ANNUAL FINANCIAL REPORT

CITY OF OPA-LOCKA, FLORIDA
FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2025

CITY OF OPA-LOCKA
780 Fisherman St. 4th Floor
Opa-locka, FL 33054

ANNUAL FINANCIAL REPORT

CITY OF OPA-LOCKA, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

The City of Opa-locka

Mission Statement

The Mission of the City of Opa-locka is to enhance the quality of life, environment, and safety of our customers and employees in an atmosphere of courtesy, integrity, and quality service.

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Sha'mecca Lawson
City Manager

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September 14, 2026

To the Citizens, the Honorable Mayor, Vice Mayor, and City Commissioners of the City of Opa-locka:

It is my pleasure to submit the Audited Annual Financial Report for the City of Opa-locka, Florida ("the City"), for the fiscal year ended September 30, 2025, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the City Charter. The financial statements included in this report conform to accounting principles generally accepted in the United States of America prescribed by the Governmental Accounting Standards Board (GASB). This report is published to fulfill that requirement for the fiscal year ended September 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

The financial statements have been audited by CBIZ, a firm of licensed certified public accountants. The independent auditors have issued their opinions on the City's financial statements for the fiscal year ended September 30, 2025. The independent auditors ' report is located at the front of the financial section of the report.

The Management's Discussion and Analysis (MD&A) segment immediately follows the independent auditor's report and provides narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Opa-locka was incorporated in 1926 and operates under the Commission/City Manager form of government. The City Commission is comprised of the Mayor, Vice Mayor and three Commissioners , who are responsible for enacting ordinances, resolutions and regulations governing the City and appointing the members of various advisory boards. Additionally, the City Commission appoints the City Manager, the City Attorney, and the City Clerk. As Chief Administrative Officer, the City Manager is responsible for the enforcement of laws and ordinances and the appointment and supervision of the City's Department heads.

The City provides a full range of services including police, construction and maintenance of highways and streets and other infrastructure, recreational and cultural activities, water and wastewater, storm water, sanitation, planning and zoning and general administrative services.

For additional services concerning our city, please visit our website at www.opalockafl.gov.

The financial reporting entity under which the financial statements are prepared includes all activities and functions for which the City is financially accountable.

The City is required to prepare, approve, adopt and execute an annual budget. This annual budget serves as the foundation for the City's financial planning and control. Budgetary control is maintained at the departmental and fund level, with the finance department providing support to departments in the administration of their budgets. Budget to actual comparisons are provided in this report for all of the City's funds that have an appropriated annual budget.

Local Economy

The City of Opa-locka comprises approximately 4.5 square miles and has a population of approximately 16,000 residents. It is in the northern portion of Miami-Dade County. The City is a mix of residential, commercial, and industrial zones including the Miami-Dade Opa-locka Airport, which is owned and operated by Miami-Dade County. The City of Opa-locka community is served by two elementary schools.

Major Initiatives

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency, and to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503 (1), Florida Statutes. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by then Florida Governor, Rick Scott.

On June 8, 2016, the City entered into a State and Local Agreement of Cooperation between the Governor as a result of being in a state of financial emergency. The State implemented measures to resolve the financial emergency with the City's cooperation. To resolve the financial emergency, the Florida Governor through his designee, designated the Office of the Chief Inspector General ("Governor's Designee") to serve as the lead entity responsible for coordinating the Governor's efforts in providing intervention and assistance to the City.

One element of exiting from a state of financial emergency is the development of a Five-Year Recovery Plan by the Cit, demonstrating the City's ability to satisfy the requirements necessary for restoration of the City's fiscal integrity. The city submitted an updated proposed Five-Year Recovery Plan to the State of Florida in May 2025.

Acknowledgements

The Finance Department, the City Manager, Assistant City Manager, Department Directors and Staff Members all contributed to the preparation of this report.

Respectfully Submitted,

Sha'mecca Lawson
City Manager

INDEPENDENT AUDITORS' REPORT

CBIZ CPAs P.C.

2811 Ponce De Leon Blvd., Suite 1100
Coral Gables, FL 33134

P: 305.995.9600

Independent Auditors' Report

To the Honorable Mayor, City Commission and City Manager
City of Opa-locka, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opa-locka, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedules of city's proportionate share of net pension liability, the schedules of city's contributions, and the schedule of changes in the city's total OPEB liability and related ratios on pages 5 – 21 and 64 - 74, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2026 on our consideration of the City's internal control over financial reporting and on 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 City'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 City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Coral Gables, Florida
September 14, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

OVERVIEW OF THE FINANCIAL STATEMENTS

The City of Opa-locka's (the "City") Management Discussion and Analysis ("MD&A") is designed to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, or conditions. It is intended to provide a broad overview on short-term and long-term analyses of the City's activities based on information presented in the financial report and fiscal policies that have been adopted by the City. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole of information on the City's financial status.

FINANCIAL HIGHLIGHTS

1. The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $74 million (net position).

2. The City's governmental activities reported net position of $46 million.

3. The City's business-type activities reported a net position of $28 million.

Overview of the Financial Statements

This annual report consists of four parts—MD&A (this section), the basic financial statements, required supplementary information and an additional section that presents combining and individual fund financial statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- The governmental funds statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.

The financial statements include notes explaining some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information which further explains and supports the information in the financial statements. In addition to these required elements, we have included a section of combining financial statements that provide details about our non-major governmental funds, each of which is added together and presented in a single column in the basic financial statements.

Users interested in "budgetary performance" will find that information available in the required supplementary information and supplementary information following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenues are earned and the expenses attributed, and it is a useful indicator of a government's financial position.

The *Statement of Net Position* is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. It presents information on all the City's assets and deferred outflows of resources, on one hand; liabilities and deferred inflows of resources on the other hand; the difference between them, 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 City is improving or deteriorating.

The *Statement of Activities* is focused on both the gross and net cost of various activities (including governmental, business-type and component unit), which are provided by the government's general tax and program revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and the local taxing efforts necessary to sustain each of those activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, charges for services, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, culture and recreational. The business-type activities include water and sewer, stormwater, and solid waste, where the fee for service typically covers all or most of the cost of operations and depreciation.

The government-wide financial statements can be found on pages 22-23 of this report.

FUND FINANCIAL STATEMENTS

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

GOVERNMENTAL FUNDS

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered to be a major fund. The American Rescue Plan Act Fund is used to account for the funds received from the Federal Government and the expenditures of those funds and is presented as a major fund. The Capital Projects Improvement Debt Service Fund was established to account for the proceeds of the 2011 and 2015 debt issuance and is presented as a major fund. The People's Transportation Tax Fund is used to operate a community bus service and to maintain and improve the City's roadway system and is presented as a major fund. The CRA Fund is used to finance the City's designed redevelopment areas through Tax Increment Financing (TIF) and is also presented as a major fund. The Safe Neighborhood Capital Improvement Fund was presented as a major fund in FY 2024 and a non-major fund in FY 2025. The City presents data from all other governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds are included in the combining statements.

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for major funds within the required supplementary information to demonstrate compliance with the funds' budgets.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

PROPRIETARY FUNDS

Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business- type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has three Enterprise Funds: Water and Sewer Fund, Stormwater Fund, and Solid Waste Fund. A statement of cash flows is presented at the fund financial statement level for the proprietary funds.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

When evaluating the financial position and short-term financial performance of the City, two tools are particularly valuable: The Statement of Net Position and the Statement of Activities. It is useful for the user to compare the current year with the prior year. This aids in spotting trends and other areas of concern or interest.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-63 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. This section also includes a comparison between the City's adopted General Fund and final budget and actual financial results. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The City also adopts an annual appropriated budget for each of its other governmental funds. Major governmental funds are presented as required supplementary information.

Combining statements (supplementary information) referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position. As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. ***Net results of activities*** will impact (increase/decrease) current and non-current assets, deferred outflows of resources, current and non-current liabilities, deferred inflows of resources, and net position.
2. ***Borrowing capital*** will increase current assets and long-term debt.
3. ***Spending borrowed proceeds on new capital*** will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the net investment in capital assets.
4. ***Spending of non-borrowed current assets on new capital*** will reduce current assets, unrestricted Net Position, net investment in capital assets, and will increase capital assets.
5. ***Principal payment on debt*** will reduce current assets, long-term debt, unrestricted Net Position, and will increase net investment in capital assets.
6. ***Reduction of capital assets through depreciation*** will reduce capital assets and net investment in capital assets.

The following schedule is a summary of the fiscal year 2025 Statement of Net Position with comparative information for fiscal year 2024.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 25,763,389	$ 34,348,273	$ 12,309,327	$ 11,720,028	$ 38,072,716	$ 46,068,301
Capital assets, net	47,149,796	38,599,700	24,305,643	25,029,677	71,455,439	63,629,377
Total assets	72,913,185	72,947,973	36,614,970	36,749,705	109,528,155	109,697,678
Deferred outflow of resources	4,893,787	6,813,335	355,994	434,894	5,249,781	7,248,229
Current and other liabilities	10,323,738	17,410,800	4,908,384	4,634,017	15,232,122	22,044,817
Long-term liabilities	17,468,923	23,799,237	3,915,213	6,196,028	21,384,136	29,995,265
Total liabilities	27,792,661	41,210,037	8,823,597	10,830,045	36,616,258	52,040,082
Deferred inflow of resources	4,300,365	1,808,940	273,636	115,464	4,574,001	1,924,404
Net position:						
Net investment in capital assets	46,488,074	32,216,420	21,307,344	20,960,808	67,795,418	53,177,228
Restricted	14,681,950	8,413,864	306,115	-	14,988,065	8,413,864
Unrestricted	(15,456,078)	(3,887,953)	6,260,272	5,278,282	(9,195,806)	1,390,329
Total net position	$ 45,713,946	$ 36,742,331	$ 27,873,731	$ 26,239,090	$ 73,587,677	$ 62,981,421

STATEMENT OF NET POSITION

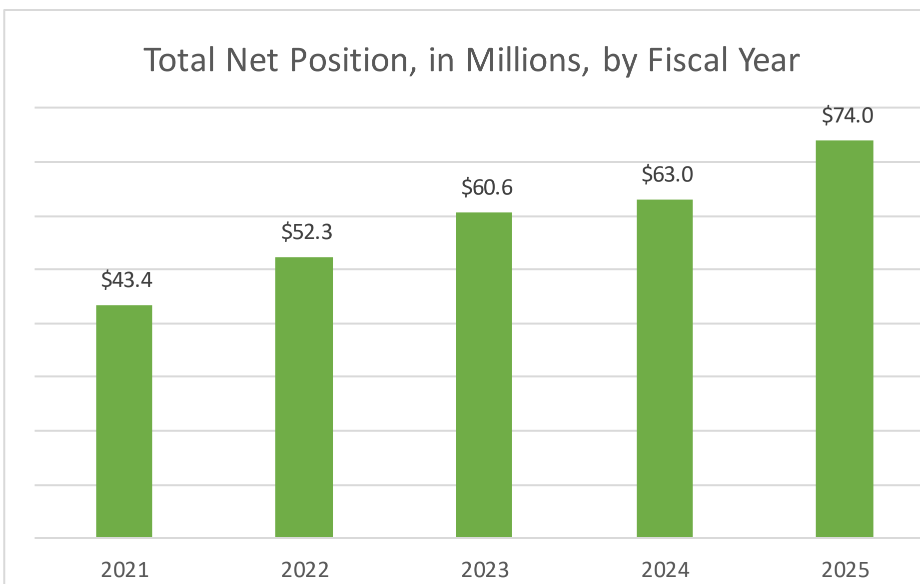
The overall net position of the City of $74 million increased in fiscal year 2025, from the prior year net position, by $11 million or approximately 19%. The net position was approximately $63 million in FY2024. Changes in net position over time can be one of the best and most useful indicators of financial health. This increase is mostly attributable to an incremental reduction in assets in both governmental and business-type activities of $170k, in contrast to a significant reduction in liabilities over $15 million. Governmental activities realized a liability reduction of over $13 million and business type activities rested with a reduction of approximately $2 million. In addition, deferred outflows of resources decreased by approximately $2 million while deferred inflows of resources increased by approximately $2.6 million.

The governmental activities of the City's current and other assets reduced by $8.6 million, synonymously as current and other liabilities decreased $7.1 million. The decrease in current and other liabilities was mostly due to the retirement of debt and receipts of unearned revenue affiliated with safe neighborhood capital improvement fund.

The business-type activities of the City's current and other assets experienced an increase of approximately $589k and current liabilities of those activities increased by $274k.

The governmental activities net investment in capital assets, was $32.2 million in the previous year and $46.5 million in the current year. Unrestricted net position was a deficit of $3.9 million in the prior year and further decreased to $15 million.

The business-type activities net investment in capital assets was $20.9 million in the previous year and increased to $21.3 million in the current year. Meanwhile, the previous year's unrestricted net position was $5.3 million and is now $6.3 million due to settlement of legal contingencies.



By far the largest portion of the City's net position is investment in capital assets (e.g., land, buildings and building improvements, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; however, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has an unrestricted net position of $(9,195,806) which is a decrease of $10,586,135 over the prior year amount of $1,390,329. Restricted net position increased $6,574,201 during the current year to $14,988,065 from the prior restricted net position amount of $8,413,864.

City of Opa-locka's Capital Assets

(Net of accumulated depreciation/amortization)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 6,276,174	$ 3,556,009	$ 38,762	$ 38,762	$ 6,314,936	$ 3,594,771
Construction in progress	5,389,784	6,488,865	4,957,310	4,957,310	10,347,094	11,446,175
Buildings and improvements	19,028,614	15,306,876	2,575,309	2,790,252	21,603,923	18,097,128
Vehicles, furniture and equipment	437,641	543,348	2,069,073	2,460,730	2,506,714	3,004,078
Vehicles and equipment (Right of Use)	1,330,225	1,411,421	375,274	63,849	1,705,499	1,475,270
Infrastructure	14,687,358	11,293,181	14,289,915	14,718,774	28,977,273	26,011,955
Total	$ 47,149,796	$ 38,599,700	$ 24,305,643	$ 25,029,677	$ 71,455,439	$ 63,629,377

Additional information on the City's capital assets can be found in Note 7 of the note disclosures accompanying this report.

STATEMENT OF ACTIVITIES

The following schedule is a summary of the fiscal year 2025 Statement of Activities with comparative information for fiscal year 2024:

	Governmental Activities			Business-type Activities			Total	
	2025	2024	Change	2025	2024	Change	2025	2024
Revenues:								
Program revenues:								
Charges for services	$ 5,904,157	$ 6,036,468	$ (132,311)	$ 12,179,619	$ 11,743,730	$ 435,889	$ 18,083,776	$ 17,780,198
Operating/capital grants and cont.	3,818,151	719,603	3,098,548	-	-	-	3,818,151	719,603
Capital grants and contributions	5,177,938	1,245,703	3,932,235	-	-	-	5,177,938	1,245,703
General revenues:								
Property taxes	17,494,711	16,268,997	1,225,714	-	-	-	17,494,711	16,268,997
Other taxes	3,264,696	3,156,132	108,564	-	-	-	3,264,696	3,156,132
Franchise fees	2,645,526	2,546,417	99,109	-	-	-	2,645,526	2,546,417
Intergovernmental, unrestricted	2,532,055	2,560,744	(28,689)	-	-	-	2,532,055	2,560,744
Interest	547,305	780,899	(233,594)	240,618	-	240,618	787,923	780,899
Other	113,692	60,363	53,329	20,444	6,315	14,129	134,136	66,678
Total revenues	41,498,231	33,375,326	8,122,905	12,440,681	11,750,045	690,636	53,938,912	45,125,371
Expenses and transfers:								
General government	19,787,547	14,226,556	5,560,991	-	-	-	19,787,547	14,226,556
Public safety	10,790,851	10,777,392	13,459	-	-	-	10,790,851	10,777,392
Transportation	315,958	6,225,726	(5,909,768)	-	-	-	315,958	6,225,726
Culture and recreation	546,618	1,501,754	(955,136)	-	-	-	546,618	1,501,754
Interest and fiscal charges	208,506	341,317	(132,811)	-	-	-	208,506	341,317
Water and sewer	-	-	-	9,411,533	9,106,047	305,486	9,411,533	9,106,047
Stormwater	-	-	-	957,309	528,228	429,081	957,309	528,228
Solid Waste	-	-	-	18,938	-	18,938	18,938	-
Total expenses	31,649,480	33,072,745	(1,423,265)	10,387,780	9,634,275	753,505	42,037,260	42,707,020
Increase (decrease) in net position before transfers	9,848,751	302,581	9,546,170	2,052,901	2,115,770	(62,869)	11,901,652	2,418,351
Transfers	302,466	713,916	(411,450)	(302,466)	(713,916)	411,450	-	-
Increase (decrease) in net position	10,151,217	1,016,497	9,134,720	1,750,435	1,401,854	348,581	11,901,652	2,418,351
Net position, beginning	36,742,331	35,714,595	1,027,736	26,239,090	24,837,236	1,401,854	62,981,421	60,551,831
Restatement (Note 17)	(1,179,602)	11,239	(1,190,841)	(115,794)	-	(115,794)	(1,295,396)	11,239
Net position, beginning - as restated	35,562,729	35,725,834	(163,105)	26,123,296	24,837,236	1,286,060	61,686,025	60,563,070
Net position, ending	$ 45,713,946	$ 36,742,331	$ 8,971,615	$ 27,873,731	$ 26,239,090	$ 1,634,641	$ 73,587,677	$ 62,981,421

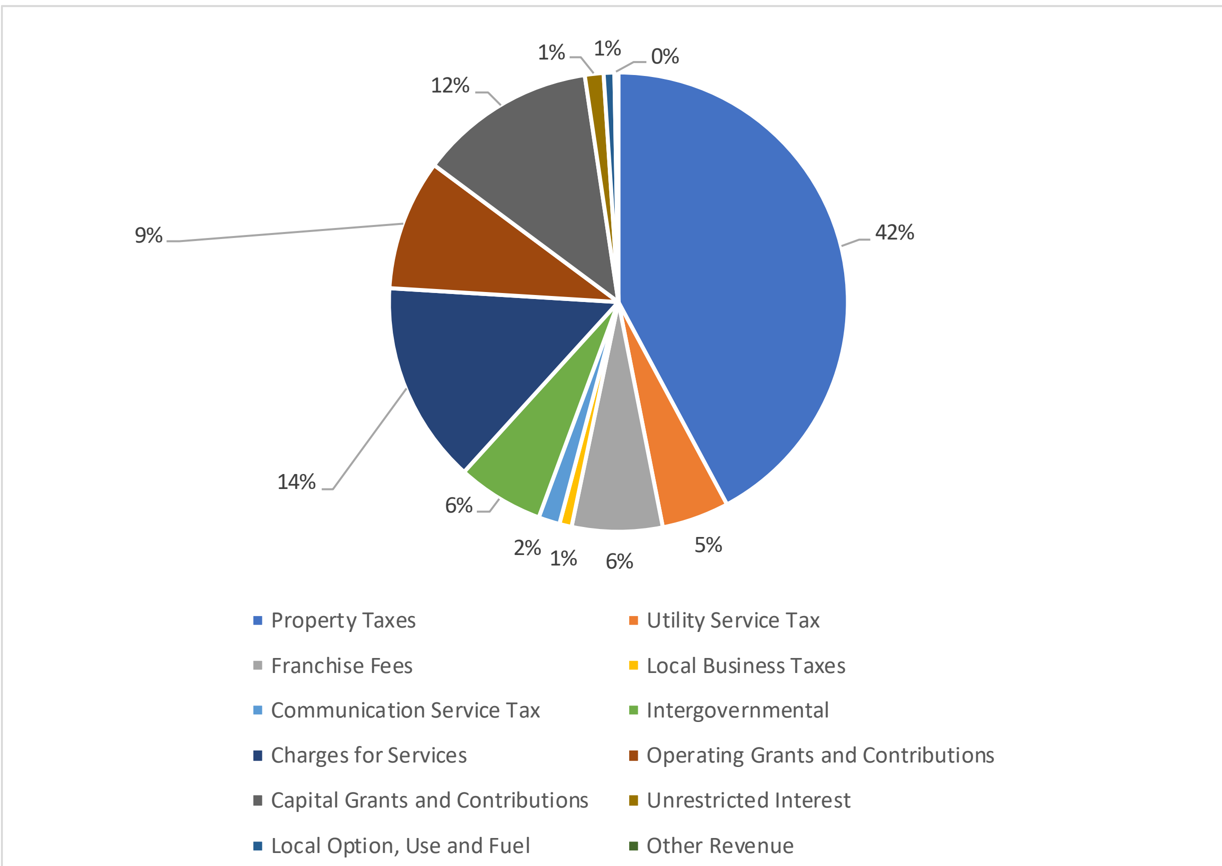
The governmental activities account for the most significant activities within the City, with total revenues of $41.5 million. Overall governmental activities revenues increased by $8.1 million over the prior year. This was primarily attributed to an increase in ad valorem taxes and operating and capital grants and contributions.

