the “City”) 2019 annual financial report was issued on June 28, 2021. Subsequent to that, the City’s 2019 annual financial report was recalled, restated and then re-issued by the predecessor auditor on June 23, 2022. These delays ultimately led the Agency to engage Marcum to perform the September 30, 2020 audit on March 4, 2022, which was after the required submission date of June 30, 2021.

Effect

As of fiscal year end September 30, 2020, the Agency did not comply with Florida Statute 218.39(1)(h).

OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD 2020-001 – Non-Compliance with Florida Statutes (continued)

Recommendation

The Agency should ensure that adequate procedures and internal controls are in place to ensure that the Financial Statements are completed and submitted in a timely manner. These controls should include controls requiring the reconciliation of account balances to the appropriate supporting documentation (e.g., general ledger, internal reports, note disclosures, etc.), the use of a disclosure checklist, and adequate training of staff with required governmental accounting and financial reporting standards.

Views of Responsible Officials and Planned Corrective Actions

Agency management concurs with the auditor. The Interim CRA Manager has been designated to propose policies and procedures to address financial accounting, reporting and audit concerns to the Board with a timeline for deliverables.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY
APPENDIX A – CURRENT YEAR RECOMMENDATIONS TO IMPROVE FINANCIAL
MANAGEMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

MLC 2020-001 –DUE TO/DUE FROM OTHER GOVERNMENT

Observation

As of September 30, 2020, the Agency has reported Due to Other Government/Due From Other Government account activity in the accompanying financial statements. This activity reflects inter-government balances with the City of Opa-locka that are currently payable or receivable as of fiscal year-end. Currently there is no formal documentation (e.g. agreement or internal memorandum) summarizing outstanding balances or allocations as of year-end and management’s understanding of collection and repayment terms.

Recommendation

We believe a formal agreement or internal memorandum should be drafted and executed between the Agency and the City. This process will help prevent or reduce misunderstanding of future collection, allocations, and repayment terms.

Management’s Response

Agency management concurs with the auditor. The Interim CRA Manager has been designated to be responsible for presenting to the Board formal agreement or internal memorandum between the Agency and the City.