

# Memorandum



**Date:** September 30, 2014

**To:** Charles D. Scurr, Executive Director  
Office of the Citizens' Independent Transportation Trust (OCITT)

**From:**   
Cathy Jackson, Director  
Audit and Management Services Department

**Subject:** Audit Report – Charter County Transportation System Surtax Review –  
Village of Pinecrest

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CITT

## PURPOSE AND SCOPE

We performed a review of the Village of Pinecrest's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the six years ended September 30, 2013. The primary objective was to ensure that Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County* executed on July 17, 2003. Additionally, we assessed resolution of prior audit findings referenced in our Report dated July 29, 2008 (Exhibit I).

## BACKGROUND

Miami-Dade County Ordinance (Ordinance) No. 02-116, enacted on July 9, 2002, imposed a one-half of one percent Surtax on eligible sales transactions for Transportation-related projects. However, at least 20% of the Proceeds received by the County must be distributed to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics (Schedule I). The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of 15 members appointed by the Board of County Commissioners, County Mayor, and Miami-Dade League of Cities.

Pursuant to the Interlocal Agreement, the Village of Pinecrest (Pinecrest) must annually continue the same level of General Fund support for Transportation projects appropriated in its Fiscal Year (FY) 2002 Budget (Maintenance of Effort), which totaled \$103,361 (Table I). Surtax monies may be used to develop, construct, equip, maintain, operate, or expand County-wide bus systems, fixed guideway rapid transit systems, roads, and bridges, as well as secure such bonds or pay debt service. Further, Pinecrest must apply at least 20% of the Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure. CITT Resolution 09-055, adopted July 30, 2009, allows for the rollover of unspent Surtax funds for up to five years, provided Pinecrest's Five-Year Transportation Plan demonstrates how the funds will be used.

**SUMMARY RESULTS**

For the six years ended September 30, 2013, Pinecrest received \$3.6 million in Surtax Proceeds, earned investment income of \$115,000, and claimed Transit and Transportation-related expenditures totaling \$3.5 million (Table I). Included in Surtax Receipts was \$551,589 restricted to Transit projects that was voluntarily surrendered to OCITT in FY 2009 and subsequently reclaimed in FY 2013 to construct two bus shelters along US Highway 1. Pinecrest returned the funds because at the time, the Village had no future Transit projects planned.

After adjusting claimed expenditures for the Maintenance of Effort (MOE), Pinecrest had \$2.8 million of unspent proceeds as of September 30, 2013. CITT Resolution 09-055, adopted July 30, 2009, allows rollover of unspent amounts for up to five years, provided the funds are appropriated in the Municipality’s Five-Year Transportation Plan. Within 90 days, Pinecrest must submit an updated Plan reflecting how unspent funds will be used.

**Table I  
 Surtax Statistics**

Description	Fiscal Year Ended September 30,						All Years
	2008	2009	2010	2011	2012	2013	
<b>Maintenance of Effort</b>	\$ 103,361	\$ 103,361	\$ 103,361	\$ 103,361	\$ 103,361	\$ 103,361	\$ 620,166
<b>Revenue</b>							
Surtax Proceeds	\$ 627,523	\$ 14,305	\$ 572,099	\$ 612,279	\$ 618,387	\$ 1,205,816	\$ 3,650,409
Investment Income	11,694	4,302	45,824	13,776	25,778	14,052	115,426
	<u>\$ 639,217</u>	<u>\$ 18,607</u>	<u>\$ 617,923</u>	<u>\$ 626,055</u>	<u>\$ 644,165</u>	<u>\$ 1,219,868</u>	<u>\$ 3,765,835</u>
<b>Claimed Expenditures</b>							
Transit	\$ -	\$ -	\$ 43,500	\$ 12,948	\$ 230,217	\$ 384,545	\$ 671,210
Transportation	271,735	942,855	624,292	588,547	167,089	217,598	2,812,116
	<u>\$ 271,735</u>	<u>\$ 942,855</u>	<u>\$ 667,792</u>	<u>\$ 601,495</u>	<u>\$ 397,306</u>	<u>\$ 602,143</u>	<u>\$ 3,483,326</u>
<b>Unspent Surtax Proceeds <sup>1</sup></b>							
Transit	\$ 677,094	\$ 238,684	\$ 309,604	\$ 419,112	\$ 312,572	\$ 610,461	
Transportation	1,660,146	1,277,669	1,260,241	1,278,654	1,735,414	2,158,611	
	<u>\$ 2,337,240</u>	<u>\$ 1,516,353</u>	<u>\$ 1,569,845</u>	<u>\$ 1,697,766</u>	<u>\$ 2,047,986</u>	<u>\$ 2,769,072</u>	
<b>CITT Public Transit Fund <sup>1</sup></b>							
Cash and Cash Equivalents	\$ 649,732	\$ 216,758	\$ 287,618	\$ 396,267	\$ 332,746	\$ 781,423	
Fund Balance	\$ 125,344	\$ 241,942	\$ 312,753	\$ 423,524	\$ 317,542	\$ 620,892	
<b>Transportation Fund <sup>1</sup></b>							
Cash and Cash Equivalents	\$ 4,071,617	\$ 3,788,327	\$ 3,639,187	\$ 4,098,562	\$ 4,849,818	\$ 5,711,992	
Fund Balance	\$ 3,909,674	\$ 3,886,363	\$ 3,677,916	\$ 4,193,789	\$ 4,989,311	\$ 5,817,568	

