

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

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**Audited Financial Statements**  
**For the Fiscal Year Ended September 30, 2021**

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Opa-locka, Florida)**  
**Audited Financial Statements**  
**For the Fiscal Year Ended September 30, 2021**

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# **Independent Auditors' Report**

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## 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 the 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, 2021, 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 qualified audit opinions.

## ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Qualified

### ***Basis for Qualified Opinions***

Management has not properly accounted for its accounts payable for the fiscal year ended September 30, 2021. Accounting principles generally accepted in the United States of America require accounts payable to be accrued and reconciled as of year end. The amounts by which this departure would affect the liabilities, fund balances, and expenditures/expenses of the different opinion units has not been determined.

### ***Qualified Opinion***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund information of the Agency, as of September 30, 2021, 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 4 through 10, and the budgetary comparison schedule and related note on pages 22 and 23, 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 July 31, 2023 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  
July 31, 2023

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# **Management's Discussion and Analysis**

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**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**September 30, 2021**

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**  
**September 30, 2021**

**FINANCIAL HIGHLIGHTS**

- At the beginning of the fiscal year, the Agency's fund balance of \$1,162,117 was restated up to \$1,403,083. This was due to reconciliation of balances due between other funds.
- The Agency's total revenues were \$1,046,910, while total expenses were \$173,693.
- At fiscal year end, the Agency's fund balance increased by \$873,217. A prior period adjustment of \$240,967 attributed to the increased fund balance.

**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

In addition, the Agency's report contains the required supplementary information in addition 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 the 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**  
**September 30, 2021**

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**

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, 2021: 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 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.

Since the focus of the governmental fund is narrower than government-wide financial statements, it is useful to compare the information presented for the governmental fund 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 – General Fund” and “Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund” provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The budgetary comparison schedule, which constitutes 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 page 16.

**Notes to the Basic Financial Statements**

The notes to the 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 financial statements can be found beginning on page 17 of this report.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2021**

In addition to the basic financial statements and accompanying notes, this report also presents the required supplementary information concerning the Agency's budget to actual results for the General Fund for fiscal year 2021. The required supplementary information can be found on page 22 of this report.

**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 \$2,276,301 at the close of fiscal year 2021.

**SUMMARY OF NET POSITION**

	<u>As of September 30,</u>		<u>Change</u>	
	<u>2021</u>	<u>2020</u>	<u>\$</u>	<u>Percent</u>
<b><u>Assets</u></b>				
Current assets:				
Cash	\$ 1,562,959	\$ 861,020	\$ 701,939	82%
Due from other governments	<u>1,085,295</u>	<u>844,328</u>	<u>240,967</u>	29%
<b>Total assets</b>	<u>2,648,254</u>	<u>1,705,348</u>	<u>942,906</u>	55%
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable	41,630	11,166	30,467	273%
Due to other governments	<u>330,323</u>	<u>532,067</u>	<u>(201,744)</u>	-38%
<b>Total liabilities</b>	<u>371,953</u>	<u>543,232</u>	<u>(171,279)</u>	-32%
<b><u>Net position</u></b>	<u>\$ 2,276,301</u>	<u>\$ 1,162,117</u>	<u>\$ 1,114,185</u>	96%

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2021**

**Governmental Activities**

**SUMMARY OF CHANGES IN NET POSITION**

	<u>For the fiscal year ended September 30,</u>		<u>Change</u>	
	<u>2021</u>	<u>2020</u>	<u>\$</u>	<u>Percent</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 1,046,910	\$ 734,293	\$ 312,617	43%
<b>Total revenues</b>	<u>1,046,910</u>	<u>734,293</u>	<u>312,617</u>	43%
<b><u>Expenses</u></b>				
General government	<u>173,693</u>	<u>411,061</u>	<u>(237,368)</u>	-58%
<b>Total expenses</b>	<u>173,693</u>	<u>411,061</u>	<u>(237,368)</u>	-58%
Increase in net position	873,217	323,232	549,985	170%
Net position, beginning	1,162,117	779,900	382,217	49%
Prior period adjustment	<u>240,967</u>	<u>58,985</u>	<u>181,981</u>	309%
Net position, beginning restated	<u>1,403,083</u>	<u>838,885</u>	<u>564,198</u>	67%
Net position, ending	<u>\$ 2,276,301</u>	<u>\$ 1,162,117</u>	<u>\$ 932,203</u>	80%

In fiscal year 2021, the \$1,046,910 tax increment revenues received from taxing authorities comprised both County (\$334,355) and City (\$712,555). The Agency's net position increased by 67%. Key elements of the increase in 2021 were as follows:

- Total revenues increased by \$312,617 or 42% in FY2021 when compared to FY2020.
- Total expenses in FY2021 were \$173,693, representing a decrease of \$237,368 or 42% in comparison to FY2020.