Operating grants and contributions increased over $3 million from the prior year which is mostly due to general government functions. Capital grants and contributions increased $3.9 million due to transportation programs during fiscal year 2025.

Governmental activities expenses overall decreased from the prior year by $1.4 million although there was an increase in general government costs representing a change of $5.6 million.

The business-type activities represent water and sewer, solid waste, and stormwater operations which reflect $12.4 million in total revenues. This is an increase of $690k over the prior year. This was primarily attributed to an increase in charges for services.

Sources of Revenue for Fiscal Year 2025



BUSINESS-TYPE ACTIVITIES

The Business-Type Activities are comprised of the Water and Sewer, Solid Waste and Stormwater Fund.

- Total revenues for the Proprietary or Enterprise Funds are $12.4 million.
- Solid Waste Fund activity is outsourced and managed by Miami-Dade County Water and Sewer Department.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's funding requirements. In particular, *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.

On September 30, 2025, the City's governmental funds reported combined ending fund balance of $14.7 million compared to $16.6 in the prior year. Overall, the funds had a balanced reduction across assets and liabilities alike.

All other Fund Balances are restricted or committed for use such as debt service, transportation, capital projects, public safety, American Rescue Plan Act or other non-major governmental activities. Additionally, there are restrictions of cash on hand associated with the Series 2015 A & B Bonds held by City National Bank.

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year this total fund balance equals $3.4 million as compared to $8.6 million in the prior fiscal year.

General Fund Revenues	2025 Amount	Percent of Total	2024 Amount	Percent of Total	Increase (Decrease) of Total	Percent of Increase (Decrease) From 2024
Property taxes	$ 14,822,077	61%	$ 14,012,312	59%	$ 809,765	6%
Utility service taxes	57,820	0%	92,878	0%	(35,058)	(38)%
Franchise fees	2,645,526	11%	2,597,764	11%	47,762	2%
Local business taxes	358,972	1%	317,687	1%	41,285	13%
Permits and fees	1,596,798	7%	1,256,899	5%	339,899	27%
Intergovernmental	205,145	1%	41,749	0%	163,396	391%
Grants	71,021	0%	390,977	2%	(319,956)	(82)%
Charges for services	2,194,601	9%	1,483,634	6%	710,967	48%
Fines and forfeitures	2,074,732	9%	3,294,208	14%	(1,219,476)	(37)%
Other revenue	26,220	0%	32,089	0%	(5,869)	(18)%
Interest	236,263	1%	372,505	2%	(136,242)	(37)%
Total Revenues	$ 24,289,175	100%	$ 23,892,702	100%	$ 396,473	1.66%

Total revenues for the general fund realized an increase of $396k. The increase is primarily noted in ad valorem taxes, franchise fees and charges for service.

General Fund Expenditures	2025 Amount	Percent of Total	2024 Amount	Percent of Total	Increase (Decrease) of Total	Percent of Increase (Decrease) From 2024
General government	$ 11,398,642	39%	$ 13,007,896	44%	$ (1,609,254)	(12)%
Public safety	9,835,462	34%	9,505,311	32%	330,151	3%
Transportation	2,913,229	10%	3,089,097	11%	(175,868)	(6)%
Culture and recreation	1,173,861	4%	1,003,265	3%	170,596	17%
Capital outlay	3,236,667	11%	2,291,973	8%	944,694	41%
Debt Service	409,468	1%	416,679	1%	(7,211)	(2)%
Interest and other fiscal charges	68,646	0%	104,927	0%	(36,281)	(35)%
Total Expenditures	$ 29,035,975	100%	$ 29,419,148	100%	$ (383,173)	(1.30)%

Total expenditures for the general fund reduced by $383k. Conservative spending and prioritizing needs within available resources attribute to this near plateau of activity.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the water and sewer, stormwater, and solid waste funds at the end of the prior year was approximately $5.3 million. The total net position for the enterprise funds improved by over $1 million in fiscal year 2025 when compared to 2024.

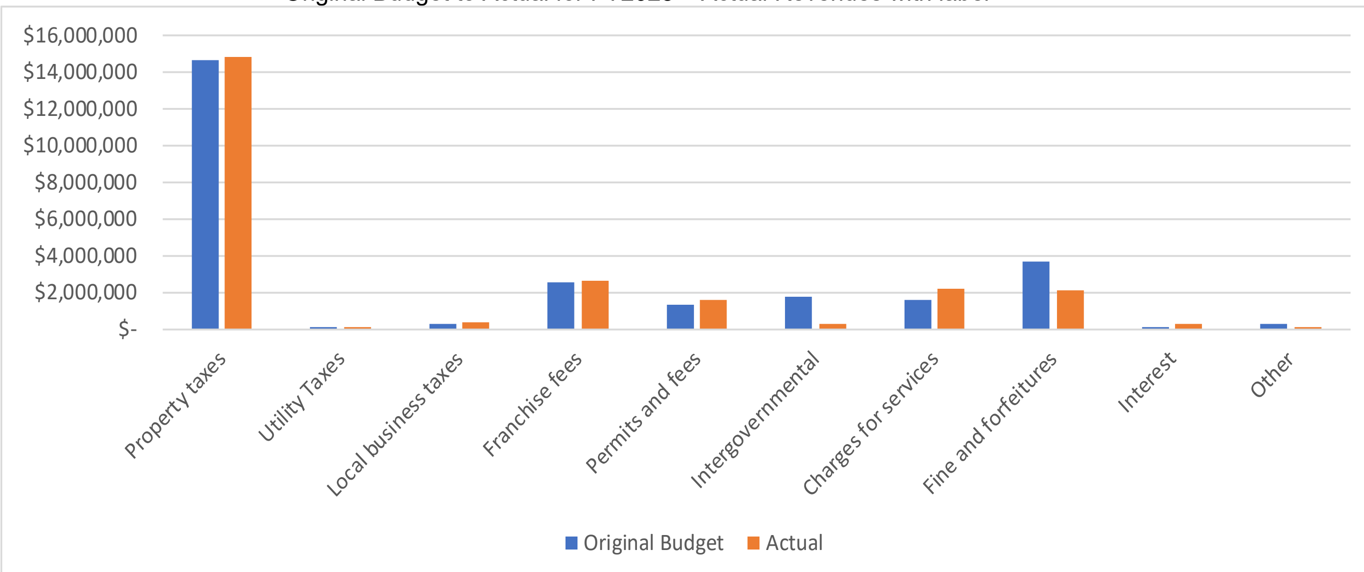
GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were adjustments to the appropriations between the original and final amended budget. Overall, the City's actual total revenues were $1.1 million below the original appropriation. Intergovernmental had the largest variance in the amount of approximately $1.4 million below budget. The cause of the variance was due to anticipated Equitable Sharing Seizure funds not received.

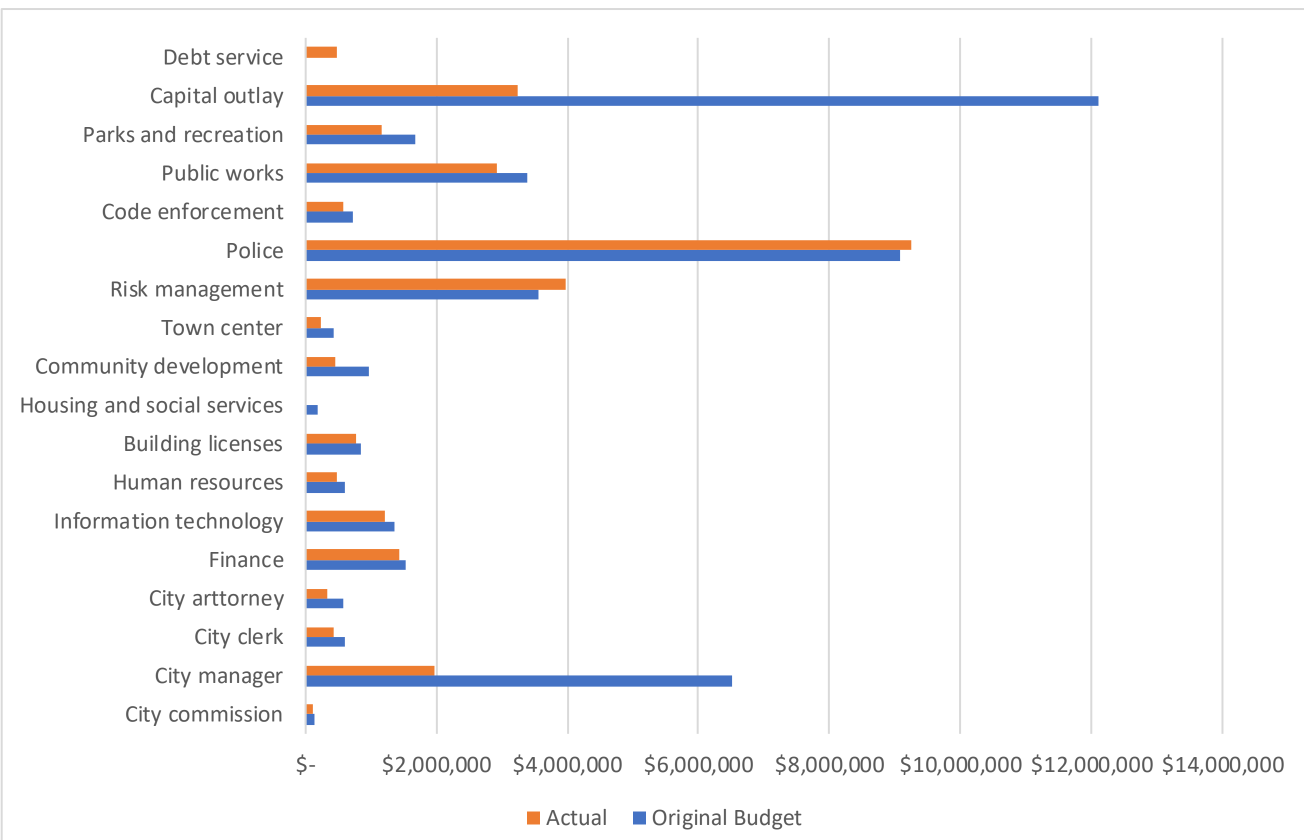
Relative to budgeted expenditures, overall expenditures had a positive variance in the amount of approximately $14 million. The largest being in capital outlay in the amount of approximately $6.9 million due to projects budgeted but have not commenced. Additionally, general government had a positive variance of $6 million mostly due to savings across departments such as Parks and Recreation, Public Works, and Planning and Community Development.

Overall, the General Fund budgetary comparison has a positive variance of approximately $14 million for the fiscal year 2025.

Original Budget to Actual for FY2025 – Actual Revenues with label



Original Budget to Actual for FY2025 – Actual Expenditures with label



*Refer to the budgetary schedule on page 64

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As part of the City of Opa-locka strategic plan to prioritize and improve the business and economic development, public safety, the City image and the quality of life of the residents of Opa-locka have adopted several legislations to perform capital improvement projects to be completed during the fiscal year 2025.

Major capital asset additions during the fiscal year 2025 included the following:

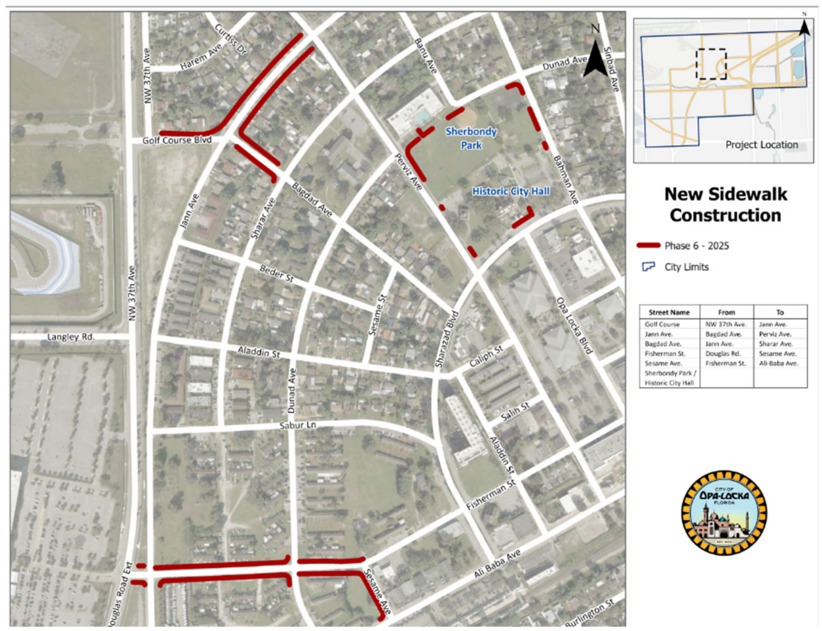
- Milling and Resurfacing Phase IX – 1.5 miles
- Sidewalk Installation Phase VI– 2 miles of new sidewalk
- Sherbondy Park Playground Replacement
- Sherbondy Park Trails Replacement and extension
- Ingram Park Basketball Courts
- Burlington Street Canal Slope Restoration

Milling and Resurfacing Phase IX

To enhance the City's image and ensure the safety of residents and business owners as well as visitors to the City an ongoing Milling and Resurfacing project started in 2020 has been divided into phases due to financial constraints; in this opportunity, the sections highlighted in the following map were completed:

Sidewalk Installation Phase VI

As part of the City compromise to enhance walkability and pedestrian safety in FY 2025, the City initiated phase VI of the sidewalk installation project that will be performed citywide. This is a continuing project to address the transportation smart plan for pedestrian access to mass transit. This project has been divided into different phases so that it can be more affordable. This phase addressed 2 miles of new sidewalk in the residential areas.



Parks Projects

As part of the City's ongoing commitment to strengthening park infrastructure and expanding equitable recreational opportunities, the **Ingram Park Basketball Court**, **Sherbondy Park Playground**, **Sherbondy Park Trails**, these projects collectively focus on rehabilitating and modernizing key recreational assets throughout the City. These improvements enhance safety, accessibility, and usability of existing facilities by upgrading play equipment, court surfaces, and pedestrian trail systems, while supporting active lifestyles and community gathering. Together, the projects reflect a coordinated investment in neighborhood parks that improves quality of life for residents and reinforces the City's long-term vision for resilient, well-maintained public spaces.

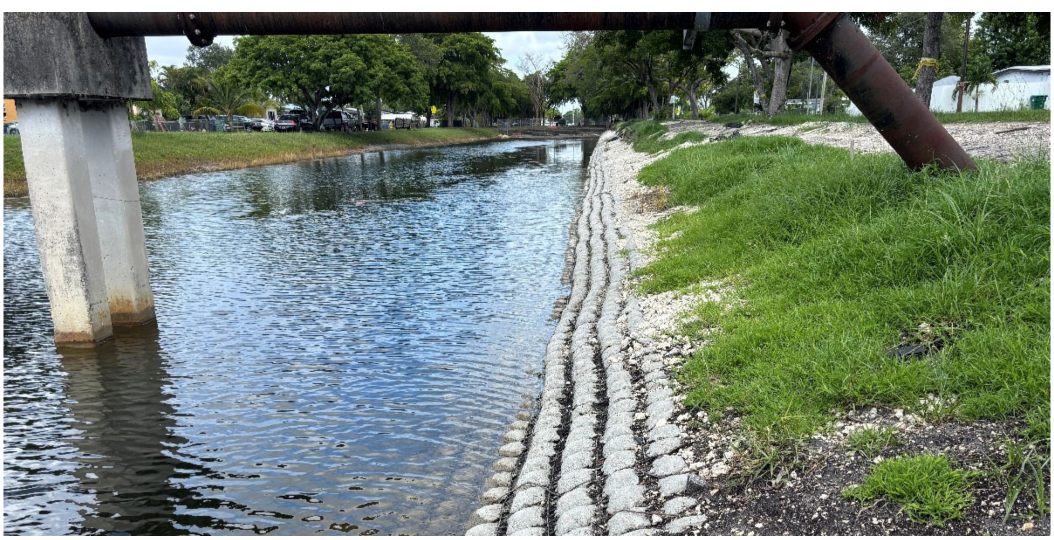
Sherbondy Park Playground

Ingram Park Basketball Courts

Sherbondy Park Trails

Burlington Street Canal Bank Stabilization Project Phase 2

The Burlington Street canal, located in the City of Opa-locka is not in compliance with the required slope per the South Florida Water Management District criteria. The unprotected canal bank was degrading the surface water quality, losing its aesthetic value, and needed to be restored to ensure required slope compliance. This project scope included dredging, bank restoration, and stabilization with slope correction for the Burlington Street canal. The major environmental benefit of this project is erosion control for the Burlington Street Canal.



Long-term Liabilities

At the end of the current fiscal year, the City had outstanding liabilities, both current and long-term of approximately $21.4 million, exclusive of deferred inflows of resources. Refer to Note 9 for details on long-term liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds	$ 610,680	$ 4,721,893	$ -	$ -	$ 610,680	$ 4,721,893
Leases	1,394,671	1,478,402	312,939	66,070	1,707,610	1,544,472
Loans, State Revolving	-	-	2,556,580	2,918,403	2,556,580	2,918,403
Net pension liability	11,498,522	15,935,029	836,301	1,017,130	12,334,823	16,952,159
Liability to Miami-Dade (Meters)	-	-	-	1,073,303	-	1,073,303
Total OPEB liability	215,076	239,142	16,189	15,264	231,265	254,406
Compensated absences	3,433,974	2,609,541	193,204	221,983	3,627,178	2,831,524
Legal	316,000	-	-	1,000,000	316,000	1,000,000
Total	$ 17,468,923	$ 24,984,007	$ 3,915,213	$ 6,312,153	$ 21,384,136	$ 31,296,160

ECONOMIC FACTORS

Goals for 2025-2026

Commercial/Industrial Development
Over the last 5 years, there have been several new commercial/industrial warehouse developments proposed, planned or built in or near the City of Opa-locka. This accounts for over 2 million square feet in new commercial/industrial development.

Recent Development

- **GPT Ironwood Warehouse Project Phase 1 –** 12700 NW 42nd Avenue [LeJeune Road] – formerly the **Auto Auction site–** This is the first phase of 28-acre site was acquired summer 2018 by the Gramercy Property Trust Group for $80 Million. Gramercy Property Trust was recently acquired by Blackstone, an industrial property real estate company. The Auto Auction Site was developed in the construction of four [4] Class A warehouses with showroom retail space facing NW 42nd Avenue.

- **Prologic Logistic Warehouse Project**– 12805 NW 42nd Avenue [LeJeune Road] – formerly the American Fruit Site – This 14.59-acre site was acquired summer of 2017. PCD staff met with the owners to discuss the proposed development of the site. They proposed to build 1 Class A warehouse. The retail/warehouses development will total approximately 255,000 sf and over 200 parking spaces and truck loading bays.

- **Opa-locka Airport Meek International Business Center Logistic Warehouse Project**– 14400 NW LeJeune Douglass Connector – Built on the east side of the Opa-locka Airport Site, this 20.32-acre site is a lease development by Meek Foundation to build 2 Class A warehouse. The retail/warehouses development will total approximately 500,000 sf and over 200 parking spaces and truck loading bays.

- **Opa-locka Airport Logistic Warehouse Project**– 4700 NW 135th Street Connector – Built on the south side of the Opa-locka Airport Site, this 20.32-acre site is a lease development to build 1 Class A warehouse. The retail/warehouses development will total approximately 400,000 sf and over 200 parking spaces and truck loading bays. While this project is outside the Opa-locka City limits, the utilities for this development are provided through the City of Opa-locka.

Under Construction

- **GPT Ironwood Warehouse Project Phase 2 & 3 –** 12761 NW 42nd Avenue [LeJeune Road] – formerly the **Opa-locka Hialeah Flea Market–** This is the second and third phase of 72-acre site was acquired summer 2018 by the Gramercy Property Trust Group for $80 Million. Gramercy Property Trust was recently acquired by Blackstone, an industrial property real estate company. PCD staff met with the owners to discuss the Flea Market site [44 acres]. The Flea market is in the process of being relocated to a nearby indoor warehouse facility GPT proposed to build six [6] Class A warehouses with showroom retail space facing NW 42nd Avenue. The retail/warehouses development will total approximately 749,000 sf.