Source: OCITT, Pinecrest's Audited Financial Statements and General Ledgers

<sup>1</sup> As of September 30 in each Fiscal Year.

While Pinecrest properly segregated its 20% share of Transit monies in a separate fund, the remaining 80% was commingled in a Transportation Fund that also included Local Option Gas Tax, Federal Stimulus, and other grant monies. Staff was unable to specify what portions of the cash and fund balances were for Surtax projects. Prospectively, Pinecrest should separately

account for such activities in the CITT Public Transit Fund or maintain separate bank accounts, as well as track and report fund balance amounts that are restricted for Surtax purposes.

These and other findings are more fully discussed in the remainder of this document and the status of prior audit findings is summarized on Exhibit I. A copy of this report is being submitted to Pinecrest under separate cover, and a written response is requested within 60 days, in accordance with Administrative Order 3-7. We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact Nancy McKee, Assistant Director, at 786-469-5900, if you have any questions.

## **FINDINGS AND RECOMMENDATIONS**

### **Use of Surtax Proceeds**

As mentioned previously, Pinecrest received \$3.8 million, including investment income, for Surtax Use and claimed \$671,210 and \$2.8 million in Transit and Transportation expenditures, respectively, during the audit period (Schedule II). At least 20% of the Surtax Proceeds (\$730,000) must be used for Transit-related projects such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure. Pinecrest is relocating two bus shelters on US Highway 1 from SW 117 to SW 120 Street to enhance crosswalk safety for local high school students, and began circulator service on two routes in FY 2012. The remaining 80% (\$3 million) was used primarily for Village-wide paving projects, Public Works salaries, and a major drainage project on SW 72 Avenue (Schedule III). A second major drainage project on Pine Needle Lane during the same period was charged to the Village's Stormwater Fund.

According to staff, invoices supporting claimed Surtax expenditures for FYs 2008 to 2010 were destroyed prior to the start of our audit, requiring us to perform alternate audit procedures, including reviewing cancelled checks, contracts, and other documents to validate the propriety of disbursements. Additionally, the Village estimates that annually Public Works staff spends about 25% of their time on street maintenance and repair activities, as determined in FY 2002. However, the 25% applied to staff salaries and benefits and charged as Transportation costs was not supported by time or activity records. While the amount appears reasonable, the Village must maintain evidence to support the allocation. Further, Pinecrest has not signed the Amended Interlocal Agreement obligating municipalities to comply with financial reporting, accounting, record retention, and other requirements.

After adjusting claimed expenditures for the MOE, Transit and Transportation funds totaling \$610,461 and \$2.2 million, respectively, were unspent and available for carryover as of September 30, 2013. Pinecrest established a separate Transit-related fund for its 20% portion, and the restricted cash and fund balance amounts appear reasonable. The remaining 80% designated for Transportation-related projects was commingled with funds from other road-related monies, including Local Option Gas Tax and Federal Stimulus monies. As of

September 30, 2013, the Transportation fund balance was \$5.8 million; however, staff was unable to determine how much pertained to unused Surtax funds.