**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 2021, the Agency's governmental fund reported a restricted ending fund balance of \$2,276,301.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**September 30, 2021**

**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 no variances between the original and final budget. Actual results, as shown in the Budgetary Comparison Schedule for the fiscal year ended September 30, 2021, indicate the Agency expended \$873,217 less than appropriated.

	<u>Budgeted amounts for 2021</u>			<b>Variance with final budget - favorable (unfavorable)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual results - budgetary basis</u>	
<b><u>Revenues</u></b>				
Property taxes	\$ 1,046,910	\$ 1,046,910	\$ 1,046,910	\$ -
Carryforward from prior year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>1,046,910</u>	<u>1,046,910</u>	<u>1,046,910</u>	<u>-</u>
<b><u>Expenditures</u></b>				
General government	<u>1,046,910</u>	<u>1,046,910</u>	<u>173,693</u>	<u>873,217</u>
<b>Total expenditures</b>	<u>1,046,910</u>	<u>1,046,910</u>	<u>173,693</u>	<u>873,217</u>
Net change in fund balance	-	-	873,217	
Fund balance, beginning			1,162,117	
Prior period adjustment			240,967	
Fund balance, beginning restated			<u>1,403,083</u>	
Fund balance, ending			<u>\$ 2,276,301</u>	

**Revenues**

The budgeted tax increment revenue in the amount of \$1,046,910 was realized without variance.

**Expenditures**

The unexpended balance of \$873,217 for “general government” is due primarily to changes in Management and understaffing of the Agency for the following projects.

1. There is a negative variance of approximately \$188,000 in the Facades Project.
2. Capital Projects titled Streetscape and Park Amenities were unable to initiate their scope of work. Respectively \$250,000 and 50,000 were underutilized in this fiscal cycle.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Agency had no capital assets for the fiscal year ended September 30, 2021.

**Long-Term Debt**

The Agency had no debt for the fiscal year ended September 30, 2021.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Agency Board approved the fiscal year 2022 budget in the amount of \$1,303,462. 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. Corion Delaine, Interim Executive Director, Opa-locka CRA, 780 Fisherman Street Fourth Floor, Opa-locka Florida, 33054.

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# **Basic Financial Statements**

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**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 1,562,959
Due from other governments, Note 4	<u>1,085,295</u>
<b>Total assets</b>	<u>2,648,254</u>
 <b>LIABILITIES</b>	
Accounts payable	41,630
Due to other governments, Note 4	<u>330,323</u>
<b>Total liabilities</b>	<u>371,953</u>
 <b>NET POSITION</b>	
Restricted for:	
Community redevelopment	<u>2,276,301</u>
<b>Total net position</b>	<u>\$ 2,276,301</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, 2021**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenue</u> <u>Charges for services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
<b>Governmental activities:</b>			
General government	\$ 173,693	\$ -	\$ (173,693)
Total	<u>\$ 173,693</u>	<u>\$ -</u>	<u>(173,693)</u>
<b>General Revenue:</b>			
			1,046,910
Tax increment revenue			<u>1,046,910</u>
Total general revenues			<u>1,046,910</u>
Change in net position			873,217
Net position, beginning			1,162,117
Prior period adjustment, Note 7			<u>240,967</u>
Net position, beginning restated			<u>1,403,083</u>
Net position, ending			<u>\$ 2,276,301</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)  
**BALANCE SHEET – GENERAL FUND**  
**September 30, 2021**

	<u><b>General Fund</b></u>
<b>ASSETS</b>	
Cash	\$ 1,562,959
Due from other governments, Note 4	<u>1,085,295</u>
<b>Total assets</b>	<u><b>\$ 2,648,254</b></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 41,630
Due to other governments, Note 4	<u>330,323</u>
<b>Total liabilities</b>	<u><b>371,953</b></u>
 <b>FUND BALANCE</b>	
Restricted for community redevelopment	<u>2,276,301</u>
<b>Total fund balance</b>	<u><b>2,276,301</b></u>
 <b>Total liabilities and fund balance</b>	 <u><b>\$ 2,648,254</b></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, 2021**

<b>Total Governmental Fund Balance</b>	\$ 2,276,301
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Amounts reported for governmental activities in the statement of net position are different as a result of:

