

**CITY OF OPA-LOCKA, FLORIDA**  
Notes to Basic Financial Statements  
Fiscal Year Ended September 30, 2014

**NOTE 6. INTERFUND BALANCES AND TRANSFERS (Continued)**

Interfund transfers for the year ended September 30, 2014, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	4,182,275	-
CIP Debt Service Fund	-	(1,057,169)
Crime Prevention Fund	-	-
CRA	142,820	-
Water and Sewer Fund	-	(3,267,927)
Total	<u>4,325,095</u>	<u>(4,325,096)</u>

Transfers were used to cover excess expenditures that occurred in the general fund.

**CITY OF OPA-LOCKA, FLORIDA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

**SECTION III – FINANCIAL STATEMENT FINDINGS (Continued)**

**2014-02 Budgets (Repeat finding from FY2013)**

*View of Responsible Officials and Planned Corrective Actions:* Management concurs. The Finance department and the Budget Administrator along with the City Manager will continue to work closely with the Department Directors to monitor their expenses. Management will have to make the decision to amend budget to be in line with the expenditures at year end.

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

*Condition:* There has been a lack of information for timely reporting

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

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

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

*Recommendation:* We recommend that management develop a five year plan to address its financial condition and stabilize the City before financial emergency conditions could potentially take effect.

*View of responsible official and planned corrective action:*  
Response from management remains open

**SECTION IV- FEDERAL AWARD FINDINGS**

None noted.

**SECTION V - OTHER MATTERS**

None Noted.