**Recommendation**

Prospectively, Pinecrest should retain pertinent accounting records to support Surtax expenditures, as required, and substantiate time and costs incurred by employees when working on Surtax activities, or such costs will be disallowed. More importantly, all Surtax transactions should be accounted for in a single fund, or alternatively separate accounts established to track restricted cash and investments. Finally, future Surtax monies should be withheld pending Pinecrest’s signing of the Amended Interlocal Agreement.

**Rollover of Unused Funds**

As of September 30, 2013, unspent Transportation and Transit Surtax Proceeds totaled \$2.2 million and \$610,461, respectively. As shown in Table II, \$1.3 million of the \$2.2 million in Transportation monies must be expended in FY 2014 to avoid recapture, and the remaining \$898,000 is set to expire in FYs 2016 through 2018.

**Table II  
 Analysis of Rollover Funds <sup>1</sup>**

Unspent Amounts			Unspent Amounts Aged by Expiry Date		
September 30,	Transit	Transportation	September 30,	Transit	Transportation
2009	\$ 238,684	\$ 1,277,669	2014	\$ 132,144	\$ 1,260,241
2010	\$ 309,604	\$ 1,260,241	2015	70,920	-
2011	\$ 419,112	\$ 1,278,654	2016	109,508	18,413
2012	\$ 312,572	\$ 1,735,414	2017	-	456,760
2013	\$ 610,461	\$ 2,158,611	2018	297,889	423,197
				\$ 610,461	\$ 2,158,611

<sup>1</sup> Citizens' Independent Transportation Trust Resolution 09-055, adopted July 30, 2009, permits rollover of unspent funds for five years. Thus, unspent proceeds which originated in FY2009 expire in FY2014. Thereafter, annual increases in unspent funds expire in the succeeding years, except when there is a decrease as shown (Schedule II).

While the most recent Five-Year Transportation Plan shows Village-wide repaving projects of \$6.7 million, those projects may not be sufficient to utilize annual Transportation proceeds and also reduce unspent monies earmarked for Transportation projects. According to the Five-Year Plan, the Transit funds being rolled over (\$610,000) will be used to complete the bus shelter project and operate the circulator system before the carryover expires.

**Recommendation**

Pinecrest should submit a revised Five-Year Transportation Plan specifying how Transportation rollover monies will be used, and request an extension of the rollover amount expiring in FY 2014 if the \$1.3 million is not fully expended. More importantly, both Pinecrest and OCITT staff should more diligently track and monitor unspent funds to minimize the risk of funds recapture and maximize effective use of Surtax dollars.

**Reporting**

Pinecrest met OCITT reporting requirements for FY 2013; however, the Certification Letter incorrectly referred to FY 2013 budget amounts instead of the FY 2002 MOE amount. Quarterly Reports detailing Surtax expenditures for FYs 2008 through 2012, and Five-Year Transportation Plans for FY 2008 and 2009 were not submitted.

**Recommendation**

Prospectively, OCITT should withhold future funding to encourage compliance with reporting requirements.

CJ:ag

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Robert A. Cuevas, Jr., County Attorney
- Alina T. Hudak, Deputy Mayor
- Edward Marquez, Deputy Mayor
- Jennifer Moon, Director, Office of Management and Budget
- Charles Anderson, Commission Auditor
- Yocelyn Galiano Gomez, Village Manager, Village of Pinecrest

