

State of Florida
Florida Department of Financial Services

City of Opa-Locka
Cash Analysis Report



November 2016

Division of Accounting & Auditing
Bureau of Auditing

Table of Contents

Introduction	2
Background	2
Scope.....	2
Methodology.....	2
Cash Analysis.....	3
General Operating Fund	3
Cash Receipts Assumptions	3
Cash Disbursement Assumptions.....	3
Water and Sewer Account	4
Cash Receipts Assumptions	4
Cash Disbursement Assumptions.....	5
City Obligations	6
General Operating Fund – Payables	6
Water and Sewer Account – Payables	6
Long-Term Debt Service Obligations	6
Capital Improvement Revenue Bonds	6
Capital Improvement Revenue Notes.....	6
State Revolving Loans	7
Amounts owed to City	7
Observations and Recommendations for Process Improvements	8
Summary and Conclusions.....	11
Appendix A – Bank Account Listing.....	12
Appendix B – GOF Reconciliation of Cash Projections.....	18
Appendix C – GOF Monthly Cash Receipts by Category	25
Appendix D – GOF Monthly Cash Disbursements by Category	26
Appendix E – Water and Sewer Account Reconciliation of Cash Projection	29
Appendix F – Water and Sewer Account Monthly Cash Receipts by Category	34
Appendix G – Water and Sewer Account Monthly Cash Disbursements by Category	35
Appendix H – Capital Improvement Revenue Bond/Note Schedule	37
Appendix I – State Revolving Loan Schedule	38

Introduction

Background

On June 1, 2016, Governor Rick Scott issued Executive Order Number 16-135 declaring a financial state of emergency for the City of Opa-Locka (City) based upon the conditions defined in section 218.503(1), F. S. after receiving information regarding the City's deteriorating financial condition from the City Commission. A financial emergency board (FEB) was immediately appointed by the Governor to oversee the financial activities of the City and to assist the City in overcoming the financial emergency.

Pursuant to Section 218.503(3)(g)1.c, F. S., one of the responsibilities of the FEB is to "review the operations, management, efficiency, productivity, and financing of functions and operations of the local governmental entity." Upon request by the FEB to assist in assessing the cash position of the City, the Department of Financial Services (DFS) conducted a cash analysis of the City's bank records for the period October 2015 through September 2016.

Scope

The purpose of this cash analysis was to assist the FEB in determining the City's cash position for the next fiscal year, October 1, 2016 through September 30, 2017. The analysis focused on the City's two main operating bank accounts- the General Operating Fund¹ (GOF) and Water and Sewer account. The DFS audit team (Team) analyzed the City's bank statements for the period October 2015 through September 2016 in order to do a projection of the City's cash receipts and cash disbursements.

Methodology

The analysis included a site visit and inquiries of financial staff conducted by the Bureau of Auditing. Due to the need for an independent assessment of the City's cash position, the Team's use of financial data produced by the City was limited. The Team validated the information used for the cash projections from independent sources including bank confirmations, Bureau of Auditing financial data, other State agency records, and documents provided by the Office of the Chief Inspector General. The Team's specific objectives were to determine:

- 1) the cash balances of all bank accounts (deposits and loan accounts) at City National Bank, Wells Fargo Bank and BB&T as of the earliest date practical;
- 2) the City's cash projection for paying bills for the period October 2015 through September 2016;
- 3) outstanding amounts owed by the City by determining mandatory or recurring amounts owed based on a 12-month look back;
- 4) outstanding amounts due to the City based on a 12-month look back;
- 5) the reliability of information obtained from the City and any resulting conclusions on a related internal control weakness.

¹ The title of the bank account is the General Operating Fund. This is not to be confused with the governmental accounting definition of the term General Revenue Fund.

Cash Analysis

The Team reviewed 141 bank statements from 38 bank accounts. The City maintains 19 bank accounts with City National Bank (CNB), 18 bank accounts with Wells Fargo, and one bank account with BB&T. Three of the CNB bank accounts are now closed. The bank statements covered the period from July 2015 through September 2016. The Team obtained confirmations from all three banks to confirm all bank account balances as of August 31, 2016.

The bank accounts with Wells Fargo have had little activity since July 2015 because the City has been transitioning its banking services from Wells Fargo to CNB. However, three of the Wells Fargo bank accounts still have cash balances. The remaining Wells Fargo bank accounts have zero balances but have not been closed. Our analysis focused on the GOF and the Water and Sewer account, since these are the main operating bank accounts for the City. The cash balance and purpose of each bank account as well as any observations the Team made during their analysis are shown in **Appendix A**.

General Operating Fund

The methodology for developing the GOF cash projection involved examining each transaction on each bank statement for July 2015 through September 2016, then categorizing each check image into a spending category. To mirror the City's budget year, the Team used the period September 2015 to October 2016 to develop an average monthly spend to project the next 12 months. The Team then projected the receipts and disbursements for each category. The Team researched requirements of the revenue bond agreements, state revolving loan agreements, and other pledged/restricted revenues and if needed adjusted the projection to comply with those requirements. The Team also verified the City's cash receipts from the State with Florida Accounting and Information Resource (FLAIR) disbursements data. Other information gathered included inquiries of City, FEB, and State agency personnel. In finalizing the projection for cash receipts and cash disbursements, the Team made the following assumptions:

Cash Receipts Assumptions

- 1) Utilizes 12-month averages in most cases. There are some instances where a budget amount was used in lieu of the average for a more conservative view.
- 2) Excludes cash receipts that should have been deposited into a pledged revenue bank account, escrow bank account or other City bank account.

Cash Disbursement Assumptions

- 1) Utilizes 12-month averages in most cases. If the Team knew of upcoming payments based on conversations with FEB members, the amount was added to the applicable month.
- 2) Excludes any unpaid invoices.²
- 3) Excludes transfers of pledged/restricted receipts to other City bank accounts except for payroll.
- 4) Excludes disbursements that should have been made from a debt service bank account.

² Stierheim letter to FEB dated September 27, 2016 reported \$3.5 million in unpaid invoices. The Team was not able to verify this information and therefore did not include it in the projection.

- 5) Excludes payment of bond principal and interest for the 2011 revenue bonds and 2015 revenue notes. These payments should be paid from the Bond Principal 2011 bank account or the Bond Principal 2015 bank account, respectively.

Detailed listings of the adjustments to the 12-month averages for each cash receipt and cash disbursement category are listed in **Appendix B**. Also, detailed reports of the monthly GOF cash receipts and cash disbursements by category for fiscal year '15-16 are found in **Appendices C and D**, respectively.

Based on the analysis of the previous 12 months, the Team initially developed a 90-day cash projection. Due to the seasonal influx of ad valorem taxes, a 90-day cash projection would not depict a true cash flow for the fiscal year. In order to determine the sustainability of the City's cash flow funded by the ad valorem tax receipts, the Team extended the projection based on the current cash trend to include the 12-month period October 2016 through September 2017. **Table 1** shows the cash outlook through September 2017 with the City having a declining balance as the fiscal year progresses.

Table 1*
General Operating Fund Projection

	2016			2017								
	Oct	Nov	Dec * ^b	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Beg. Cash Balance * ^a	\$849,016	\$344,740	(\$76,401)	\$4,291,895	\$3,844,622	\$3,568,254	\$3,241,847	\$3,146,825	\$2,621,382	\$2,689,692	\$2,258,480	\$1,738,421
Total Cash Receipts	\$678,008	\$961,976	\$5,618,933	\$875,218	\$879,916	\$829,877	\$1,061,262	\$857,672	\$1,224,591	\$725,069	\$636,225	\$872,280
Total Cash Disbursements	\$1,182,284	\$1,383,117	\$1,250,637	\$1,322,491	\$1,156,284	\$1,156,284	\$1,156,284	\$1,383,115	\$1,156,281	\$1,156,281	\$1,156,284	\$1,156,283
Ending Balance	\$344,740	(\$76,401)	\$4,291,895	\$3,844,622	\$3,568,254	\$3,241,847	\$3,146,825	\$2,621,382	\$2,689,692	\$2,258,480	\$1,738,421	\$1,454,418

* See notes related to projections in Appendix B.

*^a This represents the ending balance of the September 2016 bank statement.

*^b The increase in cash receipts is due mainly to Ad-Valorem taxes that the City historically receives around 60% of in December.