No items exist	<u>-</u>
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<b>Total Net Position</b>	<u>\$ 2,276,301</u>
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**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, 2021**

	<u><b>General Fund</b></u>
<b>REVENUES</b>	
Property taxes	\$ <u>1,046,910</u>
Total revenues	<u>1,046,910</u>
 <b>EXPENDITURES</b>	
General government	<u>173,693</u>
Total expenditures	<u>173,693</u>
Increase in fund balance	873,217
Fund balance, beginning	1,162,117
Prior period adjustment	<u>240,967</u>
Fund balance, beginning restated	<u>1,403,083</u>
Fund balance, ending	<u>\$ 2,276,301</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, 2021**

<b>Net Change in Fund Balance - Governmental Fund</b>	\$ 873,217
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Amounts reported for governmental activities in the statement of activities are different because:

No items exist	<u>                  -</u>
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<b>Change in Net Position</b>	<u><u>          \$ 873,217</u></u>
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The accompanying notes are an integral part of these financial statements.

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# **Notes to the Basic Financial Statements**

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**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**September 30, 2021**

**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. 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 Opa-locka Community Redevelopment Agency Redevelopment Plan, and the terms and conditions of the Inter-local Cooperation Agreement.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**September 30, 2021**

**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 Net Position reports all financial and capital resources of the Agency, as well as any corresponding current long-term liabilities. 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.

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.



**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**f. Capital Assets**

Capital assets, such as 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 of 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 the fiscal year ended September 30, 2021, the Agency has not acquired any capital assets.

**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 of Directors (the “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 the 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.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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:**

There were no new significant GASB Statements which were implemented by the Agency during the year ended September 30, 2021.

**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.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

The Agency received tax increment revenues from the County and the City in the amounts of \$334,355 and \$712,555, respectively, totaling \$1,046,910 for the fiscal year ended September 30, 2021, which are reflective as tax increment revenues in the accompanying financial statements.

Due from other governments of \$1,085,295 represent receipts due from the City, while due to other governments of \$330,253 represent primarily funds due to the City's General Fund and Water and Sewer Fund.

The CRA's general government expenditure of \$173,693 includes accrued charges accumulated and spanning over multiple years due to the Water and Sewer Fund of the City of approximately \$344,971 to fund CRA operations. These funds were paid subsequent to September 30, 2021.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**September 30, 2021**

**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 Board appointed the City of Opa-locka's Planning and Community Development (PCD) employees to serve as the Agency's Management 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 Prior Period Adjustment for this Fiscal Year 2021 relates to the correction of Interfund Balances in the amount of \$240,967 and is based on the amount due from the general fund paid to the CRA fund.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 22, 2023 and determined there are no substantive events for reference.

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## **Required Supplementary Information**

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**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE UNAUDITED**  
**For the Fiscal Year Ended September 30, 2021**

	<u>Budgeted amounts for 2021</u>			<b>Variance with final budget - favorable (unfavorable)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual results - budgetary basis</u>	
<b><u>Revenues</u></b>				
Property taxes	\$ 1,046,910	\$ 1,046,910	\$ 1,046,910	\$ -
Carryforward from prior year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>1,046,910</u>	<u>1,046,910</u>	<u>1,046,910</u>	<u>-</u>
<b><u>Expenditures</u></b>				
General government	<u>1,046,910</u>	<u>1,046,910</u>	<u>173,693</u>	<u>873,217</u>
<b>Total expenditures</b>	<u>1,046,910</u>	<u>1,046,910</u>	<u>173,693</u>	<u>873,217</u>
Net change in fund balance	-	-	873,217	
Fund balance, beginning			1,162,117	
Prior period adjustment			240,967	
Fund balance, beginning restated			<u>1,403,083</u>	
Fund balance, ending			<u>\$ 2,276,301</u>	

See note for Budgetary Schedule Comparison.

**OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Opa-locka, Florida)  
**NOTE TO THE BUDGETARY COMPARISON SCHEDULE**  
**For the Fiscal Year Ended September 30, 2021**

**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 the Board 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 15<sup>th</sup> 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.

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## **COMPLIANCE REPORTS**

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**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 (*Government Auditing Standards*), the financial statements of the governmental activities and the 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, 2021, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated July 31, 2023.

***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 identified 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's Responses to Findings***

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Agency's response was 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  
July 31, 2023

**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, 2021, and have issued our report thereon dated July 31, 2023.

***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*; Schedule of Findings and Responses 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 and schedule, which are dated July 31, 2023, 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. The status of audit findings and recommendations made in the preceding annual financial audit report have not been addressed and are repeated in the Schedule of Findings and Responses

### ***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.

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency reported:

- a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$30,283.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project as \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Status, before beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Status, as noted on page 23.