**Charter County Transportation System Surtax Review  
Summary of Payments to Municipalities**

Municipality	Fiscal Year Ended September 30,											All Years
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
City of Miami	\$ 6,905,410	\$ 10,580,915	\$ 11,208,930	\$ 12,562,541	\$ 12,855,629	\$ 12,574,719	\$ 11,545,439	\$ 11,946,673	\$ 13,113,576	\$ 13,555,331	\$ 14,564,114	\$ 131,413,277
City of Hialeah	4,382,718	6,715,483	7,014,990	7,730,686	7,656,151	7,336,976	6,672,306	6,709,589	7,117,975	7,623,497	8,118,432	77,078,803
City of Miami Beach	1,686,079	2,583,517	2,719,756	3,029,839	3,108,056	2,960,734	2,736,361	2,765,507	2,916,205	2,978,728	3,166,271	30,651,053
City of North Miami	1,136,965	1,742,129	1,805,505	1,989,253	2,004,095	1,919,328	1,759,840	1,755,291	1,836,714	1,994,866	2,107,503	20,051,489
City of Homestead	621,791	952,745	1,051,671	1,208,129	1,275,853	1,387,011	1,681,886	1,747,262	1,809,949	2,053,440	2,204,159	15,993,896
City of Coral Gables	810,009	1,241,148	1,298,953	1,467,752	1,480,710	1,426,754	1,302,297	1,346,817	1,429,343	1,587,452	1,685,507	15,076,742
City of Miami Gardens <sup>4</sup>	-	-	-	-	-	-	-	-	-	10,352,937	3,837,951	14,190,888
City of North Miami Beach	799,300	1,224,740	1,267,423	1,402,019	1,366,735	1,307,355	1,195,378	1,202,159	1,260,998	1,409,058	1,493,737	13,928,902
City of Aventura	495,408	759,096	818,788	933,612	947,021	946,296	887,089	912,935	977,774	1,213,562	1,280,248	10,171,829
Town of Miami Lakes <sup>2</sup>	460,331	705,348	737,093	822,002	822,114	876,926	760,175	774,921	810,925	996,347	1,052,533	8,818,715
Village of Palmetto Bay	459,612	704,246	745,086	824,252	823,908	807,842	734,476	740,194	789,514	794,405	841,373	8,264,908
City of Hialeah Gardens	373,801	572,763	604,331	676,565	681,956	657,921	598,273	615,769	659,652	737,631	780,808	6,959,470
<b>Village of Pinecrest <sup>1</sup></b>	<b>361,540</b>	<b>553,977</b>	<b>579,684</b>	<b>639,364</b>	<b>646,631</b>	<b>627,523</b>	<b>14,305</b>	<b>572,099</b>	<b>612,279</b>	<b>618,387</b>	<b>1,205,816</b>	<b>6,431,605</b>
City of Sunny Isles Beach	293,299	449,411	486,866	548,772	555,020	582,250	547,355	593,184	613,819	706,920	752,852	6,129,748
Town of Cutler Bay <sup>4,5</sup>	-	-	-	-	-	-	-	-	-	3,886,873	1,453,608	5,340,481
City of Doral <sup>4</sup>	-	-	-	-	-	-	-	-	-	3,642,653	1,667,049	5,309,702
City of Opa-Locka	291,102	446,045	468,652	533,416	513,020	497,615	448,435	445,408	480,123	516,448	552,018	5,192,282
City of Miami Springs	259,738	397,985	412,534	456,196	459,353	440,937	398,334	398,681	421,632	468,600	496,146	4,610,136
City of Sweetwater <sup>2</sup>	270,238	414,075	429,218	472,215	477,595	458,867	418,273	419,090	350,048	368,080	390,842	4,468,541
Village of Key Biscayne	202,733	310,644	333,638	369,378	379,639	368,354	333,808	339,806	358,459	418,886	443,069	3,858,414
City of South Miami	203,889	312,415	323,655	360,476	351,494	338,279	308,347	328,868	357,423	395,573	443,069	3,723,488
Miami Shores Village	197,655	302,860	313,826	346,278	348,437	335,963	301,400	313,310	340,930	345,317	368,810	3,514,786
City of Florida City	153,748	235,582	254,464	288,454	291,983	295,447	272,056	299,755	320,951	381,591	419,450	3,213,481
North Bay Village	126,762	194,231	198,770	218,913	215,921	186,169	167,474	200,385	214,742	242,190	263,374	2,228,931
City of West Miami	113,307	173,613	185,212	202,961	194,190	184,561	167,123	167,329	180,093	202,418	214,600	1,985,407
Town of Surfside	95,908	146,959	157,799	184,160	144,185	223,419	168,610	170,243	180,473	194,919	206,033	1,872,708
Town of Bay Harbor Islands	96,989	148,613	155,936	172,145	173,190	167,339	150,306	151,009	160,052	190,982	201,912	1,768,473
Village of Biscayne Park	62,045	95,070	104,750	117,666	110,586	106,676	97,167	96,222	100,460	103,670	110,094	1,104,406
Bal Harbour Village	62,707	96,085	99,550	112,832	105,834	95,526	89,285	97,016	104,292	85,278	89,667	1,038,072
Village of El Portal	47,795	73,232	76,045	84,400	84,367	82,000	73,663	73,579	77,875	78,896	83,900	835,752
Village of Virginia Gardens	44,592	68,325	70,576	77,979	78,619	76,184	68,729	67,579	71,151	80,594	85,654	789,982
Town of Medley	21,186	32,464	33,963	37,170	37,616	41,385	33,052	33,111	35,277	28,436	29,889	363,549
Town of Golden Beach <sup>2</sup>	17,511	26,830	27,952	32,999	24,732	7,016	37,226	27,846	29,686	31,187	33,042	296,027
Indian Creek Village <sup>3</sup>	625	955	931	1,093	-	-	-	-	-	-	-	3,604
	<b>\$ 21,054,793</b>	<b>\$ 32,261,501</b>	<b>\$ 33,986,547</b>	<b>\$ 37,903,517</b>	<b>\$ 38,214,640</b>	<b>\$ 37,317,372</b>	<b>\$ 33,968,468</b>	<b>\$ 35,311,637</b>	<b>\$ 37,732,390</b>	<b>\$ 58,285,152</b>	<b>\$ 50,643,530</b>	<b>\$ 416,679,547</b>