Water and Sewer Account

The projection for the Water and Sewer account was developed using the same methodology as described above for the GOF. In developing the projection for cash receipts and cash disbursements, the Team made the following assumptions:

Cash Receipts Assumptions

- 1) Utilizes 12-month averages in most cases. If there was no documentation to support continuation of future collections, the Team excluded the receipt amount from the average.

- 2) Excludes cash receipts that should have been deposited into a pledged revenue bank account, escrow bank account or other City bank account.

Cash Disbursement Assumptions

- 1) Utilizes 12-month averages in most cases. If the Team knew of upcoming payments based on conversations with FEB members, the amount was added to the applicable month.
- 2) Includes payments for the Department of Environmental Protection (DEP) loans where the monthly payments equal one-sixth ($1/6^{\text{th}}$) of each semi-annual loan payment. These funds should be deposited into the SRLF Escrow bank account.
- 3) Excludes the repayment of the customer utility deposits and amounts owed to Miami-Dade County.³

Detailed listings of the adjustments to the 12-month averages for each cash receipt and cash disbursement category are listed in **Appendix E**. Also, detailed reports of the monthly Water and Sewer account cash receipts and cash disbursements by category for fiscal year '15-16 are found in **Appendices F and G**, respectively.

The 90-day cash projection for the Water and Sewer account showed a consistent positive cash flow; however, to further validate the results, the Team extended the projection out 12 months. **Table 2** provides a 12-month cash projection for the Water and Sewer account.

Table 2*
Water and Sewer Account Projection

	2016			2017								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Beg. Cash Balance *a	\$2,904,681	\$3,158,325	\$3,411,969	\$3,559,613	\$3,813,257	\$4,066,901	\$4,320,545	\$4,574,189	\$4,827,831	\$5,081,470	\$5,335,293	\$5,589,116
Total Cash Receipts	\$794,941	\$794,941	\$794,941	\$794,941	\$794,941	\$794,941	\$794,941	\$794,942	\$794,943	\$794,943	\$794,943	\$794,943
Total Cash Disbursements	\$541,297	\$541,297	\$647,297	\$541,297	\$541,297	\$541,297	\$541,297	\$541,300	\$541,304	\$541,120	\$541,120	\$541,140
Ending Balance	\$3,158,325	\$3,411,969	\$3,559,613	\$3,813,257	\$4,066,901	\$4,320,545	\$4,574,189	\$4,827,831	\$5,081,470	\$5,335,293	\$5,589,116	\$5,842,919

* See notes related to projections in Appendix E.

*a This represents the ending balance of the September 2016 bank statement.

³ Stierheim letter to FEB dated September 27, 2016 reported \$5.7 million owed to Miami-Dade County. The Team was not able to verify this information and therefore did not include it in the projection.

City Obligations

General Operating Fund – Payables

In a report to the FEB on September 27, 2016, Merritt Stierheim reported outstanding payables for the GOF totaling \$3.5 million. The Team, however, was unable to obtain supporting documentation to verify these amounts.

Water and Sewer Account – Payables

Miami-Dade County reported that the City has past due water, sewer, and other outstanding obligations totaling \$5.7 million. The Team was unable to obtain supporting documentation to verify these amounts.

Mr. Stierheim also reported the City owes \$1,682,000 million to the Customer Deposit bank account. The majority of funds were withdrawn in fiscal year '13-14. The Team noted the balance in the Customer Deposit bank account was \$16,267 as of August 31, 2016 and there was no activity in this account for the review period.

Long-Term Debt Service Obligations

Capital Improvement Revenue Bonds

The City has a long-term debt service obligation associated with their 2011 revenue bond issuance. These bonds were issued to fund water and sewer infrastructure capital improvement projects. The loan balance for the 2011 Capital Improvement Revenue bonds totals \$5,716,000 as of August 31, 2016. The 2011 revenue bonds are secured by the distributions from the Department of Revenue (DOR) for the half-cent sales tax and municipal revenue sharing tax. According to the revenue bond agreement, pledged tax receipts received for these notes should be deposited directly into the Capital Improvement bank account. Transfers should be made monthly from the Capital Improvement bank account to the Bond Principal 2011 bank account for principal and interest payments. Forecasted annual revenues for the two taxes are \$2,078,276⁴ which is sufficient to cover the annual principal and interest payment of \$638,890. Pledged tax receipts in excess of the annual long-term debt obligation may be transferred from the Capital Improvement bank account back to the GOF for general operations. The schedule of principal and interest on bond obligations are provided in **Appendix H**.

Capital Improvement Revenue Notes

The City has a long-term debt service obligation associated with their 2015 revenue note. These notes were issued to fund the construction and equipping of the City's administration building. The City owes \$8,390,363 as of August 31, 2016, on Series 2015A and Series 2015B Capital Improvement Revenue notes held by CNB. The 2015 revenue notes are secured by pledged revenues from the communications services tax paid by telecommunications tax distributions from DOR and by revenues from public utility franchise fees paid by utility companies such as Florida Power and Light (FP&L). As required by the note agreement, pledged tax receipts received for these notes should be deposited directly into the Tax Revenue Fund. Transfers should be made monthly from the Tax Revenue Fund to the Bond Principal 2015 bank account for principal and

⁴ Office of Economic and Demographic Research: Forecast for Fiscal Year 2016-17.

interest payments. Forecasted annual tax receipts for the two taxes total \$1,599,684 which is sufficient to cover the current annual principal and interest payment amount of \$523,213. Pledged receipts for taxes in excess of the annual long-term debt obligation may be transferred from the Tax Revenue Fund to the GOF for general operations. **See Appendix H.**

State Revolving Loans

The City has seven revolving loan agreements with the DEP for water, sewer, and storm water capital improvement projects. Award dates for these loans range from May 1996 to February 2015. The amount disbursed as of October 6, 2016 by the DEP totals \$6,823,785. The current annual principal and interest payments total \$305,122. The pledged receipts for these loans include water and sewer collections minus expenses for operations and maintenance of the water and sewer system.

The Team noted that receipts from the DEP were deposited directly into the GOF and then transferred to the Water & Sewer account. The City should set up a fixed capital outlay bank account to receive these deposits and track expenditures for each project. In addition, monthly, the City should be depositing one-sixth ($1/6^{\text{th}}$) of each semi-annual loan payment into the State Revolving Loan Fund (SRLF) Escrow bank account to ensure that funds are available for principal and interest payments as required by the loan agreements. The City did not make the required monthly loan deposits into the proper bank account.

Moreover, the Team noted that payments for the long-term debt service requirements were not being made according to the DEP loan agreements. The semi-annual payments to the DEP for principal and interest should be made from the SRLF Escrow bank account. **See Appendix I.**

The City also has two capital lease agreements: one with Ford Motor Credit Company for City police and water and sewer maintenance vehicles, and one with SunTrust for meter reading equipment. The City has one final payment to SunTrust for \$104,000 to satisfy the long-term debt that the Team projected will be paid in December 2016.

Amounts owed to City

The Team obtained an Aged Accounts Report from the City's Utility Billing Department. This report included the account number, account name, last bill date, days since last payment and the total due on each account. The report listed 2,288 accounts (customers and businesses) for a total amount owed of \$1,928,722. Many of these accounts were past due for several years and had balances of several thousand dollars.

Observations and Recommendations for Process Improvements

During our analysis of various documents, we made the following observations of processes that could be improved within the City.

- 1) **Deposits** - There is a recurring delay from the time a deposit ticket is completed until the time employees go to the bank to make the deposit.

Recommendation: We recommend that the City make all deposits in a timely manner to properly safeguard deposits and maximize the availability of cash.

- 2) **Bank Account Reconciliations** - We observed the bank account reconciliations were incomplete, did not explain differences, and had no signatures indicating who prepared or approved the reconciliations. Also, the bank reconciliations combined accounts from two different banks.

Recommendation: We recommend the City incorporate best practices into their bank account reconciliations to ensure the reconciliations are completed timely, all outstanding items are identified and reconciled, reviewed and approved with proper signatures and segregation of duties.

- 3) **Retirement Contributions** – The City is paying the monthly amount owed for retirement contributions. However, we determined for the 12 months reviewed, the City was late in processing payments for four of the months (October 2015, November 2015, May 2016, and August 2016).