- **Cube Self Storage Facility**– 14301 NW 27th Avenue. This project is a 4-story 75,000 sf self-storage facility to accommodate 1200 storage units and required parking. This item was presented to PZAB on February 9th and City Commission in April 2023 and approved. The project is in permitting. The site is under construction for development. Properties were recently approved for replating of the self-storage site. Construction begins January 2025 and is expected to be completed by Summer or Fall 2026.

- **Opa-locka Travel Center Florida Industrial Properties 6** – 3325 NW 135th Street - After more than 7 years of delays, the plans for this project have finally completed their review at Miami-Dade County and have been submitted for final permitting at the City of Opa-locka. The [interim] truck parking activity shall cease operation at this location sometime in 2021. Construction commenced in fall of 2025.

Challenges for 2025-2026

There is still great interest in development in Opa-locka and building is still on the rise. The City needs development to stabilize the tax base, but the infrastructure issues make development opportunities in Opa-locka an economic challenge for investors and the development community. The Affordable Housing Initiative needs to reflect the quality of life for today's family. This will be key to the growth and redevelopment of the City of Opa-locka.

From the water we drink to the way we travel to work, to school and just running errands, infrastructure touches every aspect of human life. It has the power to change the natural environment for good or for ill. As the population of the City of Opa-locka increases, residents would demand more services and the need for infrastructure becomes more pressing. Meanwhile, increasingly severe weather events like the seasonal hurricane season here in South Florida and the rising sea level pose direct threat to infrastructure and the critical services they provide, and with lack of precise knowledge about the future of climate change, making long term planning increasingly difficult.

The following initiatives are underway to address these challenges:

- Stantec is finalizing the re-evaluation of the Impact Fee Study and Fee schedule with the administrative process for deferral or waiver requirements for new development and/or addition/expensing projects being considered in the City of Opa-locka.

- Effort and funding are being budgeted/provided to support the preservation of existing designated historic properties, potential/proposed historic properties along with minimal rehab/repairs assistance for homestead property owners.

- The Miami-Dade County Rapid Transit Zone [RTZ] was created in 2021 to promote development opportunities along the rapid transit line of the County. In 2023, the zone was expanded to include the smart line for transit modes including TriRail and Brightline along the railroad ROW. This ordinance assumes total jurisdiction over all aspects of development and building permits to be addressed by Miami-Dade County. One project has been identified in Opa-locka to be reviewed by Miami-Dade County. There are concerns for the County seeking to assume total jurisdiction of the permitting and review process for this project to be approved for development. There is pending legal action being pursued by other local municipalities. Opa-locka will monitor this and determine if our CAO should pursue our own legal action on behalf of the City.

- While there are no anticipated changes in the utility rates and City millage rates continue to be reduced, the cost of living continues to increase with property taxes still on a slight incline annually. For the fiscal year 2025, the millage rate was 9.1630, compared with 8.9797 for fiscal year 2026.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Opa-locka's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Sha'mecca Lawson, City Manager, 780 Fisherman Street, Fourth Floor, City of Opa-locka, Florida 33054. A copy of this report will also be available through the City's website.

BASIC FINANCIAL STATEMENTS

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	$ 9,948,724	$ 3,471,772	$ 13,420,496
Accounts receivable, net	1,348,628	1,511,472	2,860,100
Leases receivable	554,046	-	554,046
Internal balances	1,294,959	(1,294,959)	-
Due from other governments	946,642	-	946,642
Restricted cash	11,670,390	8,621,042	20,291,432
Total current assets	25,763,389	12,309,327	38,072,716
Non-Current assets:			
Capital assets, non-depreciable	11,665,958	4,996,072	16,662,030
Capital assets, net of accumulated depreciation/ amortization	35,483,838	19,309,571	54,793,409
Total non-current assets	47,149,796	24,305,643	71,455,439
Total assets	72,913,185	36,614,970	109,528,155
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions (See Note 11)	4,868,530	354,093	5,222,623
Deferred outflows related to OPEB (See Note 14)	25,257	1,901	27,158
Total deferred outflows of resources	4,893,787	355,994	5,249,781
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	77,806,972	36,970,964	114,777,936
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,083,667	1,325,968	4,409,635
Due to other governments	2,715,876	29,565	2,745,441
Customer deposits	49,837	3,552,851	3,602,688
Unearned revenue	4,474,358	-	4,474,358
Total current liabilities	10,323,738	4,908,384	15,232,122
Non-current liabilities:			
Due within one year:			
Compensated absences	1,201,891	67,622	1,269,513
Leases payable	541,477	146,629	688,106
Debt related to capital acquisitions	610,680	374,041	984,721
Due in more than one year:			
Compensated absences	2,232,083	125,582	2,357,665
Contingencies - legal	316,000	-	316,000
Total OPEB liability (See Note 14)	215,076	16,189	231,265
Leases payable	853,194	166,310	1,019,504
Debt related to capital acquisitions	-	2,182,539	2,182,539
Net pension liability (See Note 11)	11,498,522	836,301	12,334,823
Total non-currrent liabilities	17,468,923	3,915,213	21,384,136
Total liabilitites	27,792,661	8,823,597	36,616,258
DEFERRED INFLOWS OF RESOURCES			
Leases	543,625	-	543,625
Deferred inflows related to pensions (See Note 11)	3,597,277	261,634	3,858,911
Deferred inflows related to OPEB (See Note 14)	159,463	12,002	171,465
Total deferred inflows of resources	4,300,365	273,636	4,574,001
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	32,093,026	9,097,233	41,190,259
NET POSITION			
Net investment in capital assets	46,488,074	21,307,344	67,795,418
Restricted for:			
CRA	736,052	-	736,052
Public safety	235,222	-	235,222
Debt service	5,203,262	-	5,203,262
Transportation projects	5,173,289	-	5,173,289
Building enforcement	3,103,667	-	3,103,667
Impact fees	230,458	306,115	536,573
Unrestricted	(15,456,078)	6,260,272	(9,195,806)
Total net position	$ 45,713,946	$ 27,873,731	$ 73,587,677

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position - Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 19,787,547	$ 2,281,735	$ 3,710,701	$ 44,799	$ (13,750,312)	$ -	$ (13,750,312)
Public safety	10,790,851	3,552,939	107,450	319,355	(6,811,107)	-	(6,811,107)
Transportation	315,958	-	-	4,813,784	4,497,826	-	4,497,826
Culture and recreation	546,618	69,483	-	-	(477,135)	-	(477,135)
Interest on long-term debt	208,506	-	-	-	(208,506)	-	(208,506)
Total governmental activities	31,649,480	5,904,157	3,818,151	5,177,938	(16,749,234)	-	(16,749,234)
Business-type activities:							
Water and sewer	9,411,533	9,557,978	-	-	-	146,445	146,445
Stormwater	957,309	2,621,641	-	-	-	1,664,332	1,664,332
Solid Waste	18,938	-	-	-	-	(18,938)	(18,938)
Total business-type activities	10,387,780	12,179,619	-	-	-	1,791,839	1,791,839
Total	$ 42,037,260	$ 18,083,776	$ 3,818,151	$ 5,177,938	(16,749,234)	1,791,839	(14,957,395)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Property taxes	17,494,711	-	17,494,711
Franchise fees	2,645,526	-	2,645,526
Utility taxes	1,965,948	-	1,965,948
Communication services tax	625,381	-	625,381
Local option, use and fuel taxes	314,395	-	314,395
Local business tax	358,972	-	358,972
Intergovernmental, unrestricted	2,532,055	-	2,532,055
Unrestricted interest earnings	547,305	240,618	787,923
Other	113,692	20,444	134,136
Transfers	302,466	(302,466)	-
Total general revenues and transfers	26,900,451	(41,404)	26,859,047
Change in net position	10,151,217	1,750,435	11,901,652
Net position beginning, as previously reported	36,742,331	26,239,090	62,981,421
Restatement (Note 17)	(1,179,602)	(115,794)	(1,295,396)
Net position beginning, as restated	35,562,729	26,123,296	61,686,025
Net position, ending	$ 45,713,946	$ 27,873,731	$ 73,587,677

See notes to basic financial statements

CITY OF OPA-LOCKA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	American Rescue Plan Act Fund	Capital Projects Improvement Debt Service	People's Transportation Tax Fund	Community Redevelopment Agency	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash	$ 3,344,783	$ -	$ -	$ 5,169,973	$ 983,268	$ 450,700	$ 9,948,724
Accounts receivable, net	1,099,071	-	-	-	-	249,557	1,348,628
Leases receivable	468,284	-	-	-	85,762	-	554,046
Due from other governments	-	-	569,402	377,240	-	-	946,642
Due from other funds	7,596,032	-	-	-	3,500	343,382	7,942,914
Restricted cash	264,906	6,624,176	4,781,308	-	-	-	11,670,390
TOTAL ASSETS	$ 12,773,076	$ 6,624,176	$ 5,350,710	$ 5,547,213	$ 1,072,530	$ 1,043,639	$ 32,411,344
LIABILITIES							
Accounts payable and accrued liabilities	$ 1,897,028	$ -	$ -	$ 90,869	$ 236,863	$ 838,092	$ 3,062,852
Due to other funds	4,198,705	2,011,253	147,448	171,777	15,105	103,665	6,647,953
Due to other governments	2,713,126	2,750	-	-	-	-	2,715,876
Customer deposits	49,837	-	-	-	-	-	49,837
Unearned revenue	-	4,474,358	-	-	-	-	4,474,358
TOTAL LIABILITIES	8,858,696	6,488,361	147,448	262,646	251,968	941,757	16,950,876
DEFERRED INFLOWS OF RESOURCES							
Leases	459,115	-	-	-	84,510	-	543,625
Unavailable revenue	79,969	-	-	111,278	-	-	191,247
TOTAL DEFERRED INFLOWS OF RESOURCES	539,084	-	-	111,278	84,510	-	734,872
FUND BALANCES							
Restricted:							
CRA	-	-	-	-	736,052	-	736,052
Public safety	-	135,815	-	-	-	99,407	235,222
Debt service	-	-	5,203,262	-	-	-	5,203,262
Transportation projects	-	-	-	5,173,289	-	-	5,173,289
Building enforcement	3,103,667	-	-	-	-	-	3,103,667
Impact fees	230,458	-	-	-	-	-	230,458
Capital improvements	41,171	-	-	-	-	2,475	43,646
Total fund balances	3,375,296	135,815	5,203,262	5,173,289	736,052	101,882	14,725,596
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 12,773,076	$ 6,624,176	$ 5,350,710	$ 5,547,213	$ 1,072,530	$ 1,043,639	$ 32,411,344

CITY OF OPA-LOCKA, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total governmental fund balances (page 24)		$ 14,725,596
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,149,796
Long-term liabilities are not due and payable in the current period and therfore are not reported in the governmental funds.		
Bonds, notes, and leases	(2,005,351)	
Net pension liability	(11,498,522)	
Compensated absences	(3,433,974)	
Total OPEB liability	(215,076)	
Contingencies - legal	(316,000)	
Accrued interest payable	(20,817)	
Net adjustment		(17,489,740)
Net deferred outflows(inflows) for pensions, OPEB and leases which are not recognized under the modified accrual basis of accounting.		1,137,047
Some receivables are not available to pay for current-period expenditures and, therefore are reported as unavailable revenue in the funds. They are, however, recognized in the governmental activities.		191,247
Net position of governmental activities (page 22)		$ 45,713,946

See notes to basic financial statements

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	American Rescue Plan Act Fund	Capital Projects Improvement Debt Service	People's Transportation Tax Fund	Community Redevelopment Agency	*Formerly Major Fund* Safe Neighborhood Capital Improvement Fund	Other Non-major Governmental Funds	Total Governmental Funds
Revenues:								
Property taxes	$ 14,822,077	$ -	$ -	$ -	$ 2,672,634	$ -	$ -	$ 17,494,711
Franchise fees	2,645,526	-	-	-	-	-	-	2,645,526
Utility taxes	57,820	-	1,908,128	-	-	-	-	1,965,948
Communication service taxes	-	-	625,381	-	-	-	-	625,381
Local option, use and fuel taxes	-	-	1,689,298	-	-	-	314,395	2,003,693
Local business taxes	358,972	-	-	-	-	-	-	358,972
Permits and fees	1,596,798	-	-	-	-	-	-	1,596,798
Intergovernmental revenue	205,145	3,021,816	695,113	5,615,408	-	-	370,071	9,907,553
Grants	71,021	-	-	-	-	-	-	71,021
Charges for services	2,194,601	-	-	-	6,911	-	-	2,201,512
Fines and forfeitures	2,074,732	-	-	-	-	-	-	2,074,732
Interest	236,263	34,014	121,028	-	147,611	-	8,389	547,305
Other	26,220	-	-	-	-	-	-	26,220
Total revenues	24,289,175	3,055,830	5,038,948	5,615,408	2,827,156	-	692,855	41,519,372
Expenditures:								
Current operating:								
General government	11,398,642	133,634	16	-	1,624,492	-	-	13,156,784
Public safety	9,835,462	-	-	-	-	-	117,134	9,952,596
Transportation	2,913,229	-	-	343,650	-	-	88	3,256,967
Culture and recreation	1,173,861	-	-	-	-	-	-	1,173,861
Capital outlay	3,236,667	1,034,364	-	155,000	4,749,853	-	2,722,601	11,898,485
Debt service:								
Principal	409,468	-	4,111,213	-	-	-	82,079	4,602,760
Interest and other fiscal charges	68,646	-	143,161	-	-	-	29,511	241,318
Total expenditures	29,035,975	1,167,998	4,254,390	498,650	6,374,345	-	2,951,413	44,282,771
Excess (deficiency) of revenues over expenditures	(4,746,800)	1,887,832	784,558	5,116,758	(3,547,189)	-	(2,258,558)	(2,763,399)
Other financing sources (uses)								
Issuance of debt - leases	378,983	-	-	-	-	-	61,645	440,628
Insurance reimbursements	100,806	-	-	-	-	-	-	100,806
Transfers in	20,556,319	5,010	899,305	4,635,649	-	-	3,880,859	29,977,142
Transfers out	(21,553,122)	(1,862,451)	(2,002,978)	(1,444,847)	(825,819)	-	(1,985,459)	(29,674,676)
Total other financing sources (uses)	(517,014)	(1,857,441)	(1,103,673)	3,190,802	(825,819)	-	1,957,045	843,900
Net change in fund balances	(5,263,814)	30,391	(319,115)	8,307,560	(4,373,008)	-	(301,513)	(1,919,499)
Fund balances, beginning	8,639,110	105,424	5,522,377	-	-	(16,474)	2,394,658	16,645,095
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	16,474	(16,474)	-
Change within financial reporting entity (nonmajor to major fund)	-	-	-	(3,134,271)	5,109,060	-	(1,974,789)	-
Fund balances, beginning - as restated	8,639,110	105,424	5,522,377	(3,134,271)	5,109,060	-	403,395	16,645,095
Fund balances, ending	$ 3,375,296	$ 135,815	$ 5,203,262	$ 5,173,289	$ 736,052	$ -	$ 101,882	$ 14,725,596

See notes to basic financial statements

CITY OF OPA-LOCKA, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds (page 26)		$ (1,919,499)
Amounts reported for governmental activites in the Government-wide Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while the Statement of Activities reports depreciation/amortization expense on capital assets. This is the amount by which capital outlays exceeded depreciation in the current period. The details of the difference are as follows:		
Capital outlay	11,898,485	
Depreciation/amortization expense	(2,122,906)	
Net adjustment		9,775,579
The net effect of miscellaneous transactions related to capital assets:		
Capital outlays not meeting threshold for capitalization	(943,045)	
Disposal of capital assets	(249,628)	
Net adjustment		(1,192,673)
The issuance of long-term debt provides current financial resources to governmental funds. Repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of the difference (excluding the internal service fund) are as follows:		
Issuance of debt - leases	(440,628)	
Principal payments	4,602,760	
Net adjustment		4,162,132
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Changes in:		
Compensated absences	(824,433)	
Change in accrued legal settlement	(316,000)	
Deferred inflows and outflows relating to pensions, and the net pension liability	578,264	
Deferred inflows and outflows relating to OPEB, and the OPEB liability	9,793	
Net adjustment		(552,376)
Revenue collected outside of the period of availability is not available to pay for current period expenditures. However, it is available to pay long term obligations of the City.		(121,946)
Change in net position of governmental activities (page 23)		$ 10,151,217

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-type Activities			
	Enterprise Funds			
	Major Funds			
	Water and Sewer Fund	Stormwater Fund	Non-Major Solid Waste Fund	Total
ASSETS				
Current assets:				
Cash	$ 1,549,392	$ 1,858,541	$ 63,839	$ 3,471,772
Accounts receivable, net	1,441,299	70,173	-	1,511,472
Due from other funds	339,146	10,021	-	349,167
Restricted cash	3,716,414	4,904,628	-	8,621,042
Total current assets	7,046,251	6,843,363	63,839	13,953,453
Non-current assets				
Capital assets, non-depreciable	4,674,370	321,702	-	4,996,072
Capital assets, net of accumulated depreciation/ amortization	18,825,829	483,742	-	19,309,571
Total non-current assets	23,500,199	805,444	-	24,305,643
Total assets	30,546,450	7,648,807	63,839	38,259,096
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	273,665	80,428	-	354,093
Deferred outflows related to OPEB	1,358	543	-	1,901
Total deferred outflows of resources	275,023	80,971	-	355,994
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	30,821,473	7,729,778	63,839	38,615,090
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,154,002	171,966	-	1,325,968
Due to other funds	662,843	981,285	-	1,644,128
Due to other governments	29,563	-	-	29,563
Customer deposits	3,489,012	-	63,839	3,552,851
Total current liabilities	5,335,420	1,153,251	63,839	6,552,510
Non-current liabilities:				
Due within one year:				
Compensated absences	41,375	26,247	-	67,622
Leases payable	29,383	117,246	-	146,629
Debt related to capital acquisitions	374,041	-	-	374,041
Due in more than one year:				
Compensated absences	76,838	48,744	-	125,582
Total OPEB liability	11,564	4,625	-	16,189
Leases payable	42,329	123,981	-	166,310
Debt related to capital acquisitions	2,182,539	-	-	2,182,539
Net pension liability (See Note 10)	646,345	189,956	-	836,301
Total non-current liabilities	3,404,414	510,799	-	3,915,213
Total liabilities	8,739,834	1,664,050	63,839	10,467,723
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	202,207	59,427	-	261,634
Deferred inflows related to OPEB	8,573	3,429	-	12,002
Total deferred inflows of resources	210,780	62,856	-	273,636
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,950,614	1,726,906	63,839	10,741,359
NET POSITION				
Net investment in capital assets	20,800,591	506,753	-	21,307,344
Restricted:				
Impact fees	306,115	-	-	306,115
Unrestricted	764,153	5,496,119	-	6,260,272
Total net position	$ 21,870,859	$ 6,002,872	$ -	$ 27,873,731

See notes to basic financial statements

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities			
	Enterprise Funds			
	Major Funds			
	Water and Sewer Fund	Stormwater Fund	Non-Major Solid Waste Fund	Total
Operating revenues:				
Charges for services	$ 9,557,978	$ 2,621,641	$ -	$ 12,179,619
Other	20,444	-	-	20,444
Total operating revenues	9,578,422	2,621,641	-	12,200,063
Operating expenses:				
Operating, administrative and maintenance	8,417,157	768,773	-	9,185,930
Depreciation/amortization	941,688	169,647	-	1,111,335
Total operating expenses	9,358,845	938,420	-	10,297,265
Operating income	219,577	1,683,221	-	1,902,798
Non-operating revenue (expense):				
Interest income	99,792	140,826	-	240,618
Debt service interest	(52,688)	(18,889)	-	(71,577)
Loss on disposal of capital assets	-	-	(18,938)	(18,938)
Total non-operating revenue (expense)	47,104	121,937	(18,938)	150,103
Income (loss) before transfers	266,681	1,805,158	(18,938)	2,052,901
Transfers in	8,865,472	2,157,127	1,713,212	12,735,811
Transfers out	(7,882,999)	(3,465,164)	(1,690,114)	(13,038,277)
Change in net position	1,249,154	497,121	4,160	1,750,435
Net position, beginning	20,692,823	5,550,427	(4,160)	26,239,090
Restatement (see Note 17)	(71,118)	(44,676)	-	(115,794)
Net position, beginning - as restated	20,621,705	5,505,751	(4,160)	26,123,296
Net position, ending	$ 21,870,859	$ 6,002,872	$ -	$ 27,873,731