***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  
July 31, 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, 2021. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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 Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2021.

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  
July 31, 2023

# OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### FINANCIAL STATEMENT FINDINGS

#### *MATERIAL WEAKNESS*

#### **MW2020-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING (REPEAT FINDING)**

##### *Criteria*

The Agency should implement Accounting Policies and Procedures to ensure the financial statement closing process is completed in a timely manner. Such policies and procedures should consider establishing proper controls which are designed and implemented to address the Financial Close and Reporting process of the Agency.

##### *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 internal 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, 2021

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### FINANCIAL STATEMENT FINDINGS (CONTINUED)

#### *MATERIAL WEAKNESS (CONTINUED)*

#### **MW2020-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING (REPEAT FINDING) (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.

##### *Current Year Status*

This condition still exists in fiscal year ended September 30, 2021. The working trial balance for the fiscal year ended September 30, 2021 was provided on April 6, 2023. During fieldwork, one (1) audit adjustment in the amount of approximately \$241,000 was required to correct the trial balance provided by management. The Agency is currently not performing its monthly and annual financial reporting closing process in a timely manner.

##### *Views Responsible Officials and Planned Corrective Action*

See accompanying corrective action plan.

#### **MW2020-002 – FLORIDA AUDITOR GENERAL FINDINGS (REPEAT FINDING)**

##### *Criteria*

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

# OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### FINANCIAL STATEMENT FINDINGS (CONTINUED)

#### *MATERIAL WEAKNESS (CONTINUED)*

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

##### *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.

##### *Cause*

The Agency is not prioritizing the importance to establish and adhere to prudent polices, 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.

##### *Current Year Status*

The Auditor General report dated May 23, 2019, contained 99 findings and related recommendations. Certain items prescribed in the proposed corrective action plan were addressed; however, as of July 31, 2023, several items remain open.



# OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### FINANCIAL STATEMENT FINDINGS (CONTINUED)

#### *MATERIAL WEAKNESS (CONTINUED)*

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

#### *Views Responsible Officials and Planned Corrective Action*

See accompanying corrective action plan.

#### *SIGNIFICANT DEFICIENCY*

#### **SD2020-001 – NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING)**

#### *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.

# OPA-LOCKA COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### FINANCIAL STATEMENT FINDINGS (CONTINUED)

#### *SIGNIFICANT DEFICIENCY (CONTINUED)*

#### **SD 2020-001 – NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING) (CONTINUED)**

##### *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*

The Agency did not comply with Florida Statute 218.39(1)(h) for the fiscal year ended September 30, 2020.

##### *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.

##### *Current Status*

The Agency provided Marcum with the fiscal year end September 30, 2021 working trial balance on April 6, 2023 to begin the audit. This was after the required submission date of June 30, 2022. The Agency did not comply with Florida Statute 218.39(1)(h) for the fiscal year end September 30, 2021.

##### *Views of Responsible Officials and Planned Corrective Actions*

See accompanying corrective action plan.



**July 31<sup>st</sup>, 2023**

**FY2021 Audit Findings Corrective Action Plan**

**FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

**MW2020-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING (REPEAT FINDING)**

Agency management concurs with the auditor. The CRA Executive Director 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. The agency has procured for the services for an accounting and bookkeeping firm to assist with the internal controls and monitoring of agency finances and will commence with services starting Fall 2023.

Responsible Party: Mr. Corion J. DeLaine, Interim Executive Director, Niema Walker, Finance Director, Incoming Bookkeeping firm (TBA Fall 2023)

**MW2020-002 – FLORIDA AUDITOR GENERAL FINDINGS (REPEAT FINDING)**

The agency provided a set of responses to the 15 of the 99 audit findings which were addressed to the CRA in April 2023 along with the city. As of July 2023, all 15 audit findings have been addressed and corrected and the agency has been in communication with the state oversight to ensure transparency and adherence to the ensure compliance.

Responsible Party: Mr. Corion J. DeLaine, Interim Executive Director



SD 2020-001 – NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING)

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

Responsible Party: Mr. Corion J. DeLaine, Interim Executive Director

CC: Jannie L. Russell, Chairwoman

Nikisha Williams, Vice Chairwoman  
Dr. Sherelean Bass, Board Member  
Natasha L. Ervin, Board Member  
Joseph L. Kelley, Board Member  
John H. Taylor Jr., Board Member  
Veronica J. Williams, Board Member