Recommendation: We recommend that all retirement contributions be paid in time to meet the due date established by the Department of Management Services.

- 4) **General Fund Reserve bank account** - The General Fund Reserve bank account had a balance of \$223,116 as of August 31, 2016. Pursuant to City Ordinance 19.6-1(A), the City should maintain a reserve fund balance of \$1,000,000 during each fiscal year. According to the Ordinance, the reserve can be utilized for emergency health, safety, and welfare needs of the City. If the City is unable to maintain the \$1,000,000 in reserves, the City in the next fiscal year shall not be entitled to appropriate any portion of the remaining reserve funds until the reserve fund is replenished to reach the \$1,000,000 balance with City commission approval.

Recommendation: The City should include a line item in its budget to begin replenishing the reserve bank account back to the \$1,000,000 required amount.

- 5) **Customer Deposit bank account** - We noted the Customer Deposit bank account had a balance of \$16,268 as of August 31, 2016. This bank account is a reserve account that holds the deposits for all utility customers. According to the Statement of Cash Flows in the September 30, 2014 Comprehensive Annual Financial Report, this bank account had a

balance of \$1,697,818. The Team did not perform a verification on the use of these funds from the September 30, 2014 financial statements to the current account balance.

Recommendation: We recommend that the City work towards replenishing the Customer Deposit bank account and include a line item in its budget to begin that process.

- 6) **Unsupported bank accounts** - The City maintains a Water and Sewer Reserve account and a Construction account with balances totaling \$1,241,985 and \$196,383 respectively, as of August 31, 2016. The City was unable to provide documentation outlining the purpose of these bank accounts and any potential restrictions including minimum balance requirements.

Recommendation: We recommend the City review these accounts and become familiar with the requirements that pertain to the use of these funds.

- 7) **Inactive Bank accounts** - The City transitioned its banking services from Wells Fargo to City National Bank in 2015 as a result of the 2015 revenue notes issued for the City Municipal Complex. The Wells Fargo bank confirmation indicated that three out of 18 bank accounts had a balance as of August 31, 2016; and also showed zero balances for the remaining accounts.

Recommendation: We recommend the City immediately close the Wells Fargo bank accounts with zero balances and work towards closing the remaining three Wells Fargo bank accounts with a balance in the next three months.

- 8) **Local Option Gas Tax** – Deposits from the DOR for the local option gas taxes totaling \$294,890 for fiscal year '15-16 were made directly into the GOF. Sections 336.025 (1)(b)3, Florida Statutes requires these funds be used for transportation-related capital improvement projects.

Recommendation: We recommend the City establish a transportation bank account to properly account for the receipt and disbursement of the local option gas taxes.

- 9) **State Revolving Loans** – The revolving loan payments should be maintained in two accounts; one account to fund fixed capital outlay projects and the other account to process loan repayments. Deposits totaling \$1,629,116 from the DEP for various state revolving loans were deposited into the GOF. Of this amount, \$1,054,217 was subsequently transferred to the Water and Sewer account and \$110,000 was transferred to the Storm Water account. We found no record for the transfer of the remaining balance of \$464,899 from the GOF. These funds should not have remained in the GOF.

According to the loan agreements, monthly the City should deposit one-sixth (1/6th) of the semi-annual payments for each loan into the SRLF Escrow bank account. Any interest accrued should be credited to the bank account and applied toward the monthly loan deposit requirements. Principal and interest payments should also be made from the SRLF Escrow bank account. There has been no activity in this bank account.

Recommendation(a): We recommend that the City establish a new bank account dedicated to fixed capital outlay projects funded by the DEP loan proceeds. Proceeds from the DEP funds should be directly deposited into the new bank account. Expenditures associated with each project could then be tracked using a unique general ledger code.

Recommendation (b): We recommend the city monthly deposit one-sixth (1/6th) of each loan payment into the SRLF Escrow bank account. This account should be used for paying the principal and interest payments to the DEP.

- 10) **2011 Capital Improvement Revenue Bonds** - Deposits from the DOR representing pledged tax receipts for half-cent sales tax and municipal revenue sharing distribution totaling \$1,899,309 for fiscal year '15-16 were made directly into the GOF. According to the 2011 revenue bonds agreements, these funds are pledged for the 2011 revenue bond payments and should be deposited directly into the Capital Improvement Bank account (CIA).

Recommendation: As required by the 2011 revenue bond agreements, we recommend the City deposit the half-cent sales tax and municipal revenue sharing distribution directly into the CIA. After satisfying the debt service obligation any excess funds can then be transferred to the GOF.

- 11) **2015 Capital Improvement Revenue Notes** - Deposits from the DOR for communications services tax totaling \$417,951 and deposits from the FP&L for public utility tax totaling approximately \$1.1 million were made directly into the GOF. According to the 2015 revenue notes, these are pledged receipts and should have been deposited into the Tax Revenue bank account.

Recommendation: As required by the 2015 revenue note agreements, we recommend the City deposit the communication services tax and public utility fees directly into the Tax Revenue bank account. After satisfying the debt service obligation any excess funds can then be transferred to the GOF.

Summary and Conclusions

The General Operating Fund cash projection shows a cash deficit in November 2016. The cash projection improves in December with the receipt of ad valorem taxes. Expanding the projections over the next 12 months shows the City with declining cash balances. The projections did not consider any unpaid invoices or other liabilities not evidenced by examination of bank statements. The Team noticed a reduction in cash disbursements starting in July 2016. Based on the cash projection, the City should continue their conservative spending from the past few months.

The Water and Sewer account projections remain positive in the 12-month projection. The projections do not include payments for outstanding liabilities owed to Miami-Dade County, any unpaid invoices, deposit monies owed to utility customers, or other liabilities not evidenced by examination of bank statements.

The City is not always using its bank accounts for their intended purpose. The Team observed deposits for state revolving loan advances and pledged tax receipts made to the GOF rather than the appropriate escrow accounts as stipulated in the long-term debt agreements. Payments for these long-term debt obligations were also being made from the GOF rather than from their appropriate debt service bank accounts.

At the time of the Team's analysis, the City was meeting its revenue bonds and revenue notes payment obligations as well as its state revolving loan payments. Forecasted tax receipts should be sufficient to meet revenue bonds and notes payment obligations for fiscal year 2016-17. The loan payments for the state revolving loans are paid from water and sewer operations which is forecasted to maintain a positive cash balance through September 2017. Repayment of amounts owed to Miami-Dade and to the Customer Utility Deposit account could however, impact the positive cash balance over the next 12 months.

Appendix A – Bank Account Listing

Account Name	Balance As of August 31, 2016	Date Closed	Purpose of Bank Account	Observation
City National Bank				
Capital Improvement	\$24,832.11		This account was established to receive all pledged tax distributions for the Municipal Revenue Sharing Program and the Local Government Half-cent sales tax program for the 2011 revenue bonds as required by the bond agreement. Monthly deposits should be transferred to the Bond Principle 2011 account to ensure funds are available to make the principle and interest payments.	According to the 2011 bond agreements, the DOR tax distributions for half-cent sales tax (totaling \$1,287,827) and municipal revenue sharing tax revenues (totaling \$611,483) should have been deposited directly into the Capital Improvement Account (CIA). Instead, the taxes went directly into the GOF. The amount that should have been deposited into the CIA totals \$1,899,309. Over a 12-month period, only one transfer of revenue was made to this account (August 2016). No monthly transfers from this account to the Bond Principle 2011 account were noted.
Bond Principle 2011	\$107,731.21		This account was established to pay all principal and interest payments for the 2011A and 2011B revenue bonds. Funds from the Capital Improvement account should be transferred monthly to ensure funds are available to pay principal and interest.	There were no principal and interest payments made from this account. The payments were being made from the GOF. For the 12 months reviewed, no funds were transferred into this account were noted.