CITY OF OPA-LOCKA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities			
	Enterprise Funds			
	Major Funds			
	Water and Sewer Fund	Stormwater Fund	Non-Major Solid Waste	Total Enterprise Funds
Cash flows from operating activities:				
Cash received (paid) from (to) customers and users	$ 9,353,222	$ 2,612,272	$ (105)	$ 11,965,389
Cash paid to vendors and suppliers	(5,307,032)	(522,932)	-	(5,829,964)
Cash paid to employees	(3,812,283)	(254,193)	-	(4,066,476)
Net cash provided by (used in) operating activities	233,907	1,835,147	(105)	2,068,949
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(20,988)	-	-	(20,988)
Proceeds from disposition of capital assets	-	126,558	-	126,558
Leases payable	(27,165)	(237,775)	-	(264,940)
Principal paid on long-term debt	(1,435,125)	-	-	(1,435,125)
Interest paid on long-term debt	(52,688)	(18,889)	-	(71,577)
Net cash used in capital and related financing activities	(1,535,966)	(130,106)	-	(1,666,072)
Cash flows from noncapital financing activities:				
Due to (from) other funds	(489,702)	819,002	-	329,300
Advances to (from) other funds	(5,024,504)	(987,071)	(23,098)	(6,034,673)
Transfers from other funds	8,865,472	2,157,127	1,713,212	12,735,811
Transfers to other funds	(7,882,999)	(3,465,164)	(1,690,114)	(13,038,277)
Net cash provided by (used in) capital and related financing activities	(4,531,733)	(1,476,106)	-	(6,007,839)
Cash flows from investing activities:				
Investment income	99,792	140,826	-	240,618
Net cash provided by investing activities	99,792	140,826	-	240,618
Net increase (decrease) in cash	(5,734,000)	369,761	(105)	(5,364,344)
Cash, beginning	10,999,806	6,393,408	63,944	17,457,158
Cash, ending	$ 5,265,806	$ 6,763,169	$ 63,839	$ 12,092,814
Cash per statement of net position:				
Unrestricted	$ 1,549,392	$ 1,858,541	$ 63,839	$ 3,471,772
Restricted	3,716,414	4,904,628	-	8,621,042
Total	$ 5,265,806	$ 6,763,169	$ 63,839	$ 12,092,814
Reconcilitation of operating income to net cash provided by (used in) operating activities:				
Operating income	$ 219,577	$ 1,683,221	$ -	$ 1,902,798
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation/amortization expense	941,688	169,647	-	1,111,335
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	(238,899)	(9,369)	-	(248,268)
Deferred outflows of resources	87,388	(8,488)	-	78,900
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	293,362	(64,386)	-	228,976
Due to other governments	31,795	-	-	31,795
Compensated absences	(27,119)	(1,660)	-	(28,779)
Contingencies	(1,000,000)	-	-	(1,000,000)
Customer deposits	13,699	-	(105)	13,594
Deferred inflows of resources	114,560	43,612	-	158,172
OPEB and pensions	(202,144)	22,570	-	(179,574)
Total adjustments	14,330	151,926	(105)	166,151
Net cash provided by (used in) operating activities	$ 233,907	$ 1,835,147	$ (105)	$ 2,068,949
Noncash investing and financing activities:				
Issuance of debt - leases	$ 32,807	$ 479,002	$ -	$ 511,809

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Opa-Locka, Florida (the "City") in Miami-Dade County, Florida (the "County") was incorporated in 1926 by the Laws of Florida Chapter 13187. The City comprises approximately 4.5 square miles of land, operates under a Commission/City Manager form of government, and provides municipal services to its residents, including general government, public safety, transportation, and parks and recreation. The City also operates water, sewer, and stormwater enterprises. Solid waste management services are provided by Miami-Dade County directly and assessed separately on the property tax bill.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

A. Reporting Entity

The financial reporting entity covered by this report includes the City and its component unit. The accompanying financial statements include those of the City (the primary government) and those of its component unit. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government. The component unit listed below has been included in the City's reporting entity as a blended component unit.

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. The financial balances and activities of the blended component unit are as of and for the fiscal year ended September 30, 2025.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described and whose government body is the same, or substantially the same and 1) there is a financial benefit or burden relationship between the primary government and the component unit or 2) management below the level of the governing board of the primary government has operational responsibility for a component unit.

The Opa-Locka Community Redevelopment Agency ("CRA") is a dependent special district established by the City Commission in fiscal year 2011 and approved by Miami-Dade County in fiscal year 2013 under the authority granted by Florida Statute 163, section III. The CRA is a legal entity governed by a seven-member board appointed by the City Commission, the Miami-Dade County, District One Commissioner, and the Office of the Governor. The Board currently is comprised of the Mayor, Vice-mayor, three City Commissioners, and an appointee from the Miami-Dade County Commissioner and the Florida Governor's Office. Its sole purpose is to finance the City's designed redevelopment areas through Tax Increment Financing (TIF). The CRA can provide assistance for redevelopment within the CRA area.

The CRA continued to operate in a limited-active phase based on limited tax increment funds produced by ad valorem taxes. For the fiscal year ended September 2025, there was $2.8 million in revenues. The CRA's financial data is presented within the City's major governmental funds. A set of financial statements are also issued separately for the CRA.

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 statement of activities) report information on all the activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for service.

The statement of net position presents the financial position of the City. This statement is required to present all financial and capital resources using an economic resources measurement focus and the accrual basis of accounting. GASB Statement 34, as amended by GASB Statement 63, encourages the use of a net position format (which subtracts liabilities plus deferred inflows of resources from assets plus deferred outflows of resources to reflect the net position), rather than the standard balance sheet format (which presents a total for assets plus deferred outflows of resources equal to a total of liabilities plus deferred inflows of resources and net position). However, either presentation is acceptable.

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. Amounts reported as *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 particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds, respectively.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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 considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period, with the exception of expenditure driven (reimbursements) grants, for which the availability period is one year.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long- term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The financial transactions of the City are recorded in individual funds. The operations of each fund are accounted for using a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities, revenue and expenditure or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Accounting principles generally accepted in the United States of America set forth minimum criteria for determination of major funds based on the percentage of the applicable category balances. The non-major funds are presented in one column in the respective fund financial statements.

The City reports the following major governmental funds:

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

The **American Rescue Plan Act Fund** is used to account for restricted funds received by the Federal Government and spent in accordance with applicable laws and guidelines.

The **Capital Improvement Debt Service Fund** is used to account for the Series 2011 A & B Capital Improvement Revenue Bonds and the 2015 A & B Capital Improvement Revenue Bonds.

The **People's Transportation Tax Fund** is used to operate a community bus service and to maintain and improve the City's roadway system using funds provided by the County Citizen's Independent Transportation Trust ("CITT").

The **CRA Fund** is used to finance the City's designed redevelopment areas through Tax Increment Financing ("TIF"). The CRA can provide assistance for redevelopment within the CRA area.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** is used to account for the operation and maintenance of the City's water and sewer system.

The **Stormwater Fund** is used to account for the operation and maintenance of the City's stormwater system.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and other charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, stormwater, and solid waste enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

1. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General and Capital Projects Funds. Encumbrances outstanding at the balance sheet date are canceled.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

2. Deposits and Investments

The City considers cash on hand, cash with fiscal agents, demand deposits, and certificates of deposit with and original maturity of (90) ninety days or less to be cash.

For purposes of the statement of cash flows for proprietary fund types of fund; all highly liquid investments (including restricted assets) with maturity of three months or less when purchased are considered to be cash equivalents. The City does not have any cash equivalents or investments as of September 30, 2025.

3. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The City calculates its allowance for uncollectible receivables using historical collection data, specific account analysis, and management's judgment. Receivable balances for the governmental activities include franchise fees, utility taxes, Town Center rent, and amounts due from other governments. Business-type activities report utility billings as receivables.

4. Restricted Assets

Restricted assets include cash of the governmental and enterprise funds that is legally restricted as to its use. Cash is restricted for debt service, customers' deposits, revenue bond requirement, escrow for future property purchases, and sewer system improvements.

5. Capital Assets

Capital assets, including land, buildings, improvements, infrastructure, and equipment assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is expensed accordingly.

Buildings, improvements, infrastructure, and equipment assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Building Improvements	10-50
Infrastructure Systems	30
Equipment	3-10
Vehicles	3-10

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

6. Leases (Right-of-use Assets)

The leases (right-of-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right of use assets) are amortized on a straight-line basis over the life of the related lease agreement.

7. Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as “due to/from other funds” or “advances to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Normally, non-current portions of long-term interfund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance non-spendable account which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

Transactions that constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds’ operating statements as transfers in and out.

8. Deferred Outflows of Resources

The statement of net position includes a separate section, listed below Total Assets, for Deferred Outflows of Resources. This represents the consumption of net assets applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Items in this category include deferred items related to pensions and OPEB on the Government-wide Statement of Net Position.

9. Deferred Inflows of Resources

The Statement of Net Position includes a separate section, listed below Total Liabilities, for Deferred Inflows of Resources. This represents the consumption of net assets applicable to future periods and will not be recognized as revenue until the future period to which it applies. In the governmental funds, this category may include unavailable revenue, whereas in the government-wide and the proprietary fund statements unavailable revenue is recognized for the current period. It includes resources related to pensions, OPEB and leases, which will be recognized as inflows of resources in the period that the amounts become available.

10. Unearned Revenue

Unearned revenue is recorded for governmental fund receipts that are measurable and available, but have not met the criteria for revenue recognition, such as donations or grants received for specific projects as well as monies received in advance of services yet to be rendered. These are recorded as unearned revenue in the government-wide and fund statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

11. Compensated Absences

It is the City's policy to permit employees to accumulate, with certain limits, earned but unused vacation time and sick leave hours for subsequent use or for payment upon termination, death, or retirement. For government-wide statements and proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave that is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations. In accordance with GASB Statement No. 101, *Compensated Absences*, the City recognizes a liability for compensated absences for leave that is attributable to services already rendered.

12. Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable premium or discount. These premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the fiscal year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, where applicable, during the current period. The face amount of debt issued is reported as other financing sources. Payments on debt are recorded as reductions of the debt. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expenditure in the period incurred. Prepaid insurance costs are reported as an asset and recognized as an expenditure over the duration of the related debt.

13. Net Position and Fund Balance

Net position in the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets plus unspent bond proceeds.

Restricted balances consist of net position with constraints placed on their use by external parties (creditors, grantors, contributors, laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted balances indicate the portion of net position that is available to fund future operations.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

13. Net Position and Fund Balance (Continued)

Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Commission 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 is the residual classification only for the general fund. It is also used to report negative/deficit fund balance in other governmental funds.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City 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 constraints placed on the use of resources by (a) creditors, grantors, contributors, laws, or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted.

E. 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 reported in the financial statements and accompanying notes. Actual results may differ.

F. Implementation of New Accounting Principles

During the fiscal year ended September 30, 2025, the City implemented GASB No. 101, *Compensated Absences*. GASB No. 101 updates the recognition and measurement guidance for compensated absences by requiring that liabilities for leave be recognized for leave that has not been used and for which the government has an obligation to pay employees. The Statement also establishes guidance for measuring the liability using the pay rates in effect as of the financial statement date and requires that certain salary-related payments associated with the payment of compensated absences be included in the measurement of the liability.

The implementation was determined to constitute a change in accounting principle. Accordingly, beginning net position was restated to reflect the cumulative effect of applying the provisions of GASB Statement No. 101. Refer to Note 17.

During the fiscal year ended September 30, 2025, the City implemented GASB No. 102, *Certain Risk Disclosures*. The implementation of GASB No. 102 did not have a significant impact on the City's financial statements.

NOTE 2 – PROPERTY TAXES

Property taxes are levied on the first of November each year, at which time taxes become an enforceable lien on property assessed as of the previous January. Tax bills are payable upon receipt with discount rates of one to four percent allowed if paid prior to March 1 of the following calendar year. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest- bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. Miami-Dade County bills and collects all property taxes for the City and sells tax certificates for delinquent taxes.

NOTE 2 – PROPERTY TAXES (CONTINUED)

The City's gross taxable property value as of January 1, 2024, as provided by the Miami-Dade Property Appraiser, was approximately $1.9 billion. For the fiscal year of October 1, 2024 to September 30, 2025, the City Commission adopted a millage rate of $9.16 per $1,000 of taxable value, which resulted in approximately $17.5 million of property tax revenue, of which $1,774,382 was provided to the Opa-Locka Community Redevelopment Agency (CRA) as Tax Increment Financing (TIF) revenue, while Miami-Dade County provided an additional $898,252 to the CRA.

No accrual for the property tax levy becoming due in November 2024 is included in the accompanying financial statements since the legal right to receive these taxes occurs on November 1, 2024, and such taxes are collected to finance expenditures of the fiscal year ended September 30, 2025.

NOTE 3 – DEPOSITS AND INVESTMENTS

As of September 30, 2025, the City's cash is considered to be cash on hand and demand deposits.

Deposits

All deposits with financial institutions are fully insured or collateralized as required by the City Commission. The deposits are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposits Act ("the Act"). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. Therefore, all deposits are insured or collateralized.

Investments

The City's investment policy follows the requirements of Florida Statutes Chapter 218.415, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. The City's investment policy authorizes investments in direct obligations of the U.S. Government, U.S. government agencies, or federal instrumentalities. The City is also authorized to invest in SEC registered money market mutual funds, insured or fully collateralized deposits, repurchase agreements secured by direct obligations of the U.S. Government, commercial paper, corporate obligations that are fully insured by the FDIC, and authorized intergovernmental investment pools. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

As of September 30, 2025, the City had no investments.

NOTE 4 – ACCOUNTS RECEIVABLE

Receivable balances and the allowance for uncollectible accounts as of September 30, 2025, were as follows:

	Accounts Receivable	Due from Other Governments	Allowance for Uncollectibles	Net
Governmental activities				
General Fund	$ 1,720,214	$ -	$ (621,143)	$ 1,099,071
Capital Projects Improvements Debt Service	-	569,402	-	569,402
People's Transportation Tax Fund	-	377,240	-	377,240
Non-major governmental funds	249,557	176,499	(176,499)	249,557
Total governmental activities	$ 1,969,771	$ 1,123,141	$ (797,642)	$ 2,295,270
Business-type activities				
Water and sewer	$ 5,508,187	$ 5,632,348	$ (9,699,236)	$ 1,441,299
Stormwater	1,198,650	113,792	(1,242,269)	70,173
Total business-type activities	$ 6,706,837	$ 5,746,140	$ (10,941,505)	$ 1,511,472

As of September 30, 2025, the allowance for uncollectible accounts was $797,642 for governmental activities, while the allowance for uncollectible accounts was $10,941,505 for the business-type activities. An allowance for uncollectible accounts is a contra account that nets against the total receivables presented on the statement of net position/balance sheet to reflect only the amounts expected to be paid and estimated accounts receivable that are expected to be uncollectible.

NOTE 5 – LEASES RECEIVABLE

City as Lessor

The City leases office space to a Kindergarten through 12th grade school located at the 780 Fisherman Street building. The date of the most recent lease was August 1, 2025 with an expiration date of July 31, 2027. The agreements allow for a 3.0% annual increase to the lease payments on the anniversary of the agreement. During the fiscal year, the City recognized $187,510 in lease revenue and $19,539 in interest income related to these agreements. The activity related to this lease is recorded in the general fund.

The CRA purchased certain property located at 241 Opa-Locka Blvd and continued the lease agreement with the existing tenant. The lease commencement date was June 1, 2025 with an expiration date of October 1, 2027. The agreement allows for a 3.0% increase to the lease payment on October 1, 2026. During the fiscal year, the CRA recognized $14,085 in lease revenue and $1,680 in interest income related to this agreement. The activity related to this lease is recorded in the CRA fund.

A summary of leases receivable and deferred inflows of resources for the fiscal year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Leases receivable				
School of Excellence	$ -	$ 646,625	$ (178,341)	$ 468,284
241 Opa-Locka Blvd	-	98,595	(12,833)	85,762
Total leases receivable	$ -	$ 745,220	$ (191,174)	$ 554,046

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred Inflows				
School of Excellence	$ -	$ 646,625	$ (187,510)	$ 459,115
241 Opa-Locka Blvd	-	98,595	(14,085)	84,510
Total Deferred Inflows	$ -	$ 745,220	$ (201,595)	$ 543,625

NOTE 6 – INTERFUND BALANCES

Total interfund receivables/payables and transfers were as follows as of and for the fiscal year ended September 30, 2025:

	Due from Other Funds	Due to Other Funds	Transfers In	Transfers Out
Major governmental funds				
General Fund	$ 7,596,032	$ 4,198,705	$ 20,556,319	$ 21,553,122
American Rescue Plan Act Fund	-	2,011,253	5,010	1,862,451
Capital Projects Improvement Debt Service Fund	-	147,448	899,305	2,002,978
Community Redevelopment Agency	3,500	15,105	-	825,819
People's Transportation Tax Fund	-	171,777	4,635,649	1,444,847
Non-major governmental funds	343,382	103,665	3,880,859	1,985,459
Major enterprise funds				
Water and sewer	339,146	662,843	8,865,472	7,882,999
Stormwater	10,021	981,285	2,157,127	3,465,164
Non-major enterprise fund	-	-	1,713,212	1,690,114
Total	$ 8,292,081	$ 8,292,081	$ 42,712,953	$ 42,712,953

The balances related to transfers in and out were mostly due to payments on advances between funds.

NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	$ 3,556,009	$ 2,720,165	$ -	$ 6,276,174
Construction in progress	6,488,865	2,803,707	(3,902,788)	5,389,784
Total capital assets not being depreciated/amortized	10,044,874	5,523,872	(3,902,788)	11,665,958
Capital assets being depreciated/amortized				
Buildings and improvements	22,420,262	4,260,547	-	26,680,809
Vehicles, furniture, and equipment	4,493,863	39,173	-	4,533,036
Vehicles and equipment (Right of Use)	2,458,356	457,621	(53,795)	2,862,182
Infrastructure	26,533,782	4,325,061	-	30,858,843
Total capital assets being depreciated/amortized	55,906,263	9,082,402	(53,795)	64,934,870
Less accumulated depreciation/amortization				
Buildings and improvements	(7,113,386)	(538,809)	-	(7,652,195)
Vehicles, furniture, and equipment	(3,950,515)	(144,880)	-	(4,095,395)
Vehicles and equipment (Right of Use)	(1,046,935)	(508,333)	23,311	(1,531,957)
Infrastructure	(15,240,601)	(930,884)	-	(16,171,485)
Total accumulated depreciation/amortization	(27,351,437)	(2,122,906)	23,311	(29,451,032)
Total capital assets being depreciated/amortized, net	28,554,826	6,959,496	(30,484)	35,483,838
Governmental activities capital assets, net	**$ 38,599,700**	**$12,483,368**	**$ (3,933,272)**	**$ 47,149,796**

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated/amortized				
Land	$ 38,762	$ -	$ -	$ 38,762
Construction in progress	4,957,310	-	-	4,957,310
Total capital assets not being depreciated/amortized	4,996,072	-	-	4,996,072
Capital assets being depreciated				
Building and improvements	6,198,269	-	-	6,198,269
Vehicles, furniture, and equipment	7,446,561	-	(254,839)	7,191,722
Vehicles (Right of Use)	79,308	532,797	-	612,105
Infrastructure	21,616,439	-	-	21,616,439
Total capital assets being depreciated/amortized	35,340,577	532,797	(254,839)	35,618,535
Less accumulated depreciation				
Building and improvements	(3,408,017)	(214,943)	-	(3,622,960)
Vehicles, furniture, and equipment	(4,985,831)	(246,161)	109,343	(5,122,649)
Vehicles (Right of Use)	(15,459)	(221,372)	-	(236,831)
Infrastructure	(6,897,665)	(428,859)	-	(7,326,524)
Total accumulated depreciation/amortization	(15,306,972)	(1,111,335)	109,343	(16,308,964)
Total capital assets being depreciated/amortized, net	20,033,605	(578,538)	(145,496)	19,309,571
Business-type activities capital assets, net	**$ 25,029,677**	**$ (578,538)**	**$ (145,496)**	**$ 24,305,643**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to functions/programs of the City as follows:

Governmental Activities:		
General government	$	953,550
Public safety		534,884
Transportation		464,900
Culture and recreation		169,572
Total depreciation/amortization expense - governmental activities	$	2,122,906
Business-type activities:		
Water and sewer	$	941,688
Stormwater		169,647
Total depreciation/amortization expense - business-type activities	$	1,111,335

NOTE 8 – LEASES

Right-of-Use Assets

The City entered into 56 lease agreements as Lessee with various maturities. The lease agreements qualify as other than a short-term lease under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The leases are comprised of vehicles and equipment for public safety, transportation, and water and sewer operations. The lease terms range from 4 to 5 years with interest ranging from 3.47% to 8.65%. The value of the leased assets (right-to-use assets) as of September 30, 2025 is $3,474,287 with accumulated amortization of $1,768,788. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, are as follows:

Fiscal year ending	Governmental Activities		
September 30,	Principal	Interest	Total
2026	$ 541,477	$ 72,790	$ 614,267
2027	447,007	51,941	498,948
2028	334,518	21,871	356,389
2029	59,545	2,716	62,261
2030	44,936	247	45,183
Total	$ 1,427,483	$ 149,565	$ 1,577,048

Fiscal year ending	Business-type Activities		
September 30,	Principal	Interest	Total
2026	$ 146,629	$ 18,538	$ 165,167
2027	153,621	9,410	163,031
2028	10,931	615	11,546
2029	1,758	18	1,776
Total	$ 312,939	$ 28,581	$ 341,520

NOTE 9 – LONG – TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the fiscal year ended September 30, 2025.

		Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:						
Capital Improvement Revenue Bond Series 2011 A&B		$ 1,255,680	$ -	$ (645,000)	$ 610,680	$ 610,680
City National Bank, Series 2015 A&B		3,466,213	-	(3,466,213)	-	-
Enterprise Leases		1,478,402	440,628	(524,359)	1,394,671	541,477
Total		6,200,295	440,628	(4,635,572)	2,005,351	1,152,157
Compensated absences	*	2,609,541	824,433	-	3,433,974	1,201,891
Long Term Liability Legal		-	316,000	-	316,000	-
Governmental activities long-term liabilities		**$ 8,809,836**	**$ 1,581,061**	**$ (4,635,572)**	**$ 5,755,325**	**$ 2,354,048**

		Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:						
State Revolving Loan WW800050		$ 601,029	$ -	$ (196,551)	$ 404,478	$ 200,327
State Revolving Loan SW130320		113,794	-	(8,659)	105,135	8,801
State Revolving Loan WW130300		337,171	-	(25,657)	311,514	26,077
State Revolving Loan WW130301		1,866,409	-	(130,956)	1,735,453	138,836
Total State Revolving Loans		2,918,403	-	(361,823)	2,556,580	374,041
Other debt:						
Enterprise Leases (Right of Use)		66,070	511,809	(264,940)	312,939	146,629
Total Leases		66,070	511,809	(264,940)	312,939	146,629
Compensated absences	*	221,983	-	(28,779)	193,204	67,622
Long-term debt - MDC, Meters		1,073,302	-	(1,073,302)	-	-
Legal Settlement Liability		1,000,000	-	(1,000,000)	-	-
Total Other Long-term Debt		2,295,285	-	(2,102,081)	193,204	67,622
Total Business-type Activities		**$ 5,279,758**	**$ 511,809**	**$ (2,728,844)**	**$ 3,062,723**	**$ 588,292**

* Opening balances were restated due to the implementation of GASB 101.

Definition of Debt for Purposes of Disclosures

For purposes of disclosures in notes to financial statements, debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include leases, except for contracts reported as a financed purchase of the underlying capital leases, or accounts payable. For governmental activities, compensated absences are generally liquidated by the General Fund. Long-term debt of the City's governmental and business-type activities, excluding compensated absences and capital leases, include Series 2011 A & B Capital Improvement Revenue bonds, Series 2015 A & B Capital Improvement Revenue Note, State Revolving Loans ("SRL"), Debt to Miami Dade County and legal liability debt. Compensated absences activity is presented net of increases and decreases.

NOTE 9 – LONG – TERM OBLIGATIONS (CONTINUED)

Long-Term Debt – Governmental Activities

Series 2011 A & B Capital Improvement Revenue Bond

The Series 2011 A & B bear an annual interest rate ranging from approximately 3.31% to 3.89%. The Series are payable from a pledge of Grantee Entitlement Revenues which must be shared by the State of Florida, in annual principal installments ranging from $564,000 in 2021 to $670,000 through 2026. The bond ordinance for Series 2011 A & B stipulates that the Bonds and the obligations evidenced within it shall not constitute a lien upon property of or in the City but shall constitute a lien only on the Pledged Funds.

With a balance of $610,680, the Capital Improvement Revenue Bond Series 2011 A & B are secured by collateral of Pledged Guaranteed Entitlement Revenues, (State Revenue Sharing proceeds) and its Half Cent Sales Tax Revenues under the Bond Ordinance (collectively, the “Pledged Funds”), all in the manner and only to the extent provided in the Bond Ordinance. The City is not obligated to pay this Bond or interest thereon except from the Pledged Funds pledged thereto, and the full faith and credit of the City are not pledged for the payment of this Bond.

Series 2015 A & B Capital Improvement Revenue Note (“2015 Note”)

For an initial amount of $8.6 million, the 2015 Note bear interest at a rate of 2.65% to 4.25%, with a maturity date of June 1, 2025, and are payable by a lien on Pledged Revenues as defined by the terms of the Series 2015 Note agreement. As of September 30, 2025, there is no balance outstanding.

As a result of the City’s financial emergency declaration in prior years, City National Bank restricted the use of excess pledged funds available after debt service payments were made. During FY2020, City National Bank’s restrictions on excess pledged funds, through a modification of the agreement adopted on April 8, 2020, allowed the City to have access and redemption options for the available funds of approximately $5,226,975. These funds were used to pay down a portion of the Series 2015A bond, legal fees and the remaining portion transferred to the general fund for operations after being released from restriction.

The Capital Improvement Revenue Bond Series 2015 A & B are secured by the Tax Revenues Fund established under the 2015 Ordinance. The Finance Director shall ensure deposits of Communications Services Tax Revenues and Public Service Tax Revenues, FPL Utility Taxes, as the same are collected, to the Tax Revenue Fund, in addition to all investment income in the funds and accounts established under the 2015 Ordinance.

Defaults and Remedies – Series 2011 and 2015 Bond Agreements

According to the City’s loan Agreements for Series 2011 and 2015 Bonds an “Event of Default” shall be deemed to have occurred if (among other things): (a) the City fails to make any payment of the principal or interest of the Series 2011 or 2015 Bonds when it is due and payable, or (b) the City fails to comply with the provisions of the agreement or failure in the performance or observance of any other covenants, conditions, agreements and provisions contained in the Series 2011 and 2015 or actions required by the agreement and such failure shall continue for a period of 60 days after written notice thereof to the local borrower (the city), by the Department of Environmental Protection (“Department”), (d) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the local borrower under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the local borrower, is not dismissed within 60 days after filing, (d) the city fails to reimburse a Credit Bank following a drawing for the payment of interest on Obligations, (e) Any warranty, material representation or other statement by, or on behalf of, the local borrower contained in the agreement or in any document, certificate or information furnished in compliance with, or in reference to, the agreement, is false or misleading. Upon occurring of any of these events the Lender may proceed to protect and enforce its rights under the laws of the State of Florida and under the agreement.

NOTE 9 – LONG – TERM OBLIGATIONS (CONTINUED)

Long-Term Debt – Governmental Activities (Continued)

Acceleration of Maturities – Series 2011 and 2015 Bond Agreements

The Series 2011 and 2015 also contain an Acceleration of Debt Maturities clause that allows the lender by a notice in writing to the City to accelerate payment of the entire principal amount to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable. Monies shall have accumulated in the Debt Service Fund sufficient to pay the principal of all matured Obligations and all arrears of interest upon all the Obligations then Outstanding as legally due, in addition to other related charges as documented by the Holder.

Long-Term Debt – Business Activities

The business-type activities debt consists mostly of SRL that were initiated to fund various capital improvement projects throughout the City, in addition to a local five-year loan agreement with Miami-Dade County (the "County") for the repayment of charges for water and sewer fees and department services.

State Revolving Loans (SRL)

The SRL notes generally should be repaid in 40 semi-annual payments. These loans are secured by a collateral lien on Pledged Revenues as defined by the State Revolving Fund loan agreements.

The 4 SRL had a balance of $2.6 million dollars as of FY2025. The following table details the different SRL Projects:

Project No	Initial Amount ($ million)	Interest Rate (%)	Amounts to be paid semi-annually ($)	Balance September 30, 2025
WW800050	2.38	1.53	$ 69,620	$ 404,478
WW130300	0.51	1.63	15,644	311,514
SW130320	0.2	1.63	5,239	105,135
WW 130301	6.53	0	166,545	1,735,453
			Total	$ 2,556,580

Events of Default – State Revolving Loan Agreements

According to the State Revolving Fund Loan Agreements, the following events are declared an "event of default." (1) Failure to fund the Loan Repayment Reserve Account or to make any Monthly Loan Deposit or to make any installment of the Semiannual Loan Payment when it is due (2) failure to comply with the provisions of the Agreement or failure in the performance or observance of any of the covenants or actions required by the Agreement and such failure shall continue for a period of sixty (60) days after written notice is given to the Local Government "the City" by the Florida Department of Environmental Protection (DEP). (3) Any warranty, representation, or other statement by, or on behalf of the City contained in the Agreement is false or misleading. (4) An order or decree entered appointing a receiver of any part of the Water or Sewer System or Revenues thereof; or if such order or decree, having been entered without the consent or acquiescence of the City, shall not be vacated, or discharged or stayed on appeal within sixty (60) days after the entry thereof. (5) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the City under federal or state bankruptcy or insolvency is not dismissed within 60 days after filing. (6) Failure of the City to give immediate written notice of default to the DEP and such failure shall continue for a period of thirty (30) days.

NOTE 9 – LONG – TERM OBLIGATIONS (CONTINUED)

Long-Term Debt – Business Activities (Continued)

Remedies of Default – State Revolving Loan Agreements

Upon an event of default and subject to the rights of others having prior liens on the Pledged Revenues, the DEP may pursue any available remedy by notifying financial market credit rating agencies, applying to a court of competent jurisdiction action or suit in equity, writ of mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water and Sewer Systems, to require the City to fulfill this Agreement, to require the City to account for all moneys received from the DEP or from the ownership of the Water and Sewer Systems and to account for the receipt, use, application, or disposition of the Pledged Revenues, to appoint a receiver to manage the Water and Sewer systems, to establish and collect fees and charges, and apply the Revenues to the reduction of the obligations under the Loan Agreement, and to require payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

Acceleration Clause – State Revolving Loan Agreement

Per the State Revolving Loan Agreements, acceleration of amounts due upon default of the loan will occur by accelerating the repayment schedule or increasing the interest rate by as much as three percent per annum on the unpaid principal of the Loan for a default under Subsection 6.01(1).

Per the State Revolving Loan Agreements, acceleration of amounts due upon default of the loan will occur by accelerating the repayment schedule or increasing the interest rate by as much as three percent per annum on the unpaid principal of the Loan for a default under Subsection 6.01(1).

Debt to Miami-Dade County

On August 4, 2017, the City entered into an agreement with Miami-Dade County ("the County") for (1) sewer disposal service, (2) administering the meter reading, billing and collection of water, sanitary sewage, and stormwater utility charges, and (3) acknowledging delinquent charges. The City will repay at a rate of three percent (3%) annual interest rate, in monthly payments for sixty (60) months to re-pay past due debt owed as of March 15, 2017. As of September 30, 2025, there is no balance outstanding. Debt service payments, which include principal and interest, were made monthly in the amount of $100,090. For the fiscal year ended September 30, 2025, debt service payments totaled $0.

For the fiscal year ended September 30, 2023, the County and the City exercised the option to have additional water meters replaced and installed to bring customer properties into compliance with the City's Code of Ordinances. Financing was provided by the County for water meters purchased and installed on behalf of the City. The meters have been capitalized; see Note 7. No payments were due in fiscal years 2019-2022. The City and the County finalized terms to begin debt service payments in fiscal year 2023.

During the fiscal year ended September 30, 2024, the City of Opa-Locka entered into a debt restructuring agreement with Miami-Dade County to modify the terms of its outstanding debt obligation for the water meter debt. The restructuring involved the following key changes:

- Application of interest due on overall debt to the Water Meter debt principal: As part of the restructuring agreement, interest totaling $432,670 was applied to reduce the principal balance of the debt.

- Water meters in the amount of $63,832 were purchased and added to the outstanding balance.

- The term of the debt was reduced, resulting in an earlier repayment completion date. The original debt was scheduled to be paid as of December 2027, but with the restructuring, the final payment was made August 2025.

NOTE 9 – LONG – TERM OBLIGATIONS (CONTINUED)

Long-Term Debt – Business Activities (Continued)

Debt to Miami-Dade County (Continued)

- The agreement also increased the City's monthly payments from $44,922 to $100,000. This increase includes interest due on the remaining debt balance and is expected to result in interest savings of $70,969.

The restructuring agreement was approved by the City Commission and the Miami-Dade County Board of County Commissioners on February 15, 2025.

As of September 30, 2025, there is no balance outstanding. Debt service payments, which include principal and interest, are made monthly in the amount of $100,000. For the fiscal year ended September 30, 2025, debt service payments totaled $1,092,598.

Interlocal Agreement with Miami-Dade County

The debt due to the County for water and sewer charges is secured by collateral of Pledged Revenues received from the County's direct collections of the City's water, sanitary sewage, and stormwater utility service charges. The Agreement with the County stipulates that the County shall handle the meter reading, billing and collection of water, sanitary sewage and stormwater charges for the City's utility customers and residents.

The City and the County acknowledge that the County is not assuming any obligation or being transferred any obligation under the Miami-Dade County Home Rule Charter, to provide water, sewer, or stormwater services within the Service Area of the City by entering into the Agreement, which is deemed solely an interlocal agreement by which the County will assist the City in billing and collecting for services as described in the Agreement.

Acceleration Clause – Miami-Dade County

Section 25 of the City's Agreement with the County stipulates that in the event the City chooses to terminate the Agreement before the end of the ten (10) year term it will pay the County, in one lump sum/balloon payment, all outstanding amounts due to the County, including but not limited to, charges for water service, sanitary sewer service, stormwater fees, billing costs (and related expenses), utility permit fees, solid waste charges, and transit-related charges. Within thirty (30) days of receipt of the termination notice from the City, the County will provide the City with documentation that identifies all outstanding amounts owed by the City to the County. All amounts owed by the City to the County must be paid in full by the end of the first ten (10) year term, regardless of the Parties' desire to exercise the first five-year option to renew.

Governmental Activities Debt Service

Annual debt service requirements to maturity for debt outstanding are as follows:

	Governmental Activities	
	Bonds	
Fiscal Year Ending September 30,	Principal	Interest
2026	$ 610,680	$ 13,032
Total	$ 610,680	$ 13,032

As of September 30, 2025, the City had no direct borrowings or direct placements in governmental activities. The City had no lines of credit as of September 30, 2025.

NOTE 9 – LONG – TERM OBLIGATIONS (CONTINUED)

Business Activities Debt Service

Annual debt service requirements to maturity for debt outstanding are as follows:

Fiscal Year Ending September 30,	Business-type Activities Notes from Direct Borrowings Principal	Interest
2026	$ 374,041	$ 12,069
2027	377,689	8,416
2028	174,865	5,499
2029	175,455	4,909
2030	176,054	4,310
2031-2035	889,611	12,210
2036	388,865	502
Total	$ 2,556,580	$ 47,915

The City's outstanding liabilities from direct borrowings related to business-type activities were approximately $2.6 million dollars as of September 30, 2025, and no direct placements were incurred as of this report date.

The business-type activities debt consists of four remaining SRL that were initiated to fund various capital improvement projects throughout the City. The SRL notes are secured by a collateral lien on Pledged Revenues as defined by the State Revolving Fund loan agreements.

Summary of Debt Covenants

Series 2011A and Series 2011B Capital Improvement Revenue Bonds – Debt service is provided by a pledge of guaranteed state revenue sharing funds, local option gas tax revenues, and the half- cent sales tax. Reserves must be maintained equal to the maximum bond service requirement. On September 30, 2021, the City had on deposit with the trustee for these bonds, a reserve account insurance policy which unconditionally and irrevocably guarantees the full and complete payment required to be made by or on the behalf of the City.

On June 3, 2014 – as authorized by City Ordinance No. 13-40 – the City entered into an agreement with City National Bank of Florida for the issuance of the Series 2014 Capital Improvement Revenue Note for the purpose of acquiring, construction, installation and equipping an administration building. Debt service is provided by a pledge of guaranteed state communications services tax revenues, public service tax revenues and all investment income except for Rebate fund. In May 2015, this was rolled up into the existing Series 2015 A & B Note.

Pledged Revenues – the City's agreement under the State of Florida Revolving Loan Fund Program requires the City to generate Pledged Revenues, as defined by the agreement, from the services furnished by its water and sewer systems equal to or exceeding 1.15 times the sum of the semiannual loan payments. As of September 30, 2025, the City follows this requirement.

The amount of long-term debt that can be incurred by the City is limited by the charter of the City. Total general obligation bonds of the City, outstanding in any one fiscal year can be no greater than 15% of the assessed value of taxable property as of the beginning of the fiscal year. As of September 30, 2025, the amount of bonds outstanding and notes payable exclusively from the revenues of a municipal project was less than 5% of property assessments as of September 30, 2024.

NOTE 9 – LONG – TERM OBLIGATIONS (CONTINUED)

Summary of Debt Covenants (Continued)

Bonds payable exclusively from the revenue of a municipal project may be issued and outstanding without regard to the 15% limitation; however, such an issue would be subject to the limitations imposed by the City's charter with respect to restrictions on bonds parity with or junior to the Series 2011A and Series 2011B Capital Improvement Revenue Bonds.

NOTE 10 – RETIREMENT PLANS

All City employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a Florida state agency, county government, district school board, state university, community college, or a participating city or special district. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for FRS prepares and publishes its own stand-alone annual comprehensive financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; or at the Division's website (www.frs.myflorida.com).

A. Pension Plan – Florida Retirement System (FRS)

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership for the City are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are employed as law enforcement officers.

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service. Regular Class and SMSC members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, a 5.0% benefit reduction is imposed for each year prior to the normal retirement age.

DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment each July and earn monthly interest equivalent to an annual rate of 4.00%.

NOTE 10 – RETIREMENT PLANS (CONTINUED)

A. Pension Plan – Florida Retirement System (FRS)

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned.

Service from Dec. 1, 1970 through Sept. 30, 1974	2.00%
Service on and after Oct. 1, 1974	3.00%
Senior Management Service Class	2.00%

The benefits received by retirees and beneficiaries are increased by a COLA each July based on their June benefit amount. For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions – Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year 2024-2025 are as follows:

Class	Employee Contribution Rate	Employer Contribution Rate*	Total Contribution Rate
Regular	3.00%	11.57%	14.57%
Senior Management	3.00%	32.46%	35.46%
Special Risk	3.00%	30.73%	33.73%
DROP	N/A	19.13%	19.13%
EOC – County	3.00%	56.62%	59.62%

**These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.*

For the fiscal year ended September 30, 2025, contributions, including employee contributions, to the Pension Plan for the City totaled $1,730,166.

NOTE 10 – RETIREMENT PLANS (CONTINUED)

A. Pension Plan – Florida Retirement System (FRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On September 30, 2025, the City reported a liability of $8,993,256 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportionate share of the net pension liability was based on its share of the City's 2024-2025 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 215.136(10) Florida Statutes. The 6.70 percent return assumption used in the June 30, 2025, calculations were determined by Plan's consulting actuary to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $1,199,736. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 960,574	$ -
Change of assumptions	1,044,351	-
Net difference between projected and actual earnings on FRS pension plan investments	-	1,501,515
Changes in proportion and differences between City FRS contributions and proportionate share of contributions	1,768,647	961,476
City FRS contributions subsequent to measurement date	375,856	-
Total	$ 4,149,428	$ 2,462,991

The deferred outflows of resources related to the Pension Plan, totaling $375,856 for the City, resulting from contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	**Deferred outflows/(inflows), net**
2026	$ 1,738,151
2027	56,715
2028	(145,242)
2029	(339,043)
Total	$ 1,310,581

NOTE 10 – RETIREMENT PLANS (CONTINUED)

A. Pension Plan – Florida Retirement System (FRS) (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.40%
Salary Increases	3.50% average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the July 1, 2025, and valuations were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes. For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	100%			
Assumed inflation-Mean			2.4%	1.5%

Note: (1) As outlined in the Plan's investment policy

**As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.*

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

NOTE 10 – RETIREMENT PLANS (CONTINUED)

A. Pension Plan – Florida Retirement System (FRS) (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's proportionate share of the net pension liability	$ 17,649,126	$ 8,993,256	$ 1,736,300

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan – On September 30, 2025, the City had no outstanding payables of to the Pension Plan for contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

A. Retiree Health Insurance Subsidy Program (HIS)

Plan Description – The HIS Plan is a non-qualified cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and it may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of state administered retirement systems in paying health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a state administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution rate for the period October 1, 2024, through September 30, 2025, was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the fiscal year ended September 30, 2025, contributions to the HIS Plan for the City totaled $233,008.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On September 30, 2025, the City reported a liability of $3,341,567 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based its share of the City's 2024-2025 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members.