Source: Office of the Citizens' Independent Transportation Trust (OCITT) and the County's Financial Accounting Management Information System

<sup>1</sup> Amount in 2009 is net of \$551,589 returned by the Village of Pinecrest for their unspent transit portion of funding as of September 30, 2007. In 2013, OCITT returned the monies to the Village.

<sup>2</sup> Amounts are net of withholdings of \$76,553 from the Town of Miami Lakes, \$277,500 from the City of Sweetwater, and \$21,058 from the Town of Golden Beach, due to specific instances of noncompliance.

<sup>3</sup> A total of \$15,178 has been withheld from Indian Creek Village, at their request, since Fiscal Year 2007.

<sup>4</sup> Amount paid is pursuant to a Settlement and/or Interlocal Agreement, for Municipalities incorporated after November 5, 2002.

<sup>5</sup> As per OCITT, Municipality received \$3,000 in excess of amounts due for Fiscal Year 2012, which was corrected in 2013.

**Charter County Transportation System Surtax Review - Village of Pinecrest  
Surtax Proceeds Usage Analysis**

Description	Fiscal Year Ended September 30,						All Years
	2008	2009	2010	2011	2012	2013	
<b>Sources of Funds:</b>							
Surtax Proceeds	\$ 627,523	\$ 565,894	\$ 572,099	\$ 612,279	\$ 618,387	\$ 654,227	\$ 3,650,409
Funds Surrendered to/Returned by OCITT <sup>2</sup>	-	(551,589)	-	-	-	551,589	-
Net Surtax Proceeds (Schedule I)	627,523	14,305	572,099	612,279	618,387	1,205,816	3,650,409
Investment Income	11,694	4,302	45,824	13,776	25,778	14,052	115,426
	<u>\$ 639,217</u>	<u>\$ 18,607</u>	<u>\$ 617,923</u>	<u>\$ 626,055</u>	<u>\$ 644,165</u>	<u>\$ 1,219,868</u>	<u>\$ 3,765,835</u>
<b>Surtax Uses:</b>							
<b>Eligible Transit Expenditures (Schedule III)</b>	\$ -	\$ -	\$ 43,500	\$ 12,948	\$ 230,217	\$ 384,545	\$ 671,210
<b>Eligible Transportation Expenditures (Schedule III)</b>	\$ 271,735	\$ 942,855	\$ 624,292	\$ 588,547	\$ 167,089	\$ 217,598	\$ 2,812,116
Less MOE	(103,361)	(103,361)	(103,361)	(103,361)	(103,361)	(103,361)	(620,166)
Expenditures Available For Surtax Use	<u>\$ 168,374</u>	<u>\$ 839,494</u>	<u>\$ 520,931</u>	<u>\$ 485,186</u>	<u>\$ 63,728</u>	<u>\$ 114,237</u>	<u>\$ 2,191,950</u>
<b>AMS Analysis:</b>							
<b>Transit-Related Expenditures:</b>							
Expenditures Available for Surtax Use	\$ -	\$ -	\$ 43,500	\$ 12,948	\$ 230,217	\$ 384,545	\$ 671,210