Account Name	Balance As of August 31, 2016	Date Closed	Purpose of Bank Account	Observation
Tax Revenue Fund	\$497,571.56		This account replaces the Communications and Utility Tax account. All pledged receipts for communications services tax from DOR and public service fees from public utility companies such as FP&L should be deposited into this account for the 2015 A&B revenue notes as required by the notes agreements. Monthly deposits should be transferred to the Bond Principle 2015 account to ensure funds are available to make the principle and interest payments.	According to the 2015 revenue notes agreements, the DOR tax distributions for the communication services tax (totaling \$417,951) were deposited directly into the GOF rather than this account. Also, FP&L deposits of approximately \$1,100,000 representing public utility taxes were deposited directly into the GOF rather than to this account. No monthly transfers from this account to the Bond Principle 2015 account were noted.
Bond Principle 2015	\$43,601.07		This account was established to pay all principal and interest payments for the 2015A and 2015B revenue notes. Funds from the Tax Revenue Fund should be transferred here monthly to ensure funds are available to make those payments.	For the 12 months reviewed, only one interest payment was made from this account. The remaining payments for principal and interest were being made from the Construction Account. No monthly transfers into this account were noted.
Communications and Utility Tax	\$0.00	6/15/2016	This account was initially established for the pledged funds per the 2015 A&B revenue notes agreements. The account was closed in June 2016 and the remaining monies were transferred to the Tax Revenue Fund.	N/A

Account Name	Balance As of August 31, 2016	Date Closed	Purpose of Bank Account	Observation
Water and Sewer	\$2,638,726.45		The account should be used to deposit all water, sewer, solid waste and storm water revenue. This account is also to be used for the payment of related expenditures.	The Team noted that deposits for DEP state revolving loan funds were being made to this account. Deposits totaling \$1,629,116 from the DEP for various state revolving loans were deposited directly into the GOF. Of this amount, \$1,054,217 was subsequently transferred to the Water and Sewer account. DEP loan funds should be deposited directly into a fixed capital outlay account to track the loan proceeds and corresponding expenditures for each project.
Water Sewer Reserve	\$1,241,984.55		This account is restricted and is established per Ordinance No. 03-05.	No information available to validate the purpose and any potential restrictions for this account.
State Revolving Loan Fund (SRLF) Escrow	\$0.00		This account is a long term debt service account. It should be used for repaying the principal and interest for the DEP loans. The DEP state revolving loan agreements require that the City place monthly 1/6th of the semi-annual revolving loan payments into escrow. The primary funds to support the repayment of the note are from the water and sewer account.	The City is not compliant with their loan agreement. The loan payments are being made from the Water & Sewer account. The audit team also noted that the 1/6th principal and interest requirement was also not being deposited into this account. The city is not using this account at all, so they are foregoing any interest earnings.
Customer Deposit	\$16,267.46		This account is a trust fund for the water and sewer customer deposits.	According to the Statement of Cash Flows in the September 30, 2014 Comprehensive Annual Financial Report, this bank account had a balance of \$1,697,818. The current balance appears to be insufficient for the City's obligation to refund customer deposits. The Team did not perform a verification on the use of these funds from the September 30, 2014 financial statements to the current account balance

Account Name	Balance As of August 31, 2016	Date Closed	Purpose of Bank Account	Observation
Solid Waste	\$0.00	4/19/2016	This account is established for the solid waste fund.	N/A
Storm Water	\$110,000.00		Established for the storm water fund.	N/A
Construction Account	\$196,383.38		Operating account for the Municipal Complex and rents are also deposited here.	This account was used to make the 2015 revenue note payments. There isn't sufficient documentation to determine if this is an appropriate use of these funds. According the 2015 Revenue Note agreement, these funds should be paid from the Bond Principle 2015 bank account.
General Operating Fund	\$825,130.92		This account is the City's main bank account for general operations. Cash receipts not pledged to a specific purpose should be deposited into this account. This account is the primary account for paying the City's operational expenses.	This account was used inappropriately for cash receipts for state revolving loan funds, pledged tax receipts from DOR and FP&L. The account was also inappropriately used for making payments on the loans, bonds, and notes.
General Fund Reserve	\$223,116.49		This account is used to fund emergencies, pursuant to Chapter 19.6 of Opa-Locka Code of Ordinances. The account should have a minimum balance of \$1 million.	The city is not maintaining a \$1 million balance as required.
Payroll	\$0.00		This is a zero balance account. ADP submits an ACH request for the net payroll, payroll taxes, and other fees. Funds are then withdrawn from the General Operating Fund bank account to cover the request.	N/A

Account Name	Balance As of August 31, 2016	Date Closed	Purpose of Bank Account	Observation
People Transportation Plan	\$100.00		Established for Citizens' Independent Transportation Trust (CITT) funds received from Miami Dade County.	N/A
Wells Fargo				
Operating	\$138,018.56		This account was the main account to pay the general government expenditures before the City National Bank Operating account was opened.	N/A
Payroll	\$0.00		Formerly used to pay City employees.	N/A
IMP Serv 2011 Bonds	\$0.00		Formerly used as 2011 Bond escrow account.	N/A
FEMA	\$0.00		FEMA Natural Disaster funds	N/A
Special Law Enforcement	\$152,554.91		This account belongs to the police department. With the exception of incoming funds to cover IRS taskforce overtime and vehicle use, all other funds are restricted.	N/A
General Funds Reserve	\$0.00		Formerly restricted per City Ordinance 15-10 and used before the City National Bank account was opened.	N/A
State Revolving Loan Fund - Escrow	\$0.00		Formerly an escrow account for the State Revolving Loan Fund.	N/A
System Capital Improvement	\$0.00		Formerly used as escrow account for 2011 bonds.	N/A

Account Name	Balance As of August 31, 2016	Date Closed	Purpose of Bank Account	Observation
Water and Sewer	\$554,200.33		Funds are to be used to pay the state revolving fund loan (SRFL) which came due in June 2016. Also, used to set aside the amount for the 8% which is needed to pay the next water and sewer permit fee. The 8% is charged on the water bills according to city personnel.	N/A
BB&T				
2011 001 Project Fund	\$67,497.25		This account is used for various capital improvement projects associated with the 2011 bond issuance	The City should research this account to determine if it is still required.
Total of Cash Balances for All Accounts	\$6,837,716.25			
<p>Note (1) - The City does not have a dedicated account for the deposit of local option gas taxes which are pledged for transportation and road capital projects per Florida Statute.</p> <p>Note (2) - The City does not have a fixed capital outlay account dedicated to tracking the DEP loan proceeds and the associated capital improvement project expenditures funded by the DEP state revolving loans.</p>				

Appendix B – GOF Reconciliation of Cash Projections

Remitter for Cash Receipts	Receipt Type	Notes for Projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
American Traffic	Red light fines, code enforcement violations, court fines, and penalties.	Projections were based on the 16/17 preliminary budget obtained from the City of Opa-Locka for Fines and Forfeitures (\$614,050)	\$1,125,328	\$614,050	(511,278)	The City's budgeted amount for 16/17 was \$614,050
ASAP Grant	Federal Grant	Did not include the one-time payment of \$6,836 in the projections.	\$6,837	\$0	(6,837)	No supporting documentation to validate future receipts from this source
Deposits per Bank Statements	Code enforcement violations, liens, licenses, and other various revenues.	The deposits lack supporting documentation. Referred to financial statements and the city budget to validate reasonableness of the annual amount. Determined the full amount could be included in the projection.	\$3,140,481	\$3,140,481	0	N/A
Errors by City/Incorrect Postings	Errors by City/Incorrect Postings	Used the monthly average.	\$2,165	\$2,165	0	N/A
Florida Power & Light Corp	Franchise fee and public utility tax	The total amount received for the 12-month period was \$2,251,540. These payments include franchise fees and utility taxes. Approximately \$1.1 million in public utility taxes that should be deposited into the Tax Revenue account. For the projection, we reduced the \$2,251,540 by \$1.1 million, because the \$1.1 million should be deposited into the Tax Revenue account. $(\$2,251,540 - \$1,100,000) / 12 = \$95,961$	\$2,251,540	\$1,151,540	(1,100,000)	The projection excludes \$1.1 million in public utility taxes that are pledged revenues for the 2015 revenue notes. These monies should be deposited directly into the Tax Revenue account.
Interest	Interest	Used the monthly average.	\$200	\$200	0	N/A