NOTE 10 – RETIREMENT PLANS (CONTINUED)

B. Retiree Health Insurance Subsidy Program (HIS) (Continued)

For the fiscal year ended September 30, 2025, the City recognized pension expense of $170,744. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,947	$ 5,301
Change of assumptions	29,577	808,239
Net difference between projected and actual earnings on HIS pension plan investments	-	2,780
Changes in proportion and differences between City HIS contributions and proportionate share of contributions	970,550	579,600
City HIS contributions subsequent to measurement date	53,121	
Total	$ 1,073,195	$ 1,395,920

The deferred outflows of resources related to the HIS Plan, totaling $53,121 for the City, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Deferred outflows/(inflows), net
2026	$ (49,162)
2027	(91,347)
2028	(52,429)
2029	(58,183)
2030	(124,725)
Total	$ (375,846)

Actuarial Assumptions – Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2024, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2025.

Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures.

The total pension liability as of June 30, 2025 was determined using the following actuarial assumptions:

Inflation	2.40%
Salary Increases	3.50% average, including inflation
Municipal Bond Rates	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

NOTE 10 – RETIREMENT PLANS (CONTINUED)

B. Retiree Health Insurance Subsidy Program (HIS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions that determine the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study of the FRS for the period July 1, 2018 through June 30, 2023.

Discount Rate – The discount rate used to measure the total pension liability on June 30, 2025, was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rate used in the 2025 valuation was updated from 3.93% to 5.20% reflecting the change in the Bond Buyer general obligation 20-bond municipal bond index as of June 30, 2025.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
City's proportionate share of the net pension liability	$ 3,768,155	$ 3,341,567	$ 2,983,796

Pension Plan Fiduciary Net Position – Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

	FRS	HIS	Total
Net pension liability	$ 8,993,256	$ 3,341,567	$ 12,334,823
Deferred outflows of resources	4,149,428	1,073,195	5,222,623
Deferred inflows of resources	2,462,991	1,395,920	3,858,911
Pension expense	1,199,736	170,744	1,370,480

C. Investment Plan

The State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the defined benefit pension plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

NOTE 10 – RETIREMENT PLANS (CONTINUED)

C. Investment Plan (Continued)

Allocations to the investment member's accounts during the 2024-2025 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Membership Class	Percentage of Gross Compensation
FRS Regular	11.30%
FRS Senior Manager Service	12.67%
FRS Special Risk	19.00%
FRS Elected Officers' Class (County)	16.34%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five- year period, the employee will regain control over the account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the number of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump- sum distribution, leave the funds invested for future distribution, or elect any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or the member may remain in the Investment Plan and rely upon that account balance for retirement income.

The Investment Plan pension expense for the City totaled $158,375 for the fiscal year ended September 30, 2025. On September 30, 2025, the City has no outstanding contributions to the Investment Plan required for the fiscal year ended September 30, 2025.

NOTE 11 – RELATIONSHIP WITH THE COUNTY

In November 6, 1956, the Florida Legislature adopted the Miami-Dade County Home Rule for a general election to amend the Florida State Constitution designed to provide a centralized form of government to the County of Miami-Dade (the "County"). The County is, in effect, a municipality with governmental powers effective with 34 cities, towns and villages in the County, including the City, and the unincorporated areas. The County does not displace or replace cities but can supplement them. The County can take over particular services of the City's operations if (1) the services fall below minimum standards set by the County Commission or (2) with the consent of the governing body of the City.

Since the inception of the City, the County has assumed responsibility for a number of functions, including county-wide police services, complementing county-wide fire protection; consolidated two-tier court systems; creation of the various surface transportation programs; installation of a central traffic control computer system; merging public transportation systems into a county system; and centralization of the property appraiser and tax collector functions.

In addition to county-wide services provided by Miami-Dade County in the City, the City has a Memorandums of Understanding (MOU), with the County to provide waste collection services and water utility billing services. The MOU dated February 17, 2017, for waste collection and waste hauler services was agreed after the City's vendor provided notification that they would no longer provide those services.

NOTE 11 – RELATIONSHIP WITH THE COUNTY (CONTINUED)

The MOU for transitioning water utility billing services, collection services and meter replacements city-wide to Miami-Dade County Water & Sewer Department was agreed to on August 4, 2017. Since the agreement Miami-Dade County began the utility billing of the City's customers along with the installation, replacement, and repair of almost 6,000 water meters which currently represents an estimated cost ranging from approximately $1.5 million to $2.2 million to the County per the agreement. However as of September 30, 2021, approximately $2.5 million is recognized as capitalized meter replacements with the corresponding liability associated with the cost of the meters.

A majority of the utility customer accounts have successfully transitioned to Miami-Dade County with the customers receiving the Miami-Dade County bills and now having the ability to visit the Miami-Dade County Customer Services Center located in the City Hall at 780 Fisherman Street in Opa-Locka.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Water Supply and Sewer Services Contract

In February 1985, the City entered into an agreement with Miami-Dade Water and Sewer Department (WASD) for the purpose of providing to the City all of its potable water supply and sewer services for a period of thirty (30) years subject to termination at any time by operation of law or by mutual consent of the City and WASD. For the fiscal year ended September 30, 2025, the City purchased water and sewer services totaling $5,254,055 from the WASD under the terms of this agreement.

Threatened Litigation, Claims and Assessments

The City is involved in litigation and additional claims have been asserted against the City which are being handled by the City Attorney's office, in addition to third party attorneys. A number of cases remain outstanding. In some cases, the City anticipates that its insurance carrier will cover the damages. In the opinion of management and based on the advice of the City's Attorney, the outcome of some of these actions is not yet known. However, provision for liability has been accrued on the statements of net position and results of operations of the City for those cases where an unfavorable outcome is known.

As of the balance sheet date, the City has recognized a liability of $316,000 related to claims against the City. The legal contingency liability was recorded in the government-wide governmental activities section of the financial statements.

Contingencies

The City participates in a number of Federal and State grant programs in accordance with the provisions of the Uniform Guidance and the Florida Single Audit Act.

Pursuant to those provisions, financial assistance programs were tested for compliance with applicable grant requirements. These programs may be subjected to financial and compliance audits by the grantors or their representatives. The possible disallowance of any item charged to the program or request for the return of already collected funds may be requested by the grantor agency. In the opinion of management, future disallowances, if any, of grant program expenditures would not have a material adverse effect on the financial condition of the City.

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Pursuant to Section 112.081, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which the coverage is available for active employees. The City does not provide retirees with any subsidy for this benefit, however because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of $250 for each of the retiree and his spouse has been assumed at age 60 for the 2024/25 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates. The healthcare cost trend rates: costs are assumed to be 8.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 2030/31 and late fiscal years.

The City has a single-employer defined benefit health care plan where all of its employees can participate except part-time employees and full-time employees who either resign or are terminated. They City is authorized to establish and amend benefit levels, subject to minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The plan does not issue a separate financial report.

Benefits Provided

The OPEB Plan provides healthcare insurance benefits for retirees and their dependents.

Funding Policy

The City's funding policy is to pay post-retirement medical benefits from general funds. A trust has not been established to pre-fund these benefits (pay as you go basis.)

Plan Membership

On October 1, 2024, the date of the latest actuarial valuation, plan participation consisted of the following:

Active plan members	115
	115

Total OPEB Liability

The City's total OPEB liability of $231,265 was measured as of September 30, 2025 and was determined by an actuarial valuation as of October 1, 2024.

Actuarial Assumptions and Other Inputs

Valuation Date:	October 1, 2024
Measurement Date:	September 30, 2025
Roll-forward Disclosure	The Total OPEB Liability was rolled forward from the valuation date to the measurement date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age
Normal Discount Rate	4.50%
Salary Increases	3% per annum
Cost-of-living increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 8.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 2030/31 and later fiscal years.

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Methods and Assumptions Used to Determine Total OPEB Liability: (Continued)

Age-related morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
Implied health subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of $250.00 for each of the retiree and his spouse has been assumed at age 60 for the 2024/25 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.
Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020.
Retirement	With respect to public safety employees hired prior to July 1, 2011, retirement is assumed to occur at the earlier of any age with 25 years of service or age 55 with six years of service; with respect to public safety employees hired after June 30, 2011, retirement is assumed to occur at the earlier of any age with 30 years of service or age 60 with eight years of service; with respect to general employees hired prior to July 1, 2011, retirement is assumed to occur at the earlier of any age with 30 years of service or at age 62 with six years of service; with respect to general employees hired after June 30, 2011, retirement is assumed to occur at the earlier of any age with 33 years of service or at age 65 with eight years of service.
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for public safety employees and Class 1 rates were used for general employees).
Health coverage election	25% of eligible employees are assumed to elect medical coverage in accordance with their current coverage election upon retirement or disability; coverage is assumed to end upon the attainment of age 65.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes	Since the prior measurement date, the discount rate increased from 4.06% per annum to 4.50% per annum and the implied subsidy at age 60 for the 2024/25 fiscal year decreased from $267.50 per individual to $250.00 per individual.

Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rate.

The Plan is unfunded as such no projection of Fiduciary Net Position is required. Demographic assumptions mirror those used for the Florida Retirement System pension plans. The discount rate used to determine the liabilities under GASB 75 is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date. The discount rate is 4.50% per annum.

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Changes in the total OPEB liability for the fiscal year ended September 30, 2025, were as follows:

Balance at September 30, 2024		$ 248,908
Changes for the year		
Service cost	18,365	
Expected interest growth	11,851	
Differences between expected and actual experience	(27,502)	
Changes in assumptions	(12,414)	
Benefit payments and refunds	(7,943)	
Total actual changes		(17,643)
Total Ending OPEB Liability – September 30, 2025		$ 231,265

Sensitivity of the total OPEB liability to changes in the discount rate:

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.50%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Total OPEB Liability	$ 252,271	$ 231,265	$ 212,661

Sensitivity of the total OPEB liability to the healthcare cost trend rate:

The following table illustrates the impact of healthcare cost trend sensitivity on the Total OPEB Liability for fiscal year ended September 30, 2025.

	1% Decrease	Medical Trend 8.00% graded down to 5.00%	1% Increase
Total OPEB Liability	$ 207,262	$ 231,265	$ 259,421

For the fiscal year ended September 30, 2025, the City recognized OPEB income of $6,420. On September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Demographic experience	$ -	$ 85,828
Assumption changes	27,158	85,637
Total	$ 27,158	$ 171,465

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30,		
2026	$	(28,693)
2027		(28,693)
2028		(28,729)
2029		(26,556)
2030		(17,655)
Thereafter		(13,981)
	$	(144,307)

NOTE 14 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the "Plan"), which is administered by two administrators. The portion of the plan administered by the International City Management Association Retirement Corporation ("ICMA") was created in accordance with Internal Revenue Code Section 457 (a qualified plan). The other portion constitutes a nonqualified plan benefit and is administered by the Life Insurance Company of Southwest. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in this plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets and income of the Plan are held in trust for the exclusive benefits of the participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan; therefore, the assets and liabilities of the Plan are not included in the City's financial statements as September 30, 2025. The City is not required to make employer contributions.

NOTE 15 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City has not had a significant reduction in insurance coverage from coverage in the prior year by major categories of risk and settled claims have not exceeded the City's retention and excess coverage in force for each of the past three years.

NOTE 16 – STATE AND LOCAL AGREEMENT

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503(1), Florida Statutes. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by then Florida Governor Rick Scott.

On June 8, 2016, the City entered into a State and Local Agreement of Cooperation between the Governor as a result of being in a state of financial emergency. The State implemented measures to resolve the financial emergency, the City's cooperation with the Governor to resolve the financial emergency and the Governor to designate the Office of the Chief Inspector General ("Governor's Designee") to serve as the lead entity responsible for coordinating the Governor's efforts in providing intervention and assistance to the City.

One element of exiting from a state of financial emergency is the development of a Five-Year Recovery Plan by the City, demonstrating the City's ability to satisfy the requirements necessary for restoration of the City's fiscal integrity. The most recent Five-Year Recovery Plan was submitted by the City during March 2025 and is currently under review.

NOTE 17 – RESTATEMENT – ACCOUNTING CHANGES

During the fiscal year ended September 30, 2025, the opening net position of the Government-Wide Governmental Activities and Business-type Activities, Water and Sewer Fund and Stormwater Fund were restated. The restatement was due to the implementation of GASB Statement No. 101. This implementation is considered a change in accounting principle.

In addition, the City had changes in its reported major and non-major funds. Such changes are considered a change within the reporting entity. The Safe Neighborhood Capital Improvement Fund was reported as a major governmental fund as of September 30, 2024. This fund did not meet the GAAP requirements to be reported as a major fund during the current fiscal year. Accordingly, the Safe Neighborhood Capital Improvement Fund is reported within the other non-major governmental funds column.

The People's Transportation Tax Fund and CRA Fund were reported as non-major governmental funds as of September 30, 2024. These funds met the GAAP requirements to be reported as major funds during the current fiscal year. Accordingly, the People's Transportation Tax Fund and CRA Fund are reported as major funds. These reclassifications had no effect on total governmental funds fund balance. The net impact of these accounting changes is noted in the below table.

Governmental Funds

	(Previously Reported as Major)	(Previously Reported as Non-Major)			
	Safe Neighborhood Capital Improvement Fund	People's Transportation Tax Fund	CRA Fund	Non-major Governmental Funds	Governmental Activities
Fund Balance, or Net Position					
as previously reported 09/30/24	$ (16,474)	$ -	$ -	$ 2,394,658	$ 36,742,331
Change from non-major to major fund	-	(3,134,271)	5,109,060	(1,974,789)	-
Change from major to non-major fund	16,474	-	-	(16,474)	-
Change in accounting principle (GASB 101)	-	-	-	-	(1,179,602)
Fund Balance, or Net Position					
as previously reported 09/30/24	$ -	$ (3,134,271)	$ 5,109,060	$ 403,395	$ 35,562,729

Proprietary Funds

	Water and Sewer Fund	Stormwater Fund	Business-Type Activities
Net Position, as previously reported 09/30/24	$ 20,692,823	$ 5,550,427	$ 26,239,090
Change in accounting principle (GASB 101)	(71,118)	(44,676)	(115,794)
Net Position, restated at 09/30/24	$ 20,621,705	$ 5,505,751	$ 26,123,296

NOTE 18 – SUBSEQUENT EVENT

The Series 2011 A & B Capital Improvement Revenue Bond was paid in full in January 2026.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Property taxes	$ 14,601,797	$ 14,601,797	$ 14,822,077	$ 220,280
Utility taxes	104,650	104,650	57,820	(46,830)
Local business taxes	236,398	236,398	358,972	122,574
Franchise fees	2,510,187	2,510,187	2,645,526	135,339
Permits and fees	1,316,320	1,316,320	1,596,798	280,478
Intergovernmental	1,742,792	1,641,764	276,166	(1,365,598)
Charges for services	1,623,031	1,849,556	2,194,601	345,045
Fines and forfeitures	3,688,696	2,701,624	2,074,732	(626,892)
Interest	50,000	50,000	236,263	186,263
Other	272,460	423,460	26,220	(397,240)
Total revenues	26,146,331	25,435,756	24,289,175	(1,146,581)
Expenditures:				
General government:				
City commission	142,890	163,387	108,940	54,447
City manager	6,511,394	5,892,602	1,962,091	3,930,511
City clerk	592,846	646,060	438,018	208,042
City attorney	579,000	594,000	331,543	262,457
Finance	1,535,876	1,893,594	1,425,441	468,153
Information technology	1,353,688	1,363,909	1,212,483	151,426
Human resources	604,455	628,368	481,065	147,303
Building licenses	853,099	837,847	783,196	54,651
Housing and social services	195,418	14,250	-	14,250
Community development	976,411	970,325	451,011	519,314
Town center	440,375	583,900	238,190	345,710
Risk management	3,557,722	3,852,590	3,966,664	(114,074)
Total general government	17,343,174	17,440,832	11,398,642	6,042,190
Public safety:				
Police	9,084,951	9,759,242	9,249,892	509,350
Code enforcement	724,001	670,635	585,570	85,065
Total public safety	9,808,952	10,429,877	9,835,462	594,415
Public works:				
Administration	573,071	588,083	529,173	58,910
Street maintenance	631,194	642,046	476,106	165,940
Building maintenance	1,471,955	1,544,119	1,340,224	203,895
Vehicle maintenance	720,761	685,266	567,726	117,540
Total public works	3,396,981	3,459,514	2,913,229	546,285
Parks and recreation	1,688,727	1,556,971	1,173,861	383,110
Capital outlay	12,118,639	10,090,627	3,236,667	6,853,960
Debt service				
Principal	-	-	409,468	(409,468)
Interest	-	-	68,646	(68,646)
Total expenditures	44,356,473	42,977,821	29,035,975	13,941,846
Excess (deficiency) of revenues over expenditures	(18,210,142)	(17,542,065)	(4,746,800)	12,795,265

See notes to budgetary comparison schedule

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Other financing sources (uses):				
Issuance of debt - lease	-	-	378,983	(378,983)
Insurance reimbursements	45,250	45,250	100,806	(55,556)
Transfers in	11,859,862	12,664,149	20,556,319	(7,892,170)
Transfers out	(1,626,560)	(2,910,388)	(21,553,122)	18,642,734
Total other financing sources (uses)	12,944,776	9,799,011	(517,014)	10,316,025
Net change in fund balance	$ 12,944,776	$ 9,799,011	(5,263,814)	$ 10,316,025
Fund balance, beginning			8,639,110	
Fund balance, ending			$ 3,375,296	

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN ACT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Intergovernmental	$ -	$ -	$ 3,021,816	$ 3,021,816
Interest	100,000	150,070	34,014	(116,056)
Total revenues	100,000	150,070	3,055,830	2,905,760
Expenditures:				
Current:				
General government	500	35,500	133,634	(98,134)
Capital outlay	-	-	1,034,364	(1,034,364)
Total expenditures	500	35,500	1,167,998	(1,132,498)
Excess (deficiency) of revenues over expenditures	99,500	114,570	1,887,832	1,773,262
Other financing sources (uses):				
Transfers in	5,327,915	7,562,422	5,010	(7,557,412)
Transfers out	(5,427,415)	(7,676,992)	(1,862,451)	5,814,541
Total other financing sources (uses)	(99,500)	(114,570)	(1,857,441)	(1,742,871)
Net changes in fund balance	$ -	$ -	30,391	$ 30,391
Fund balance, beginning			105,424	
Fund balance, ending			$ 135,815	

See notes to budgetary comparison schedules

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - PEOPLE'S TRANSPORTATION TAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Intergovernmental	$ 1,760,000	$ 1,760,000	$ 5,615,408	$ 3,855,408
Total revenues	1,760,000	1,760,000	5,615,408	3,855,408
Expenditures:				
Current:				
Transportation	650,000	731,870	343,650	388,220
Capital outlay	1,110,000	310,000	155,000	155,000
Total expenditures	1,760,000	1,041,870	498,650	543,220
Excess (deficiency) of revenues over expenditures	-	718,130	5,116,758	4,398,628
Other financing sources (uses):				
Transfers in	-	-	4,635,649	4,635,649
Transfers out	-	(718,130)	(1,444,847)	(726,717)
Total other financing sources (uses)	-	(718,130)	3,190,802	3,908,932
Net changes in fund balance	$ -	$ -	8,307,560	$ 8,307,560
Fund balance, beginning			(3,134,271)	
Fund balance, ending			$ 5,173,289	

See notes to budgetary comparison schedules

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Property taxes	$ 2,672,634	$ 2,672,634	$ 2,672,634	$ -
Charges for services	-	-	6,911	6,911
Interest	150,000	150,000	147,611	(2,389)
Total revenues	2,822,634	2,822,634	2,827,156	4,522
Expenditures:				
Current:				
General government	3,097,699	2,061,699	1,624,492	437,207
Capital outlay	4,076,781	5,330,326	4,749,853	580,473
Total expenditures	7,174,480	7,392,025	6,374,345	1,017,680
Excess (deficiency) of revenues over expenditures	(4,351,846)	(4,569,391)	(3,547,189)	1,022,202
Other financing sources (uses):				
Transfers in	4,351,846	4,569,391	-	(4,569,391)
Transfers out	-	-	(825,819)	(825,819)
Total other financing sources (uses)	4,351,846	4,569,391	(825,819)	(5,395,210)
Net changes in fund balance	$ -	$ -	(4,373,008)	$ (4,373,008)
Fund balance, beginning			5,109,060	
Fund balance, ending			$ 736,052	

See notes to budgetary comparison schedules

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Chapter 166, Florida Statutes, requires that all municipalities prepare, approve, adopt, and execute an annual budget for funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy and the expenditure of money for City purposes in the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The City budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally enacted through passage of an ordinance.