Less 20% Minimum Amount <sup>1</sup>	(125,505)	(113,179)	(114,420)	(122,456)	(123,677)	(130,845)	(730,082)
Amount Available (Unavailable) for Surtax Use	(125,505)	(113,179)	(70,920)	(109,508)	106,540	253,700	(58,872)
Amount Applied to Reduce Unspent Transit Funds	-	-	-	-	(106,540)	(253,700)	(360,240)
Increase In Unspent Funds	<u>\$ (125,505)</u>	<u>\$ (113,179)</u>	<u>\$ (70,920)</u>	<u>\$ (109,508)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (419,112)</u>
<b>Analysis of Unspent Rollover:</b>							
Beginning Balance	\$ 551,589	\$ 677,094	\$ 238,684	\$ 309,604	\$ 419,112	\$ 312,572	\$ 551,589
Increase In Unspent Amounts	125,505	113,179	70,920	109,508	-	-	419,112
Amount Applied to Reduce Unspent Rollover Funds	-	-	-	-	(106,540)	(253,700)	(360,240)
Funds Surrendered to/Returned by OCITT <sup>2</sup>	-	(551,589)	-	-	-	551,589	-
<b>Remaining Unspent Amount</b>	<u>\$ 677,094</u>	<u>\$ 238,684</u>	<u>\$ 309,604</u>	<u>\$ 419,112</u>	<u>\$ 312,572</u>	<u>\$ 610,461</u>	<u>\$ 610,461</u>
<b>Transportation-Related Expenditures:</b>							
Expenditures Available for Surtax Use	\$ 168,374	\$ 839,494	\$ 520,931	\$ 485,186	\$ 63,728	\$ 114,237	\$ 2,191,950
Less Remaining 80% Amount <sup>1</sup>	(502,018)	(452,715)	(457,679)	(489,823)	(494,710)	(523,382)	(2,920,327)
Less Investment Income	(11,694)	(4,302)	(45,824)	(13,776)	(25,778)	(14,052)	(115,426)
Amount Available (Unavailable) for Surtax Use	(345,338)	382,477	17,428	(18,413)	(456,760)	(423,197)	(843,803)
Amount Applied to Reduce Unspent Rollover Funds	-	(382,477)	(17,428)	-	-	-	(399,905)
Increase In Unspent Funds	<u>\$ (345,338)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,413)</u>	<u>\$ (456,760)</u>	<u>\$ (423,197)</u>	<u>\$ (1,243,708)</u>
<b>Analysis of Unspent Rollover:</b>							
Beginning Balance	\$ 1,314,808	\$ 1,660,146	\$ 1,277,669	\$ 1,260,241	\$ 1,278,654	\$ 1,735,414	\$ 1,314,808
Increase In Unspent Amounts	345,338	-	-	18,413	456,760	423,197	1,243,708
Amount Applied to Reduce Unspent Rollover Funds	-	(382,477)	(17,428)	-	-	-	(399,905)
<b>Remaining Unspent Amount</b>	<u>\$ 1,660,146</u>	<u>\$ 1,277,669</u>	<u>\$ 1,260,241</u>	<u>\$ 1,278,654</u>	<u>\$ 1,735,414</u>	<u>\$ 2,158,611</u>	<u>\$ 2,158,611</u>

<sup>1</sup> At least 20% of the Surtax Proceeds must be used on Transit-related projects, such as circulator buses, and the remaining funds (80%) are earmarked for eligible Transportation projects.