Remitter for Cash Receipts	Receipt Type	Notes for Projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
Miami-Dade Count	Ad Valorem	Projections were allocated by month based on the % of Ad Valorem taxes collected by month in '15-16. Our projected amount of tax collections of \$7,767,964 is based on tax collection data from Miami Dade County. It includes \$20,286 for business tax receipts, but excludes \$1,097 for bank interest. It also includes tangible personal property taxes of \$964,705.	\$7,764,770	\$7,767,964	3,194	Miami-Dade forecast has a slight increase for the upcoming year.
State of Florida Payments	DEP - State Revolving Loan	The DEP payments totaled \$1,629,115. For the projections, we excluded the DEP payments of \$1,629,115 because these funds represent state revolving loan amounts borrowed for water, sewer, and storm water projects and should be deposited into a fixed capital outlay account.	\$1,629,116	\$0	(1,629,116)	Projection excludes \$1,629,115 in state revolving loan receipts because these funds should be deposited directly into a fixed capital outlay account which the City has not established.
State of Florida Payments	DOR - Distribution of 1/2 cent tax, municipal revenue sharing, communication services tax, and local option gas tax	\$2,639,780 of the payments came from DOR representing pledged revenues for the 2011 bonds and 2015 note which are to be deposited directly into the Capital Improvement fund (2011 bonds) and Tax Revenue fund (2015 note). Also included were DOR payments for local option gas taxes totaling \$294,890. The local option gas taxes per Florida Statutes are to be used for transportation and road expenditures and cannot be used for general operations.	\$2,639,780	\$0	(2,639,780)	Projection excludes \$1,899,309 in pledged revenues for the 2011 revenue bonds that should have been deposited directly into the Capital Improvement account. Also excludes \$417,951 for communication services taxes pledged for the 2015 revenue notes that should have been deposited directly into the Tax Revenue account. Projection also excludes \$294,890 in local option gas taxes that should be deposited into a transportation account for road projects for local transportation needs. The remaining \$27,630 is for general operations (see State of Florida Payments - OTHER)

Remitter for Cash Receipts	Receipt Type	Notes for Projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
State of Florida Payments	Other	The following calculation was used to calculate the amount for the monthly projections for the unpledged revenues. $(\$2,639,780 - 1,899,309 - 417,951,294,890) / 12 = \$2,303$ per month	\$53,791	\$27,630	(26,161)	The City is allowed to use excess balances for general operations after debt service obligation has been met. Projection includes the remaining \$27,630 from the pledged tax distributions which can be used for general operations.
Payroll	Transfer from Payroll account	These amounts were not used in the projections since they were non-recurring.	\$70,484	\$0	(70,484)	These amounts were not used in the projections since they were non-recurring.
Tax Revenue Account	Transfer from Tax Revenue	These amounts were not used in the projections since they were non-recurring.	\$681,790	\$0	(681,790)	This amount was excluded in the projection because it was a debt service payment for the 2015 revenue notes which should be paid from the Bond Principal 2015 account.
Water & Sewer	Transfer from W&S	These amounts were not used in the projections since they were non-recurring.	\$700,000	\$0	(700,000)	We excluded any transfers from Water & Sewer. Projections exclude administrative transfers from other departments.
Misc ACH	Unidentified	Used the monthly average.	\$1,137	\$1,137	0	N/A
Excess Pledged Tax Revenues	Unreserved debt service	Projection includes an estimated \$2,515,857 of estimated unpledged revenues from 1/2 cent sales tax, municipal rev sharing, communication services tax and public utility taxes. Averaged this amount over the 12-month period.	\$0	\$2,515,860	2,515,860	Projection includes an estimated \$2,515,857 of estimated unpledged revenues from 1/2 cent sales tax, municipal rev sharing, communication services tax and public utility taxes. Averaged this amount over the 12-month period.
Total Cash Receipts Reconciliation			\$20,067,419	\$15,221,027	(4,846,392)	

Payee for Cash Disbursed	Disbursed Type	Notes for projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
BB&T	2011 Bond Payment	No projections calculated; monies should be withdrawn from the Bond Principal 2011 account.	\$638,621	\$0	(638,621)	This amount was excluded because monies should be withdrawn from the Bond Principal 2011 account to make the 2011 revenue bonds principal and interest payments.
Municipal Code Corporation, Clerk of the Circuit Court, and others	Code Enforcement expenses	Used the monthly average.	\$7,506	\$7,506	0	N/A
Comcast, Emergency Communications Network, XO Communications, and others	Cellphones, Internet, Emergency Services	Projection only includes the monthly average of Comcast, Emergency Communication Network, and XO Communications, \$112,815/12 = \$9,401. The projection excludes the following vendors: AT&T, Sprint, Nextel Communications	\$216,974	\$112,812	(104,162)	We excluded payments to AT&T for \$20,592, Nextel for \$55,494, and Sprint for \$28,074, because according to FEB member, employees would no longer be issued cellphones.
Bank of America	Credit Card expenses	Projections calculated based on FEB's decisions for operating needs. All p-card charges must be authorized by the employee's manager. Projection of \$500/mo is a conservative estimate.	\$69,005	\$6,000	(63,005)	Projections calculated based on FEB's decisions for operating needs. All p-card charges must be authorized by the employee's manager. Projection of \$500/mo is a conservative estimate.
Florida League of Cities, Miami-Dade League of Cities, and others	Dues & Membership expenses	Per discussion with FEB member, projection only includes Miami-Dade League of Cities and Florida League of Cities. Total payments to both leagues was \$17,270, and we projected the monthly average of \$1,439.	\$115,847	\$17,270	(98,577)	Projection excludes other dues and memberships to various organizations. Per discussion with FEB member, projection only includes Miami-Dade League of Cities and Florida League of Cities. Total payments to both leagues was \$17,270, and we projected the monthly average of \$1,439.
Employees	Payments to employees	Used the monthly average.	\$273,894	\$273,894	0	N/A
Equipment	Equipment expenses	Used the monthly average.	\$61,856	\$61,856	0	N/A
Errors by City/Incorrect Postings	Errors by City/Incorrect Postings	These expenses are associated with errors and incorrect postings by the City. We used the monthly average.	\$1,435	\$1,435	0	N/A

Payee for Cash Disbursed	Disbursed Type	Notes for projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
Florida Department of Revenue	DMS FRS Pension Program	Payments are collected by DOR and then submitted to DMS for the FRS Pension program.	\$916,523	\$1,177,084	260,561	Includes actual payments from the GOF plus the two payments made from the Wells Fargo Water & Sewer account for \$94,353 in December 2015, and \$166,207 in January 2016.
Florida Municipal Trust, Inc.	General Liability Insurance	Used the monthly average.	\$995,968	\$995,968	0	N/A
AVMED Health Plans, Colonial Supplemental, and others	Health Insurance/Employee Benefits	Used the monthly average.	\$1,298,560	\$1,298,560	0	N/A
Information Technology	Information Technology expenses	Used the monthly average.	\$76,888	\$76,888	0	N/A
Miscellaneous	Miscellaneous vendor expenses	Used the monthly average.	\$36,691	\$36,691	0	N/A
Office supplies/ Office maintenance	Office supplies/Office maintenance expenses	Used the monthly average.	\$269,260	\$269,260	0	N/A
Individuals	Payments to Individuals	Used the monthly average.	\$177,683	\$177,683	0	N/A
FedEx and others	Postage & Freight	Used the monthly average.	\$161,154	\$161,154	0	N/A
Florida Department of Corrections	Prison/Jail services	Used the monthly average.	\$14,374	\$14,374	0	N/A

Payee for Cash Disbursed	Disbursed Type	Notes for projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
Professional Services	Professional Services	Used the monthly average.	\$2,515,712	\$2,515,712	0	N/A
Repair & Maintenance (Building)	Repair & Maintenance (Building) expenses	Used the monthly average.	\$148,917	\$148,917	0	N/A
Repair & Maintenance (Vehicles)	Repair & Maintenance (Vehicles) expenses	Used the monthly average.	\$321,030	\$321,030	0	N/A
Returned Item	Returned Item expenses	These expenses are associated with checks returned for insufficient funds. We used the monthly average.	\$13,706	\$13,706	0	N/A
Homeland Patrol Corporation and others	Security expenses	Used the monthly average.	\$260,535	\$260,535	0	N/A
Miami Dade County Tax Collector	Taxes	Immaterial amount (\$12 total for 15 months), so we used zero.	\$12	\$0	(12)	Immaterial amount (\$12 total for 15 months), so we used zero.
Automotive Training Authority	Training Expenses	Used the monthly average.	\$597	\$597	0	N/A
Payroll	Transfers to fund payroll	Projection is based on the 8/24/16 payroll of \$226,833. November and May included 3 pay periods.	\$7,269,724	\$5,897,657	(1,372,067)	Projection is based on the 8/24/16 payroll of \$226,833. November and May included 3 pay periods.