4. Budgetary control is maintained at the departmental and fund level, with the finance department providing support to departments in the administration of their budgets. In accordance with the City's budget transfer policy, the City Manager is authorized to transfer budgeted amounts within any fund or functions; however, any supplemental appropriations or revisions that amend the total expenditure of any fund must be approved by the City Commission. The City had supplemental appropriations for the General, American Rescue Plan Act, and Community Redevelopment Agency Funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at the balance sheet date are canceled.

5. Annual operating budgets are legally adopted for the General, American Rescue Plan Act, People's Transportation Tax, and Community Redevelopment Agency Funds. All budgets are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the department level for the General Fund. This is the level at which expenditures may not exceed appropriations.

6. All annual appropriations lapse at fiscal year-end.

NOTE 2 – BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2025, expenditures exceeded appropriations in the following:

General Fund	
Debt service	$ 478,114
Risk management	114,074
Transfers in	7,892,170
Transfers out	18,642,734

These unfavorable variances were caused by unbudgeted costs related to unforeseen circumstances and occurrences during the year and were covered by revenues in excess of budget and unassigned fund balance. In addition, the variances related to transfers in and out were caused by payments on advances between funds.

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)

June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the FRS net pension liability	0.0290%	0.0322%	0.0254%	0.0222%	0.0240%	0.0237%	0.0231%	0.0266%	0.0259%	0.0343%
City's proportionate share of the FRS net pension liability	$ 8,993,256	$ 12,468,333	$ 10,107,192	$ 8,244,333	$ 1,815,871	$ 10,282,978	$ 7,949,247	$ 8,031,493	$ 7,654,405	$ 8,653,259
City's covered payroll	$ 11,833,943	$ 12,673,383	$ 9,492,141	$ 8,089,202	$ 7,450,828	$ 7,046,100	$ 6,672,105	$ 7,215,167	$ 6,227,058	$ 8,360,620
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	76.00%	98.38%	106.48%	101.92%	24.37%	145.94%	119.14%	111.31%	122.92%	103.50%
FRS Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 1,730,166	$ 1,825,104	$ 1,220,225	$ 945,496	$ 1,125,873	$ 1,012,564	$ 896,903	$ 926,137	$ 852,437	$ 983,512
FRS contribution in relation to the contractually required contribution	(1,730,166)	(1,825,104)	(1,220,225)	(945,496)	(1,125,873)	(1,012,564)	(896,903)	(926,137)	(852,437)	(983,512)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 11,684,509	$ 12,647,282	$ 10,428,422	$ 8,328,793	$ 8,364,656	$ 7,392,538	$ 6,716,687	$ 7,134,236	$ 6,394,032	$ 7,395,338
FRS contribution as a percentage of covered payroll	14.81%	14.43%	11.70%	11.35%	13.46%	13.70%	13.35%	12.98%	13.33%	13.30%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)

June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the HIS net pension liability	0.0261%	0.0299%	0.0236%	0.0197%	0.0210%	0.0198%	0.0198%	0.0216%	0.0195%	0.0270%
City's proportionate share of the HIS net pension liability	$ 3,341,567	$ 4,483,826	$ 3,751,661	$ 2,090,370	$ 2,581,639	$ 2,468,863	$ 2,211,518	$ 2,282,255	$ 2,082,612	$ 3,144,569
City's covered payroll	$ 11,833,943	$ 12,673,383	$ 9,492,141	$ 8,089,202	$ 7,450,828	$ 7,046,100	$ 6,672,105	$ 7,215,167	$ 6,227,058	$ 8,360,620
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	28.24%	35.38%	39.52%	25.84%	34.65%	35.04%	33.15%	31.63%	33.44%	37.61%
HIS Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	$ 233,008	$ 253,059	$ 155,397	$ 119,420	$ 167,293	$ 148,301	$ 135,611	$ 141,785	$ 129,528	$ 161,304
HIS contribution in relation to the contractually required contribution	(233,008)	(253,059)	(155,397)	(119,420)	(167,293)	(148,301)	(135,611)	(141,785)	(129,528)	(161,304)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	11,684,509	$ 12,647,282	$ 10,428,422	$ 8,328,793	$ 8,364,656	$ 7,392,538	$ 6,716,687	$ 7,134,236	$ 6,394,032	$ 7,395,338
HIS contribution as a percentage of covered payroll	1.99%	2.00%	1.49%	1.43%	2.00%	2.01%	2.02%	1.99%	2.03%	2.18%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OPA-LOCKA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER POST-EMPLOYEMENT BENEFITS
LIABILITY AND RELATED RATIOS

Fiscal Year:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability:								
Service cost	$ 18,365	$ 21,174	$ 14,217	$ 12,426	$ 23,112	$ 24,367	$ 28,827	$ 28,528
Interest	11,851	10,014	9,668	15,584	7,849	8,521	13,113	12,155
Differences between expected and actual experience	(27,502)	(671)	(2,450)	(49,860)	-	(109,357)	-	-
Assumption changes	(12,414)	(1,684)	31,957	(100,633)	(9,223)	9,388	2,184	-
Benefit payments	(7,943)	(10,692)	(10,502)	(7,754)	(6,995)	(6,655)	(8,887)	(8,331)
Net change in total OPEB liability	(17,643)	18,141	42,890	(130,237)	14,743	(73,736)	35,237	32,352
Total OPEB liability-beginning	248,908	230,767	187,877	318,114	303,371	377,107	341,870	309,518
Total OPEB liability-ending	$ 231,265	$ 248,908	$ 230,767	$ 187,877	$ 318,114	$ 303,371	$ 377,107	$ 341,870
Covered-employee payroll	$ 5,699,717	$ 7,533,293	$ 5,100,664	$ 8,328,792	$ 8,364,656	$ 7,392,538	$ 6,716,687	$ 7,134,236
Total OPEB liability as a percentage of covered-employee payroll	4.06%	3.30%	4.52%	2.26%	3.80%	4.10%	5.61%	4.79%

Notes to schedule

1. Changes of assumptions - Discount rate was changed as follows:

Discount Rate	
9/30/2018	3.64%
9/30/2019	3.58%
9/30/2020	2.14%
9/30/2021	2.43%
9/30/2022	4.77%
9/30/2023	4.77%
9/30/2024	4.06%
9/30/2025	4.50%

2. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF OPA-LOCKA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Law Enforcement	Safe Neighborhood Capital Improvement Fund	Total Non-major Governmental Funds
ASSETS			
Cash	$ 238,526	$ 212,174	$ 450,700
Accounts receivable, net	539	249,018	249,557
Due from other funds	66	343,316	343,382
Total assets	$ 239,131	$ 804,508	$ 1,043,639
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	$ 36,059	$ 802,033	$ 838,092
Due to other funds	103,665	-	103,665
Total liabilities	139,724	802,033	941,757
FUND BALANCES			
Restricted:			
Public safety	99,407	-	99,407
Capital improvements	-	2,475	2,475
Total fund balances	99,407	2,475	101,882
Total liabilities and fund balances	$ 239,131	$ 804,508	$ 1,043,639

CITY OF OPA-LOCKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Law Enforcement	People's Transportation Tax Fund	Community Redevelopment Agency	*Formerly major fund* Safe Neighborhood Capital Improvement Fund	Total Non-major Governmental Funds
Revenues:					
Local option, use and fuel taxes	$ -	-	$ -	$ 314,395	$ 314,395
Intergovernmental	3,570	-	-	366,501	370,071
Interest	8,389	-	-	-	8,389
Total revenues	11,959	-	-	680,896	692,855
Expenditures:					
Current:					
Transportation	-	-	-	88	88
Public safety	117,134	-	-	-	117,134
Capital outlay	165,342	-	-	2,557,259	2,722,601
Debt service:					
Principal	82,079	-	-	-	82,079
Interest and other fiscal charges	29,511	-	-	-	29,511
Total expenditures	394,066	-	-	2,557,347	2,951,413
Excess (deficiency) of revenues over expenditures	(382,107)	-	-	(1,876,451)	(2,258,558)
Other financing sources (uses)					
Issuance of debt - leases	61,645	-	-	-	61,645
Transfers in	-	-	-	3,880,859	3,880,859
Transfers out	-	-	-	(1,985,459)	(1,985,459)
Total other financing sources (uses)	61,645	-	-	1,895,400	1,957,045
Net change in fund balances	(320,462)	-	-	18,949	(301,513)
Fund balance, beginning	419,869	(3,134,271)	5,109,060	-	2,394,658
Change within financial reporting entity (major to nonmajor fund)	-	-	-	(16,474)	(16,474)
Change within financial reporting entity (nonmajor to major fund)	-	3,134,271	(5,109,060)	-	(1,974,789)
Fund balance, beginning - as restated	419,869	-	-	(16,474)	403,395
Fund balance, ending	$ 99,407	$ -	$ -	$ 2,475	$ 101,882

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Intergovernmental	$ 252,500	$ 333,500	$ 3,570	$ (329,930)
Interest	15,000	15,000	8,389	(6,611)
Total revenues	267,500	348,500	11,959	(336,541)
Expenditures:				
Current:				
Public safety	214,900	260,900	117,134	143,766
Capital outlay	258,641	328,641	165,342	163,299
Debt service:				
Principal	-	-	82,079	(82,079)
Interest and other fiscal charges	-	-	29,511	(29,511)
Total expenditures	473,541	589,541	394,066	195,475
Excess (deficiency) of revenues over expenditures	(206,041)	(241,041)	(382,107)	(141,066)
Other financing sources (uses):				
Issuance of debt - leases	-	-	61,645	61,645
Transfers in	206,041	193,541	-	(193,541)
Total other financing sources (uses)	206,041	193,541	61,645	(131,896)
Net changes in fund balance	$ -	$ (47,500)	(320,462)	$ (272,962)
Fund balance, beginning			419,869	
Fund balance, ending			$ 99,407	

See notes to budgetary comparison schedules

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Taxes	$ 2,650,000	$ 2,650,000	$ 2,533,509	$ (116,491)
Intergovernmental	2,775,000	2,775,000	2,384,411	(390,589)
Interest	100,000	100,000	121,028	21,028
Total revenues	5,525,000	5,525,000	5,038,948	(486,052)
Expenditures:				
Current:				
General government	-	400	16	384
Debt service:				
Principal	826,458	4,115,093	4,111,213	3,880
Interest and other fiscal charges	336,301	144,087	143,161	926
Total expenditures	1,162,759	4,259,580	4,254,390	5,190
Excess (deficiency) of revenues over expenditures	4,362,241	1,265,420	784,558	(480,862)
Other financing sources (uses):				
Transfers in	-	3,096,821	899,305	(2,197,516)
Transfers out	(4,362,241)	(4,362,241)	(2,002,978)	2,359,263
Total other financing sources (uses)	(4,362,241)	(1,265,420)	(1,103,673)	161,747
Net changes in fund balance	$ -	$ -	(319,115)	$ (319,115)
Fund balance, beginning			5,522,377	
Fund balance, ending			$ 5,203,262	

See notes to budgetary comparison schedules

CITY OF OPA-LOCKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SAFE NEIGHBORHOOD CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Local option, use and fuel taxes	$ 282,000	$ 282,000	$ 314,395	$ 32,395
Intergovernmental	650,000	976,365	366,501	(609,864)
Total revenues	932,000	1,258,365	680,896	(577,469)
Expenditures:				
Current:				
General government	-	167,339	-	167,339
Transportation	-	500	88	412
Capital outlay	4,288,400	5,979,094	2,557,259	3,421,835
Total expenditures	4,288,400	6,146,933	2,557,347	3,589,586
Excess (deficiency) of revenues over expenditures	(3,356,400)	(4,888,568)	(1,876,451)	3,012,117
Other financing sources (uses):				
Transfers in	1,756,400	4,888,568	3,880,859	(1,007,709)
Total other financing sources (uses)	1,756,400	4,888,568	1,895,400	(2,993,168)
Net changes in fund balance	$ (1,600,000)	$ -	18,949	$ 18,949
Fund balance, beginning			(16,474)	
Fund balance, ending			$ 2,475	

COMPLIANCE SECTION

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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 Honorable Mayor, City Commission, and City Manager
City of Opa-locka, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opa-locka, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, 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 City'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 questioned costs as items MW2025-001, MW2025-002, and MW2025-003 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 deficiencies described in the accompanying schedule of findings and questioned costs as items SD2025-004, SD2025-005, SD2025-006, SD2025-007, and SD2025-008 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items, SD2025-006, SD2025-007, and SD2025-008.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Coral Gables, Florida
September 14, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Honorable Mayor, City Commission, and City Manager
City of Opa-locka, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Opa-locka, Florida (the "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2025. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the fiscal year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 , *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SD2025-008. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SD2025-008 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated September 1, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Coral, Gables, Florida
September 14, 2026

CITY OF OPA-LOCKA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor, Pass-Through Grantor Federal Program	ALN	Grant Number/ Pass-through Entity Identifying Number	Total Expenditures
U.S. Department of Justice			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-24-GG-04911-JAGX	$ 28,136
Total U.S. Department of Justice			28,136
U.S. Department of Transportation			
Direct Programs:			
Safe Streets and Roads for All	20.939	693JJ32340235	35,208
Total U.S. Department of Transportation			35,208
U.S. Department of Treasury			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Fund Award	21.027	RIN 1505-AC77	3,021,816
Coronavirus State and Local Fiscal Recovery Fund Award	21.027	23.s.aa.900.128	500,000
Total U.S. Department of Treasury			3,521,816
United States Department of Agriculture (USDA)			
Indirect Programs:			
Pass-Through Program from:			
Florida Department of Agriculture and Consumer Services			
Inflation Reduction Act Urban & Community Forestry Program	10.727	23-DG-11083112-500	49,500
Total U.S. Department of Agriculture			49,500
Total Expenditures of Federal Awards			$ 3,634,660

See notes to schedule of expenditures of federal awards

CITY OF OPA-LOCKA, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the expenditure activity of all federal awards of the City of Opa-Locka, Florida (the "City") for the fiscal year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherfmlc202ein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance

NOTE 4 - SUBRECIPIENTS

No amounts were provided to subrecipients during the fiscal year ended September 30, 2025.

CITY OF OPA-LOCKA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*	
Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified?	X Yes	___ None reported
Non-compliance material to financial statements noted?	X Yes	___ No

Federal Awards

Internal control over the major federal program:		
Material weakness(es) identified?	___ Yes	X No
Significant deficiency(ies) identified?	X Yes	___ None reported
Type of auditors' report issued on compliance for the major Federal program:	*Unmodified Opinion*	
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	X Yes	___ No

Identification of the Major Federal Program:

Assistance Listing No.	Federal Awards Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Federal award programs:	$1,000,000	
Auditee qualified as low-risk auditee?	_____ Yes	X No

SECTION II – FINANCIAL STATEMENT FINDINGS

MW2025-001 SUPPORT FOR BUILDING PERMIT CHARGES (REPEAT FINDING – MW2024-001)

Criteria

Adequate accounting records should be secured and retained as a standard business practice.

Condition

The City was not able to locate support for eleven (11) selections of the sample of fifty (50) tested during fiscal year 2025. The City was only able to provide a copy of the related building permit invoice. For these eleven selections, the City only provided the related building permit invoice, and no supporting documentation was available to substantiate the underlying permit fee calculations. Additionally, in certain instances, the fees applied did not align with the applicable fee schedules, resulting in recalculation discrepancies. As such, the auditor was unable to conclude on the accuracy and appropriateness of the permit fee calculations for these selections.

Cause

Inadequate internal controls over recordkeeping of building permit related documents.

Effect

Building permit revenue recorded by the City for the fiscal year could not be accurately recalculated, and the revenue balance may be misstated.

Recommendation

The City should establish adequate internal controls to ensure that all relevant supporting documentation and records that support their account activity and balances for financial reporting and pursuant to Florida statutes record retention policy are maintained.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

MW2025-002 FLORIDA AUDITOR GENERAL REPORT FINDINGS (REPEAT FINDING – MW2024-002)

Criteria

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

Condition

The Auditor General report dated May 23, 2019, contained 99 findings and related recommendations. During fiscal year 2025, it was noted certain items prescribed in the proposed corrective action plan were addressed; however, as of September 14, 2026, several items remain open.

Cause

There is a lack of prudent accounting practices which include policies, procedures, and controls over the safeguarding, recording, processing, and reporting of the City's financial operations and transactions.

Effect

Lack of prudent accounting practices include policies, procedures, and controls over the safeguarding, recording, processing, and reporting of the City's financial operations and transactions increases the risk of inaccurate financial information and financial reporting errors as well as a increased risk in failure to timely detect loss or misuse of funds.

Recommendation

We recommend that the City designate a member of management take timely action to resolve issues identified or proposed action plans to formally address issues cited as soon as time permits.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

MW2025-003 RECONCILIATION OF CASH ACCOUNTS (REPEAT FINDING – MW2024-004)

Criteria

Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Condition

During the completion of our audit procedure, the auditor noted that the City had not prepared and reviewed several months bank reconciliations for the fiscal year 2025 on a timely basis in accordance with the City's policy.

Cause

Lack of adequate internal control policies over the preparation and review of bank reconciliations to ensure they are prepared and reviewed timely.

Effect

Potential effects of this condition could result in failure to timely detect loss or misuse of funds.

Recommendation

We recommend that the bank reconciliations be reviewed for accuracy and completeness on a timely basis by the someone with the appropriate skill-set identify significant discrepancies. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES

SD2025-004 PENSION PLAN REMITTANCE (REPEAT FINDING – SD2024-007)

Criteria

The City participates in a deferred compensation plan as described in Internal Revenue Code section 457. Pursuant to federal regulations participants contributions received by an employer must be remitted to the Plan no later than the 15th business day of the month following the month in which the participant contribution are received by the employer.

Condition

This comment remains relevant as of September 30, 2025. The City failed to remit employee funds in a timely manner as outlined in federal regulations for all 12 months during the fiscal year ended September 30, 2025.

Cause

Failure of the City design and implement adequate controls for timely remittance of employee contribution to the Plan.

Effect

Non-compliance with specific regulations may cause the Plan to become ineligible for the tax benefits of Section 457.

Recommendation

We recommend that the City implement procedures that with ensure full compliance with the Plan documents and federal regulations.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-005 LACK OF CONTROLS OVER RECORDKEEPING OF COMPENSATED ABSENCES AND NON-COMPLIANCE WITH CITY POLICY

Criteria

Proper internal controls should be designed and implemented to ensure timely and accurate reporting of compensated absences prior to the commencement of the City's financial statement audit. Controls should also include appropriate segregation of duties over recordkeeping, authorization, and approvals over vacation and sick time to comply with the City's annual leave policies.

The City's personnel policy limits employees a maximum of two vacation leave cash payouts per calendar year, with each payout capped at 80 hours, for a maximum of 160 hours annually. In addition, the City's established internal control procedures requires that a vacation payout request form be submitted to the Human Resources Department for review and verification of available leave balances approved by the City Manager, and subsequent forwarded to Payroll for processing.

The City's personnel policy further provides that accrued sick leave is not eligible for payout during active employment and is only payable upon separation from service. Payouts are subject to a maximum of 1,000 hours and are calculated based on years of service as follows: employees with 1–5 years of service are eligible for a 25% payout of accrued sick leave; 6–10 years, 50%; 11–15 years, 75%; and 16 or more years, 100%. The City's established internal control process requires that a Final Payout Form, including the employee's final sick leave payout calculation, be prepared by the Human Resources Department, reviewed and approved by the City Manager and Finance Director, and only thereafter submitted to Payroll for processing.