<sup>2</sup> The Village of Pinecrest surrendered unused Transit proceeds to the Office of the Citizens' Independent Transportation Trust (OCITT) in FY2009. The funds were returned in FY2013 and are restricted for Transit projects.

**Charter County Transportation System Surtax - Village of Pinecrest**  
**Listing of Claimed Surtax Expenditures**  
**For the Six Years Ended September 30, 2013**

Description	Fiscal Year Ended September 30,						All Years
	2008	2009	2010	2011	2012	2013	
<b>Transit Expenditures:</b>							
Circulator Operations	\$ -	\$ -	\$ -	\$ -	\$ 139,737	\$ 169,306	\$ 309,043
Bus Shelter Relocation	-	-	-	-	38,482	211,219	249,701
Circulator Studies	-	-	43,500	12,948	10,450	-	66,898
Circulator Signs and Promotion	-	-	-	-	41,548	4,020	45,568
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,500</u>	<u>\$ 12,948</u>	<u>\$ 230,217</u>	<u>\$ 384,545</u>	<u>\$ 671,210</u>
<b>Transportation Expenditures:</b>							
Village-wide Paving Projects	\$ 144,800	\$ 756,058	\$ 306,736	\$ 210,807	\$ -	\$ 4,950	\$ 1,423,351
Salaries and Benefits - Public Works Personnel	109,765	114,198	141,259	116,015	112,186	116,418	709,841
SW 72 Ave. Drainage Project	-	-	161,280	222,376	-	-	383,656
Surveying and Engineering Costs	-	-	-	16,867	38,379	79,907	135,153
Gasoline and Diesel Fuel	9,187	5,900	8,015	8,775	8,202	10,663	50,742
Red Road Bike Path - Paving and Lighting	-	50,366	-	-	-	-	50,366
Repair and Maintenance of Public Works Vehicles	5,020	5,220	4,535	5,484	7,482	2,861	30,602
Road Materials and Supplies	2,963	3,175	2,467	8,223	840	2,799	20,467
Installation of Turning Lanes	-	7,938	-	-	-	-	7,938
	<u>\$ 271,735</u>	<u>\$ 942,855</u>	<u>\$ 624,292</u>	<u>\$ 588,547</u>	<u>\$ 167,089</u>	<u>\$ 217,598</u>	<u>\$ 2,812,116</u>

Source: Village of Pinecrest General Ledgers and Accounting Records

**Charter County Transportation System Surtax Review – Village of Pinecrest  
Status of Prior Audit Findings**

Finding <sup>1</sup>	Recommendation <sup>1</sup>	Auditee Response <sup>1</sup>	Current Status
<b>General Fund Support</b>			
Pinecrest reported its Fiscal Year (FY) 2002 Maintenance of Effort (MOE) based upon actual Transportation expenditures, instead of budgeted amounts totaling \$103,361.	Require Pinecrest to support and certify a corrected MOE within 30 days.	Pinecrest accepted and certified the new MOE.	<b>Resolved</b> Pinecrest has corrected and certified the MOE of \$103,361.
<b>Use of Surtax Proceeds</b>			
Pinecrest was unable to spend \$551,589 of its required 20% Transit amount of Surtax Proceeds and \$1.3 million of its 80% Transportation amount.	The Office of the Citizens' Independent Transportation Trust (OCITT) should recapture or withhold \$1.9 million from subsequent remittances.	Pinecrest returned unused Transit funds of \$551,589 to OCITT, but believed the unused Transportation funds should be eligible for rollover.	<b>Resolved</b> Citizens' Independent Transportation Trust (CITT) Resolution No. 09-055 permitted rollover of unspent monies. In FY 2013, OCITT returned unused funds to Pinecrest ( <i>see Page 2 of the Audit Report</i> ).
<b>Certification and Reporting Requirements</b>			
Pinecrest could not initially provide our auditors with reports of qualifying OCITT expenditures and Five-Year Transportation Plans. The reports were subsequently provided.	OCITT should ensure reports are submitted on time or consider withholding funds.	Required reports were subsequently produced.	<b>Resolved</b> <i>See Page 5 of the Audit Report</i> for current finding.

<sup>1</sup> For the full text, see the July 29, 2008 Audit Report and September 9, 2008 Pinecrest response.