Payee for Cash Disbursed	Disbursed Type	Notes for projections	12 Month Actual FY '15-16	12 Month Projection FY '16-17	Difference	Reason for Change
Capital Improvement, Communication & Utility Tax, Payroll, Transportation Plan, Storm Water, Tax Revenue, Water & Sewer	Transfers to other CNB bank accounts	We did not include any transfers going out to any other bank accounts. These monies should have been deposited directly into their respective accounts. Below is the breakdown: Capital Improvement - \$288,045 Communication & Tax - \$1,058,821 People Transportation Plan - \$100 Storm Water - \$110,000 Tax Revenue - \$526,485 Water & Sewer \$1,054,217	\$3,037,668	\$0	(3,037,668)	We did not include any transfers going out to any other accounts. These monies should have been deposited directly into their respective accounts
Universal Waste Services of Florida	Trash Pick Up expenses	Used the monthly average.	\$440	\$440	0	N/A
Avis Budget Group, Inc.	Travel & Per Diem expenses	Projections calculated based on the FEB's decisions for operating needs. All travel and per diem must be authorized by the employee's manager. Projection of \$500/mo is a conservative estimate.	\$66,709	\$6,000	(60,709)	Projections calculated based on the FEB's decisions for operating needs. All travel and per diem must be authorized by the employee's manager. Projection of \$500/mo is a conservative estimate.
Florida Power & Light, Pivotal Utility Holding, Power & Energy USA	Utility payments	Used the monthly average.	\$296,324	\$296,324	0	N/A
Ford Motor Credit and The Bancorp Bank	Vehicle Leases	Projection includes the 12-month average, except for Oct 2016 which includes a \$26,000 payment to Bancorp for undercover police vehicles (per FEB member)	\$145,983	\$171,983	26,000	Projection includes the 12-month average, except for Oct 2016 which includes a \$26,000 payment to Bancorp for undercover police vehicles (per FEB member)
AVMED Health Plans, BMG Money, Inc., State of Florida, and others	Wires	Projection of average excludes wires to previous employee of \$1,596 and State of Florida revolving fund payments of \$99,708, which should have come out of the SRLF Escrow account.	\$395,599	\$294,288	(101,311)	Projection only includes the AVMED Health Plans, BMG Money, Inc., and Vantage Point payments averaged over 12 months. $(83,268 + 165,584 + 45,443) / 12 = \$24,524$
Total Cash Disbursements Reconciliation			\$19,805,195	\$14,615,625	(5,189,571)	

Appendix C – GOF Monthly Cash Receipts by Category

Cash Receipts Detail by Remitter	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
American Traffic	\$60,289	\$62,469	\$64,738	\$65,367	\$65,114	\$96,350	\$70,372	\$84,592	\$137,977	\$106,663	\$164,618	\$146,779	\$1,125,328
ASAP Grant											\$6,837		\$6,837
Deposits per Bank Statements	\$332,482	\$273,606	\$206,649	\$439,063	\$162,340	\$149,967	\$274,017	\$423,171	\$518,070	\$75,907	\$102,024	\$183,186	\$3,140,481
Errors by City/ Incorrect Postings		\$224								\$1,941			\$2,165
Florida Power & Light Corp	\$210,380	\$205,939	\$205,282	\$193,984	\$165,806	\$174,924	\$147,247	\$151,877	\$184,431	\$182,283	\$196,497	\$232,889	\$2,251,540
Interest	\$4	\$3	\$42	\$48	\$45	\$38	\$20						\$200
Miami-Dade Count Vendor Pay	\$58,428	\$349,924	\$5,130,333	\$260,866	\$265,688	\$214,323	\$451,841	\$242,854	\$619,498	\$106,738	\$15,540	\$48,737	\$7,764,770
State of Florida Payments	\$1,266,759	\$232,187	\$460,347	\$250,946	\$239,922	\$216,300	\$275,199	\$232,175	\$397,868	\$294,418	\$241,573	\$214,994	\$4,322,688
Transfers from Other City Accounts	\$378	\$200,000				\$675	\$66,723		\$682,049	\$1,966	\$483	\$500,000	\$1,452,274
Misc. ACH	\$183			\$275		\$92	\$92	\$198		\$99	\$99	\$99	\$1,137
Total	\$1,928,903	\$1,324,352	\$6,067,391	\$1,210,548	\$898,916	\$852,668	\$1,285,510	\$1,134,867	\$2,539,895	\$770,014	\$727,670	\$1,326,684	\$20,067,419

Appendix D – GOF Monthly Cash Disbursements by Category

Cash Disbursements Detail by Payee	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
2011 Bond - BB&T				\$537,928						\$100,693			\$638,621
Cellphones, Internet, Emergency Services	\$17,254	\$16,482	\$14,623	\$15,966	\$18,524	\$10,470	\$29,458	\$3,938	\$77,034	\$5,187	\$829	\$7,209	\$216,974
Code Enforcement	\$700		\$840	\$513	\$1,529	\$3,558			\$340	\$26			\$7,506
Credit Card/ P-Card	\$329	\$17,784	\$2,491	\$19,056		\$12,082	\$2,253	\$14,217	\$476	\$317			\$69,005
Dues & Memberships	\$18,371	\$2,839	\$35,324	\$9,440	\$10,821	\$3,924	\$10,817	\$7,125	\$12,330	\$2,683		\$2,174	\$115,847
Employee	\$40,954	\$17,043	\$35,161	\$20,955	\$26,586	\$23,009	\$49,016	\$26,384	\$4,080	\$24,136	\$345	\$6,225	\$273,894
Equipment	\$2,117	\$1,298	\$32,208	\$17,067	\$2,772	\$657	\$5,730		\$6				\$61,856
Errors by City /Incorrect Postings	\$20		\$10			\$615	\$95	\$100	\$535	\$60			\$1,435
Florida Department of Revenue			\$103,077	\$104,406	\$103,893	\$99,851	\$100,877		\$99,777	\$131,899	\$92,966	\$79,777	\$916,523
General Liability Insurance	\$41,599	\$64,417	\$1,859	\$194,596			\$196,078	\$119,569		\$241,589	\$81,462	\$54,800	\$995,968
Health Insurance/Employee Benefits	\$106,875	\$161,659	\$43,981	\$130,368	\$3,759	\$96,185	\$258,719	\$179,418	\$47,708	\$89,413	\$723	\$179,752	\$1,298,560
Information Technology			\$10,610	\$9,996	\$892	\$20,082	\$4,860		\$29,162			\$1,286	\$76,888
Miscellaneous				\$840			\$1,200		\$33,582	\$387	\$25	\$657	\$36,691

Cash Disbursements Detail by Payee	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Office Supplies/Ofc Maintenance	\$17,676	\$15,080	\$142,356	\$36,410	\$2,150	\$8,912	\$18,113	\$8,350	\$9	\$4,814		\$15,390	\$269,260
Payments to Individuals	\$22,677	\$21,599	\$26,642	\$27,156	\$10,708	\$9,599	\$24,462	\$22,414	\$1,692	\$6,374		\$4,360	\$177,683
Postage & Freight	\$18		\$99,205	\$333	\$71	\$262	\$87		\$61,177				\$161,154
Prison/Jail Services						\$14,374							\$14,374
Professional Services	\$61,059	\$165,376	\$182,575	\$320,175	\$324,648	\$169,735	\$520,609	\$234,360	\$302,768	\$125,866	\$10,956	\$97,586	\$2,515,712
Repair & Maintenance - Bldg	\$2,396	\$1,233	\$73,434	\$18,875	\$2,914	\$8,257	\$10,970	\$1,621	\$27,091			\$2,126	\$148,917
Repair & Maintenance - Vehicles	\$40,183	\$17,694	\$26,007	\$34,748	\$16,960	\$55,187	\$35,239	\$16,848	\$9,441	\$16,768	\$29,435	\$22,519	\$321,030
Returned Item	\$357	\$1,148		\$2,906	\$570	\$323		\$312	\$6,653	\$75	\$1,287	\$75	\$13,706
Security	\$5,054	\$16,661	\$24,251	\$31,357	\$36,247	\$17,124	\$33,767	\$39,417	\$39,000			\$17,657	\$260,535
Taxes				\$12									\$12
Training						\$597							\$597
Transfers for Payroll	\$626,960	\$484,960	\$1,030,329	\$584,466	\$583,825	\$588,905	\$647,387	\$594,914	\$767,870	\$470,814	\$445,464	\$443,828	\$7,269,722
Transfers to Other City Accounts	\$1,054,217					\$813,578	\$113,707	\$111,720	\$233,095	\$131,536	\$264,688	\$315,127	\$3,037,668
Trash Pick up												\$440	\$440
Travel & Per Diem			\$29,005			\$2,991	\$12,223	\$22,490					\$66,709