Condition

The auditor requested the City provide a compensated absence rollforward schedule to include accurate reporting of additions to vacation and sick time for the year ended September 30, 2025. The City provided the schedule in June 2026. The auditor noted clerical errors including transfers between vacation and sick time without proper documentation or support. This resulted in various necessary corrections to the schedule, which led to delays in the completion of the audit.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-005 LACK OF CONTROLS OVER RECORDKEEPING OF COMPENSATED ABSENCES AND NON-COMPLIANCE WITH CITY POLICY (CONTINUED)

Condition (Continued)

During testing of vacation payouts, the auditor noted:

- Multiple instances in which vacation leave payouts were processed in a manner inconsistent with City policy and established approval procedures. Specifically, the auditor identified exceptions in which two (2) employees received more than two vacation payouts during the year and received vacation payouts that exceeded the annual maximum of 160 hours; and
- The auditor also noted instances in which the established approval process was not followed, as in certain cases a City employee completed and submitted the payout form directly to the payroll clerk for processing without documented approval from Human Resources, contrary to the City's prescribed workflow.

Additionally, testing of sick leave payouts identified:

- One (1) instance in which final payout was not processed in accordance with the approved calculation and the City's personnel policy. The auditor noted that one employee was paid out for the full accrued sick leave balance, despite only being eligible for a partial payout based on years of service. Furthermore, the City's established internal control process requires that a Final Payout Form, including the employee's calculated sick leave payout, be prepared by Human Resources and approved by the City Manager and Finance Director prior to submission to Payroll; however, despite proper review and approval, the full accrued sick leave balance was paid, indicating a payroll processing error.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-005 LACK OF CONTROLS OVER RECORDKEEPING OF COMPENSATED ABSENCES AND NON-COMPLIANCE WITH CITY POLICY (CONTINUED)

Cause

These exceptions resulted from inadequate recordkeeping of vacation and leave balances, non-compliance with established policies and insufficient oversight of the vacation and sick leave payout approval process. Specifically, controls were not operating effectively to ensure that:

1. Vacation payout requests were reviewed for compliance with the City’s policy limits prior to payment;
2. All required approvals, including documented Human Resources approval, were obtained before Payroll processed the payout;
3. Approved payout amounts, particularly for sick leave, were accurately processed by Payroll in accordance with the calculated and authorized amounts; and
4. Leave balances are properly tracked, calculated, and reported as of year-end.

Effect

As a result, the City is exposed to an increased risk of unauthorized or excessive vacation and sick leave payouts, inconsistent application of personnel policies, and payroll processing errors. In addition, the results of the audit, produced the identification of non-compliance with the City’s established approval processes.

Recommendation

We recommend that the City strengthen controls over the administration, approval, processing, and monitoring of employee leave payouts by:

- Incorporating the compensated absences rollforward schedule into the annual financial close checklist and requiring its timely preparation, review, and reconciliation to the general ledger, payroll records, and supporting leave records.
- Requiring all leave payout requests to be reviewed and approved by the Human Resources Department prior to processing. The Human Resources Department should verify compliance with the City's personnel policies, including employee eligibility, available leave balances, and applicable payout limitations.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-005 LACK OF CONTROLS OVER RECORDKEEPING OF COMPENSATED ABSENCES AND NON-COMPLIANCE WITH CITY POLICY (CONTINUED)

Recommendation (continued)

- Prohibiting any employee from reviewing, approving, or otherwise authorizing his or her own leave payout request. In instances where the designated approving official is the employee receiving the payout, the request should be reviewed and approved by an independent authorized official, such as the Finance Director.
- Requiring Payroll to independently verify that leave payout amounts are consistent with approved payout documentation and supporting calculations prior to disbursement. Following processing, all completed payout documentation should be returned to the Human Resources Department for inclusion in the employee's personnel file and maintenance of a complete audit trail.
- Maintaining a centralized leave payout log to track all vacation leave cash-outs by employee throughout the calendar year and monitor compliance with the City's limitation of no more than two cash-outs and 160 hours annually.
- Providing periodic training to personnel responsible for leave administration, approval, and processing to ensure the consistent application of the City's personnel policies and procedures.
- Requiring that any correction or adjustment to an employee's vacation or sick leave balance in excess of 20 hours during a calendar year be supported by written documentation explaining the nature, purpose, and basis for the adjustment. Such documentation should be reviewed and approved by two authorized officials, consisting of any combination of the Human Resources Director, Finance Director, or City Manager, and retained in the employee's personnel file to provide an adequate audit trail and ensure appropriate oversight of leave balance modifications.
- Require management to review all instances in which vacation leave cash-outs exceed the limitations established by the City's personnel policies and determine the appropriate corrective action. Such review should be documented and consider the underlying circumstances, applicable policy provisions, and any necessary administrative, payroll, or personnel actions to address the non-compliance and prevent recurrence.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-006 NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING – SD2024-006)

Criteria

Section 218.39(1), Florida Statutes, requires that a local government shall have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year.

Condition

The City did not issue and file the September 30, 2025 financial statements with the Auditor General by June 30, 2026 or the Annual Financial Report ("AFR") to the Florida Department of Financial Services by June 30, 2026, as required by Florida Statutes.

Cause

The City does not have an established financial statements review preparation policy 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.

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 had to be posted after the commencement of the audit.

Recommendation

The City should ensure that adequate procedures and internal controls are in place to ensure that the Financial Statements are 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 accounting and financial reporting standards.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-006 NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING – SD2024-006) (CONTINUED)

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SD2025-007 NON-COMPLIANCE WITH 553.80(7)(A) FLORIDA STATUTES

Criteria

Section 553.80(7)(a), Florida Statutes, states that a local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years. A local government must use any excess funds that are prohibited from carrying forward to rebate and reduce fees, to upgrade technology hardware and software systems to enhance service delivery, or for training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code.

Condition

We analyzed the restricted fund balance provided by the Finance Department for the Building and Licenses Department (reported in the General Fund) and determined the City did not comply with Section 553.80(7)(a), Florida Statutes as of the fiscal year ended September 30, 2025.

Cause

No policies or procedures exist to support periodic review of the fund balance or to monitor the balance to ensure compliance with the Florida Statute.

Effect

The City was not in compliance with Section 553.80(7)(a), Florida Statutes as of September 30, 2025.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD2025-007 NON-COMPLIANCE WITH 553.80(7)(A) FLORIDA STATUTES (CONTINUED)

Recommendation

The City should develop policies and procedures to periodically review the fund balance of the Building Fund to ensure compliance with the Florida Statute and define procedures to identify corrective action if needed.

Views of Responsible Officials

See accompanying Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

SD2025-008 REPORTING – DATA COLLECTION FORM (DCF) (REPEAT FINDING SD2024-010)

Federal Agency; Federal Grantor and Program Title; ALN; Grant Number; Grant Period

- U.S. Department of Justice; Direct program: Edward Byrne Memorial Justice Assistance Grant Program; 16.738; 15PBJA-22-GG-00656-MUMU; October 1, 2024 through September 30, 2025
- U.S. Department of Transportation; Direct programs: Safe Streets for All; 20.939; 693JJ32340235; October 1, 2024 through September 30, 2025
- U.S. Department of Treasury; Direct programs: Coronavirus State and Local Fiscal Recovery Fund Award; 21.027; N/A and 23.s.aa.900.128; October 1, 2024 through September 30, 2025
- U.S Department of Agriculture; Indirect programs: Inflation Reduction Act Urban & Community Forestry Program; 10.727; 23-DG-11083112-500; October 1, 2024 through September 30, 2025

Criteria

2 CFR Section 200.512(a) requires the reporting package and DCF to be submitted to the Federal Audit Clearinghouse the earlier of thirty calendar days after the reports are received from the auditor or nine months after the end of the audit period.

Condition

Due to the delay in financial close of the City's books and records, a federal single audit for fiscal year 2025 was not performed in a timely manner and the DCF was not submitted by its due date of June 30, 2026. The UG requires the reporting package and DCF to be submitted to the Federal Audit Clearinghouse the earlier of 30 calendar days after the reports are received from the auditor or nine months after the City's year end.

Cause

Due to significant turnover in the City's finance department, there was a lack of timely reviews of account reconciliations and schedules for year-end closing procedures which ultimately delayed the completion of the audit.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY (CONTINUED)

SD2025-008 REPORTING – DATA COLLECTION FORM (DCF) (REPEAT FINDING SD2024-010) (CONTINUED)

Effect

The City is not in compliance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Recommendation

Management should implement policies to ensure timely financial reporting and ensure the timely completion of an audit.

View of Responsible Official and Planned Corrective Action

See accompanying Corrective Action Plan.

CITY OF OPA-LOCKA, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS

MATERIAL WEAKNESSES

MW2024-001 - was not addressed and the finding is repeated as MW2025-001. This finding was initially reported as MW2020-01.

MW2024-002 - was not addressed and the finding is repeated as MW2025-002. This finding was initially reported as MW2017-01.

MW2024-003 - was addressed and the finding was not repeated.

MW2024-004 - was not addressed and the finding is repeated as MW2025-003. This finding was initially reported as MW2017-04.

MW2024-005 - was addressed and the finding was not repeated.

SIGNIFICANT DEFICIENCIES

SD2024-006 - was not addressed and the finding is repeated as SD2025-006. This finding was initially reported as SD2020-02.

SD2024-007 - was not addressed and the finding is repeated as SD2025-004. This finding was initially reported as SD2017-06.

SD2024-008 - was addressed and the finding was not repeated.

SD2024-009 - was addressed and the finding was not repeated.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

SD2024-010 - was not addressed and the finding is repeated as SD2025-008.

CBIZ CPAs P.C.

2811 Ponce De Leon Blvd., Suite 1100
Coral Gables, FL 33134

P: 305.995.9600

Management Letter in Accordance with the Rules of the Auditor General for the State of Florida

To the Honorable Mayor, City Commission and City Manager
City of Opa-Locka, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Opa-Locka, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 14, 2026.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; 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 schedules, which are dated September 14, 2026, 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 annual financial audit report. The status of findings made in the preceding annual financial audit report have been addressed except as noted in the below table.

Tabulation of Uncorrected Audit Findings

Current Year Finding No.	2023-24 FY Finding No.	2022-2023 FY Finding No.
MW2025-001	MW2024-001	MW2023-001
MW2025-002	MW2024-002	MW2023-002
MW2025-003	MW2024-004	MW2023-004
SD2025-004	SD2024-007	SD2023-008
SD2025-006	SD2024-006	SD2023-006
SD2025-008	SD2024-010	N/A

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 regarding specific legal authority of the City and its component unit is discussed 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 City 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 City did not meet any of the conditions described in Section 218.503(1), Florida Statutes. For the fiscal year ended September 30, 2025, the City remains in a declared state of financial emergency. Refer to MLC2025-002 which is included in Appendix A.

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 City as of September 30, 2025. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the 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, in addition to the findings reported in the accompanying schedule of findings and questioned costs, we did have two recommendations identified as MLC2025-001 and MLC2025-002 which are included in Appendix A.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the City's geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, see the accompanying Schedule of Findings and Questioned Costs.

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 City Commission and management of the City of Opa-Locka, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Coral Gables, Florida
September 14, 2026

CITY OF OPA-LOCKA, FLORIDA

APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

No.	Current Year's Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
MLC 2025-001	Budgetary Transfers Exceeding Approved Budget Amounts	X	

No.	Prior Year's Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
MLC 2025-002	Financial Emergency	X	
MLC-2024-001	Solid Waste Deficit Net Position		X

MLC2025-001 BUDGETARY TRANSFERS EXCEEDING APPROVED BUDGET AMOUNTS

Criteria, Condition, and Cause

The City's budget ordinance provides that budgetary control is maintained at the account level and that changes to budgeted amounts must be approved by the City Commission. During the fiscal year ended September 30, 2025, actual transfers in and transfers out exceeded the corresponding budgeted amounts reported in the City's budgetary comparison schedules.

During the fiscal year, management evaluated certain interfund balances classified as due to/from other funds and determined that repayment or collection of those balances was no longer expected. In accordance with generally accepted accounting principles (GAAP), interfund balances that are not expected to be repaid should be reclassified as transfers. As a result, management recorded transfers in and transfers out to properly reflect the substance of the transactions and comply with GAAP. However, the related transfers were not reflected in the final amended budget, resulting in actual transfers exceeding the budgeted amounts.

Effect

Failure to amend the budget to reflect significant transfers recorded during the fiscal year may result in variances between actual and budgeted activity and may create the appearance of noncompliance with the City's budgetary requirements. In addition, budget-to-actual information may not fully reflect the financial activity approved by the City Commission, reducing the usefulness of budgetary reporting for oversight and accountability purposes.

Recommendation

We recommend that management implement procedures to evaluate the budgetary impact of significant accounting transactions identified during the fiscal year, including the reclassification of interfund balances to transfers. When such transactions are expected to materially affect budgeted amounts, management should consider presenting a budget amendment to the City Commission to ensure that the legally adopted budget remains consistent with significant financial activities reflected in the City's financial statements and budgetary comparison schedules.

Management Response

An annual budget amendment will be proposed, near fiscal year end, to capture any reclassifications of interfund balances to transfers. This will occur when transactions are expected to materially affect budgeted amounts.

MLC2025-002 DECLARED STATE OF FINANCIAL EMERGENCY (REPEAT COMMENT – MLC2020-002)

Criteria, Condition and Cause

On June 1, 2016, the City of Opa-locka City Commission adopted a Resolution to request a declaration that the City is in a state of financial emergency to seek the appointment of a financial emergency board and other assistance pursuant to section 218.503(1), Florida Statutes. The State of Florida, Office of the Governor, issued Executive Order 16-135, signed by Florida Governor Rick Scott.

The City submitted its Five-Year Recovery Plan in accordance with Florida Statute, 218.503 (3)(h) in August 2020. As of the fiscal year ended September 30, 2025, the City was still under oversight of a financial emergency board established by the State of Florida.

Effect

The City is currently under the oversight of a financial emergency board.

Recommendation

After consideration of the above criteria, condition and cause, and several other factors, not limited to; a) deficits unrestricted net position/fund balances for the water and sewer fund, and solid waste fund, b) lack of support for repayment or collection of due to/due from other funds account balances, and c) the withholding of State Revenue Sharing as of the auditors' report date. We advised the City work closely with financial emergency board and continue to follow/adhere to the Five-Year Recovery Plan in order to alleviate the state of financial emergency.

Management's Response

The City is developing a scope of tasks for an Internal Auditor or identifying an Accountant in the Finance Department to assist with remedy for this recommendation. Additional checks and balances are crucial to improving internal controls and accurate financial reporting. This is an ongoing development and will be resolved with successful recruitment or assignment of tasks for this purpose. This individual will be responsible for monthly analysis of Financials across the general ledger and review of procedures for alignment with policies and procedures.

CBIZ CPAs

CBIZ CPAs P.C.

2811 Ponce De Leon Blvd., Suite 1100
Coral Gables, FL 33134

P: 305.995.9600

Independent Accountants' Report on Compliance
Pursuant to Section 218.415, Florida Statutes

To the Honorable Mayor, City Commission and City Manager
City of Opa-Locka, Florida

We have examined the City of Opa-Locka, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City'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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, as of and for the fiscal year ended September 30, 2025.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

CBIZ CPAs P.C.

Coral Gables, Florida
September 14, 2026

The city of bright opportunities
@opalockafl

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared City Manager, Sha'mecca Lawson of the City of Opa-locka, Florida, who being duly sworn, deposes and says on oath that:

1. I am the City Manager of City of Opa-locka which is a local government entity of the State of Florida.

2. The governing body of City of Opa-locka adopted Ordinance No. 15-21 (Road Drainage), Ordinance 15-22 (Public Safety), Ordinance 15-23 (Park) and Ordinance 15-24 (Water and Sewer) implementing an impact fee; and

3. City of Opa-locka has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Sha'mecca L

City Manager, Sha'mecca Lawson

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 2 day of February, 2026.

M. M

NOTARY PUBLIC
Print Name Marielisa Gomez

Personally known X or produced identification _______

Type of identification produced: ______________________________

My Commission Expires:

MARIELISA GOMEZ
Notary Public-State of Florida
Commission # HH 685891
My Commission Expires
September 26, 2029

John H. Taylor
Mayor

Joseph L. Kelley
Vice Mayor

Dr. Sherelean Bass
Commissioner

Natasha L. Ervin
Commissioner

Luis Santiago
Commissioner

Sha'mecca Lawson
City Manager

Joanna Flores
City Clerk

Burnadette
Norris-Weeks
City Attorney

MEMO

Date: September 14, 2026

To: CBIZ CPAs P.C.

From: Niema Gantt, Finance Director

Re: Corrective Action Plan FY25

FINDING NUMBER/FINDING DESCRIPTION

MW2025-001 SUPPORT FOR BUILDING PERMIT CHARGES (REPEAT FINDING – MW2024-001)

The Building and License Manager has been working with her staff to develop processes to streamline accessibility to supporting documentation. This activity is ongoing. Management expects these enhanced procedures to improve retention records.

Responsible Party: Marilyn Bernard, Building & License Manager

MW2025-002 FLORIDA AUDITOR GENERAL REPORT FINDINGS (REPEAT FINDING MW2024-002)

During fiscal year 2025 City Commission for the City of Opa-locka executed Resolution 25-056 adopting and approving the Standard Departmnetal Operating Procedures for Finance Department. This document established policies required to safeguard city resources as recommended in the Auditor General of the State of Florida's May 23, 2019 report. Additionally, legislation has been adopted by City Commission to address several items which remain open on the AG's report. Likewise, other open items are no longer applicable to current practices; however, not indicated as resolved.

Responsible Party: Sha'mecca Lawson, City Manager, and Niema Gantt, Finance Director

MW2025-003 RECONCILIATION OF CASH ACCOUNTS (REPEAT FINDING – MW2024-004)

Accountants prepare reconciliations by excel due to software limitations and the Finance Director approves the reports. This protocol applies to other processes such as journal entries. This activity is ongoing.

The City completed its thirteen (13) month conversion to Tyler Munis ERP system (Finance Module) during this fiscal year. Dual operations are still required in the prior software which contributed to delays in reconciliations. Management anticipates that, as implementation and staff training efforts continue to mature, the new system will improve efficiency and facilitate the timely completion of reconciliations.

Responsible Party: Niema Gantt, Finance Director

SD2025-004 PENSION PLAN REMITTANCE (REPEAT FINDING – SD2024-007)

The department is currently staffed with a new Director, Assistant Director, HR Specialist I and HR Specialist II. Risk Management has been transferred from Finance to this department. Temporary staff support has been utilized for other tasks which will assist the department in achieving its overall deliverables. The City is making progress in strengthening its ability to fully comply with the pension plan and all regulations. This activity is ongoing.

Responsible Party: Sha'mecca Lawson, City Manager, Lura Woodley, Human Resource Director, and Niema Gantt, Finance Director

SD2025-005 LACK OF CONTROLS OVER RECORDKEEPING OF COMPENSATED ABSENCES AND NON-COMPLIANCE WITH CITY POLICY

The City has revised its review and approval processes related to accrued vacation and sick time, requests for vacation payouts and final sick leave accrual disbursement. These processes will require a combination of review with signatures from City Manager, Finance Director, Assistant HR Director, Budget Administrator and Payroll Clerk. The absence of any required review and signature will result in unfulfilled remittances.

Responsible Party: Sha'mecca Lawson, City Manager, Niema Gantt, Finance Director, Paul Bennett, Assistant HR Director, Floyd Harris, Budget Administrator, and Kimberly Tarver, Payroll Clerk.

SD2025-006 NON-COMPLIANCE WITH FLORIDA STATUTES (REPEAT FINDING – SD2024-006)

The City has experienced a full load this fiscal year with conversion of the ERP (Finance Module) over thirteen (13) months, while processing daily responsibilities in concert with gaps in external support. The City is committed to accomplishing the goal of timely financial statement issuance. Management expects that the completion of the ERP conversion will allow for more timely financial statement preparation.

Responsible Party: Sha'mecca Lawson, City Manager, and Niema Gantt, Finance Director.

SD2025-007 NON-COMPLIANCE WITH 553.80(7)(A) FLORIDA STATUTES

Fund balance of the Building Department will be periodically calculated and reviewed to ensure compliance with Florida Statute 553.80(7)(A). Disbursements will be processed in accordance with thresholds established for appropriate fund balance retainage.

Responsible Party: Niema Gantt, Finance Director, and Floyd Harris, Budget Administrator

SD2025-008 REPORTING – DATA COLLECTION FORM (DCF) (REPEATED FINDING SD2024-010)

An untimely reporting package and DCF are result of various factors to include the City's astringent calendar in completing conversion of finance module in Munis (ERP) in concert with gaps in external accounting support. This annual requirement, per 2 CFR Section 200.12(2), was not met; however, the City is committed to submitting this package to the Federal Audit Clearinghouse within nine months after fiscal year end.

Responsible Party: Niema Gantt, Finance Director

The above corrective action plan is expected to be implemented in the next 12 months.