Utilities	\$34,019		\$19,201	\$30,368		\$72,367	\$5,860	\$88,205	\$9,360	\$32,743		\$4,201	\$296,324
Vehicle Leases	\$16,027	\$11,856	\$4,025		\$9,463	\$34,675	\$312	\$36,867	\$1,007	\$17,583		\$14,168	\$145,983
Wire	\$23,501	\$36,373	\$94,797	\$23,158	\$7,697	\$23,532	\$31,714	\$99,708	\$21,677			\$33,442	\$395,599
Total	\$2,132,365	\$1,053,501	\$2,032,011	\$2,171,097	\$1,164,029	\$2,090,851	\$2,113,553	\$1,627,977	\$1,785,870	\$1,402,962	\$928,181	\$1,302,799	\$19,805,195

Appendix E – Water and Sewer Account Reconciliation of Cash Projection

Remitter for Cash Receipts	Receipt Type	Notes for Projections	12 Month Actual FY 15-16	12 Month Projection FY 16-17	Difference	Reason for Change
ASAP Grant	Federal Grant	Did not include the two payments of \$92,915 in the projections.	\$92,915	\$0	(92,915)	No supporting documentation to validate future receipts from this source
Deposits per Bank Statements	Water & Sewer customer payments	Used the monthly average.	\$8,288,679	\$8,288,679	0	N/A
Errors by City/Incorrect Postings	Errors by City/Incorrect Postings	Used the monthly average.	\$1,528	\$1,528	0	N/A
Interest	Interest	Used the monthly average.	\$65	\$65	0	N/A
General Operating Fund	Transfer from GOF	This is an advance on DEP loan number 130301 that was originally deposited into the GOF then moved to Water and Sewer.	\$1,054,217	\$0	(1,054,217)	Projection excludes advance on DEP loan number 130301 that was originally deposited into the GOF then moved to this account. These DEP loan receipts should be deposited directly into a fixed capital outlay account which the City has not established.
Transfirst LLC	Water & Sewer customer payments made online	These are payments made for Water and Sewer accounts via credit card. The city was using Wells Fargo from July 2015 to mid-January 2016 when they changed to CNB. We took the average of the combined totals from CNB and Wells Fargo and averaged it over 12 months for the projection.	\$1,249,029	\$1,249,029	0	These are customer payments made for Water and Sewer accounts via credit card. The city was using Wells Fargo from October 2015 to mid- January 2016 when they changed to CNB. We took the average of the combined totals from CNB and Wells Fargo and averaged it over 12 months for the projection.
Total Cash Receipts Reconciliation			\$10,686,434	\$9,539,302	(1,147,132)	

Payee for Cash Disbursed	Disbursement Type	Notes for Projections	12 Month Actual FY 15-16	12 Month Projection FY 16-17	Difference	Reason for Change
SunTrust	Capital Lease for water meters	The capital lease is for water meters through a loan with SunTrust. Per FEB member, only one payment of \$106,000 remains. We included this amount in the December 2016 disbursements.	\$317,234	\$106,000	(211,234)	The capital lease is for water meters through a loan with SunTrust. Per FEB member, only one payment of \$106,000 remains. We included this amount in the December 2016 disbursements.
Municipal Code Corporation	Code Enforcement expenses	Used the monthly average.	\$34,938	\$34,938	0	N/A
Bank of America and others	Credit Card/P-Card	Projections calculated based on the FEB's decisions for operating needs. All p-card charges must be authorized by the employee's manager	\$3,669	\$0	(3,669)	Projections excluded payments to Bank of America and other credit card vendors, based on the FEB's decisions for operating needs. All p-card charges must be authorized by the employee's manager.
Transfirst LLC	Credit card processing fees	These are payments made to the credit card processing company that processes customer water and sewer payments. We used the monthly average.	\$44,189	\$44,189	0	These are payments to Transfirst LLC for credit card processing fees. The city was using Wells Fargo from October 2015 to January 2016 when they switched over to CNB. We included the payments from Wells Fargo into our projection for this line item. We took the average of the combined totals from CNB and Wells Fargo and averaged it over 12 months for the projection.
Employees	Payments to Employees	Used the monthly average.	\$2,859	\$2,859	0	N/A
Errors By City/Incorrect Postings	Errors By city/Incorrect Postings	These expenses are associated with errors and incorrect postings by the City. We used the monthly average.	\$14,121	\$14,121	0	N/A
Insurance	Insurance expenses	Used the monthly average.	\$935,597	\$935,597	0	N/A

Payee for Cash Disbursed	Disbursement Type	Notes for Projections	12 Month Actual FY 15-16	12 Month Projection FY 16-17	Difference	Reason for Change
Miscellaneous	Miscellaneous vendor expenses	Used the monthly average.	\$16,875	\$16,875	0	N/A
Office supplies/Office maintenance	Office supplies/Office maintenance expenses	Used the monthly average.	\$698	\$698	0	N/A
Individuals	Payments to Individuals	Used the monthly average.	\$24,054	\$24,054	0	N/A
Professional Services	Professional Services	Used the monthly average.	\$1,700,313	\$1,700,313	0	N/A
Repair & Maintenance (Vehicles)	Repair & Maintenance (Vehicles) expenses	Used the monthly average.	\$767	\$767	0	N/A
Returned Item	Returned Item expenses	These expenses are associated with checks returned for insufficient funds. We used the monthly average.	\$21,602	\$21,602	0	N/A
Security	Security expenses	Verified with FEB member that security staff was reduced to coverage at only the main municipal building, which is projected to be paid from the GOF.	\$241	\$241	0	N/A
Miami Dade County Tax Collector	Taxes	These were taxes paid to the Miami Dade Tax Collector. We used the monthly average.	\$19,288	\$19,288	0	N/A
Universal Waste Services of Florida	Trash Pick Up expenses	Used the monthly average.	\$809,037	\$809,037	0	N/A

Payee for Cash Disbursed	Disbursement Type	Notes for Projections	12 Month Actual FY 15-16	12 Month Projection FY 16-17	Difference	Reason for Change
Florida Power & Light	Utility expenses	Used the monthly average.	\$3,581	\$3,581	0	N/A
Ford Motor Credit	Vehicle Leases	Used the monthly average.	\$84,310	\$84,310	0	N/A
Miami Dade Water & Sewer Department Miami Dade Solid Waste Management Miami Dade Health Department and others	Water, Sewer & Waste	Used the monthly average.	\$2,477,991	\$2,477,991	0	N/A
General Operating Fund 1004522005	Transfer to General Operating Fund	These were monies transferred to GOF for unidentified reasons, therefore they were not included in the projections.	\$902,868	\$0	(902,868)	These were excluded from projections because they were transferred to GOF for unidentified reasons.
SRLF Escrow account	Transfer to SRLF Escrow account	This amount was excluded from our projection, because it is a payment on the DEP loan	\$78,985	\$0	(78,985)	This amount was excluded from our projection, because it is a payment on a DEP loan which should have been made from the SRLF Escrow account.
DEP Loan WW130300 (1st payment due 1/15/17)	Transfer to DEP	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.	\$0	\$31,288	31,288	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.

Payee for Cash Disbursed	Disbursement Type	Notes for Projections	12 Month Actual FY 15-16	12 Month Projection FY 16-17	Difference	Reason for Change
DEP Loan WW130320 (1st payment due 1/15/17)	Transfer to DEP	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.	\$0	\$12,022	12,022	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.
DEP Loan DW130330 (1st payment due 10/15/16)	Transfer to DEP	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.	\$0	\$16,092	16,092	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.
DEP Loan CS1208003P (1st payment due 12/15/16)	Transfer to DEP	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.	\$106,490	\$106,490	0	N/A
DEP Loan WW800050 (1st payment due 12/15/16)	Transfer to DEP	This represents 1/6th of the semi-annual payments due, per the loan agreement, and should be deposited into the SRLF Escrow account.	\$139,250	\$139,250	0	N/A
Total Cash Disbursements Reconciliation			\$7,738,957	\$6,601,603	(1,137,354)	

Appendix F – Water and Sewer Account Monthly Cash Receipts by Category

Cash Receipts Detail	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
ASAP Grant							\$84,150	\$8,765					\$92,915
Deposits per Bank Statements	\$705,480	\$585,953	\$601,931	\$688,928	\$648,467	\$789,251	\$680,833	\$661,364	\$830,767	\$521,657	\$660,051	\$913,995	\$8,288,679
Errors by City/ Incorrect Postings				\$19		\$617	\$51	\$136	\$553	\$152			\$1,528
Interest	\$7	\$11	\$7	\$6	\$7	\$13	\$15						\$65
Transfer	\$1,054,217												\$1,054,217
Transfirst LLC*a	\$119,192	\$76,796	\$79,763	\$83,352	\$107,379	\$117,288	\$106,993	\$120,502	\$131,742	\$86,066	\$109,126	\$110,829	\$1,249,029
Grand Total	\$1,878,896	\$662,760	\$681,700	\$772,305	\$755,853	\$907,168	\$872,043	\$790,767	\$963,063	\$607,876	\$769,177	\$1,024,824	\$10,686,434

*a The monthly amount includes transactions from both CNB and Wells Fargo bank accounts.

Appendix G – Water and Sewer Account Monthly Cash Disbursements by Category

Cash Disbursements Detail	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Capital Lease		\$105,745				\$105,745			\$105,745				\$317,234
Code Enforcement	\$4,164		\$2,803	\$1,800	\$4,592	\$2,174		\$8,578	\$545		\$3,225	\$7,058	\$34,938
Credit Card/P-Card	\$200	\$63	\$398	\$734	\$25	\$1,500		\$750					\$3,669
Employee	\$40		\$147	\$2,545		\$49	\$78						\$2,859
Errors by City/Incorrect Postings	\$42	\$1,000	\$0	\$2,090		\$8,599	\$10	\$11	\$169	\$1,947	\$241	\$12	\$14,121
Insurance		\$92,697	\$92,697	\$280,029		\$4,021	\$231,884			\$234,268			\$935,597
Miscellaneous	\$610	\$126		\$1,368	\$2,725	\$7,669	\$1,904	\$1,733	\$95	\$594		\$50	\$16,875
Office Supplies	\$191			\$147		\$361							\$698
Payments to Individuals	\$568	\$539	\$1,147	\$2,552	\$1,272	\$7,858	\$2,485	\$2,735	\$1,604	\$635	\$2,081	\$578	\$24,054
Professional Services	\$875,473	\$183,840	\$75,734	\$128,680	\$5,794	\$319,080	\$42,163	\$55,922	\$7,638	\$1,035	\$3,623	\$1,330	\$1,700,313
Repair & Maintenance - Vehicles					\$248	\$244					\$275		\$767
Returned Item	\$828	\$1,058	\$898	\$936	\$2,991	\$4,483	\$2,147	\$2,696	\$2,447	\$677	\$767	\$1,673	\$21,602
Security				\$118			\$123						\$241
Taxes			\$2,439	\$4,807	\$9,591					\$2,451			\$19,288
Transfer		\$402,868										\$578,985	\$981,853
Credit Card/Processing Fees	\$2,168	\$4,397	\$2,358	\$2,291	\$3,271	\$3,886	\$4,607	\$4,677	\$4,444	\$4,300	\$3,835	\$3,954	\$44,189

Cash Disbursements Detail	2015			2016									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Trash Pick up	\$92,327	\$80,970	\$89,784	\$76,255	\$32,576	\$145,820	\$72,910		\$145,485			\$72,910	\$809,037
Utilities	\$374		\$2,499			\$244			\$465				\$3,581
Vehicle Leases		\$15,074	\$13,617		\$6,808	\$6,808	\$6,808	\$13,617	\$6,808			\$14,770	\$84,310
Water, Sewer & Waste	\$1,842		\$566,437	\$292,595		\$149,072	\$3,909	\$644,079	\$742,509			\$77,548	\$2,477,991
Wire			\$122,880						\$122,860				\$245,740
Grand Total	\$978,825	\$888,376	\$973,839	\$796,945	\$69,893	\$767,612	\$369,030	\$734,799	\$1,140,813	\$245,906	\$14,047	\$758,869	\$7,738,957

*a The monthly amount includes transactions from both CNB and Wells Fargo bank accounts.

Appendix H – Capital Improvement Revenue Bond/Note Schedule

Debt Service Obligation						Pledged Receipts	
Debt Type	Total Principal Amount *a	Annual Principal Amount Due	Annual Interest Amount Due	Annual Projection Amount	Monthly Projection Amount *b	Fiscal Year 2016-17 Forecasted Tax Receipts to Fund Debt	
2011A&B Capital Improvement Revenue Bonds	\$5,716,000	\$445,000	\$193,890	\$638,890	\$53,241	Half-Cent Sales Tax Distributions	\$1,393,822
						Municipal Revenue Sharing	\$684,454
2015A&B Capital Improvement Revenue Notes	\$8,390,363	\$227,499	\$295,714	\$523,213	\$43,601	Communications Services Tax	\$413,407
						Public Utility Tax	\$1,186,277
Total Annual Principal and Interest Obligation						Total Annual Pledge Revenues	
\$1,162,103						\$3,677,960	

*a – Total principal amount of debt owed as of August 31, 2016.

*b – Monthly projection represent the amount that should be moved from the capital improvement account to the Bond Principal 2011 account and from the tax revenue fund account to the Bond Principal 2015 to cover the semi-annual principal and interest payments.

Appendix I – State Revolving Loan Schedule

City's Revolving Loans From the Department of Environmental Protection (DEP)	Principal Amount of Debt	Annual Principal and Interest Payments	Annual Payment Amount	Semi-Annual Payment Amount	Monthly Projection*	1st pmt/next pmt due	Purpose of Loan
State Revolving Loan Note Project # CS12080003P	\$1,794,604	40 semi-annual payments of \$53,240 including interest from June 15,2003 thru Dec 15,2022	\$106,480	\$53,240	\$8,873	12/15/2016	For the construction of wastewater pollution control facilities
State Revolving Loan Note Project # WW800050	\$2,375,142	40 semi-annual payments of \$69,620 including interest from June 15,2003 thru Dec 15,2022	\$139,240	\$69,620	\$11,603	12/15/2016	For the construction of wastewater pollution control facilities
State Revolving Loan Note Project # WW130300	\$512,806	40 semi-annual payments of \$15,644 including interest	\$31,288	\$15,644	\$2,607	1/15/2017	For the construction of wastewater pollution control facilities
State Revolving Loan Note Project # SW130320	\$197,035	40 semi -annual payments of \$6,011 including interest	\$12,022	\$6,011	\$1,002	1/15/2017	Wastewater Treatment and Storm Water Management and Surface water restoration and wastewater projects.
State Revolving Loan Note Project # DW130330	\$240,000	40 semi -annual payments of \$8,046 including interest	\$16,092	\$8,056	\$1,343	10/15/2016	For the construction of wastewater pollution control facilities
State Revolving Loan Note Project # DW130331	\$2,697,981	40 semi -annual payments of \$79,075 including interest	\$158,150	\$79,075	\$13,179	7/15/2018	Design and construction of public water systems
State Revolving Loan Note Project # DW130301	\$16,895,885	40 semi -annual payments of \$430,845 including interest	\$861,690	\$430,845	\$71,808	7/15/2018	Design and construction of public water systems
Total annual payment amount due for FY '16-17			\$305,122				
*Note: This monthly amount was included as a disbursement in the Water & Sewer projections. According to the loan agreements, the monthly amount should be deposited into the SRLF Escrow account and loan payments to DEP should be made from the Escrow account.							