

Memorandum



Date: October 14, 2014

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

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

Subject: Audit Report – Charter County Transportation System Surtax Review –
City of South Miami



PURPOSE AND SCOPE

We performed a review of City of South Miami's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the five years ended September 30, 2013. The primary objective was to ensure that Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County* (Interlocal Agreement) executed on July 10, 2007. Additionally, we assessed resolution of prior audit findings referenced in our Report dated June 19, 2009 (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 Surtax 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 City of South Miami (South Miami) must annually continue the same level of General Fund support for Transportation projects appropriated in its Fiscal Year 2002 Budget (Maintenance of Effort), which totaled \$115,668 (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, South Miami 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 the Municipality's Five-Year Transportation Plan demonstrates how the funds will be used.

SUMMARY RESULTS

For the five years ended September 30, 2013, South Miami received \$1.8 million in Surtax Proceeds, earned interest income of \$26,881, and claimed Transit and Transportation-related expenditures totaling \$1.1 million (Table I). After adjusting claimed expenditures for the Maintenance of Effort (MOE) and ineligible expenses, South Miami had \$1.5 million in unspent Surtax Proceeds as of September 30, 2013 (Schedule II). As mentioned previously, CITT Resolution 09-055 allows rollover of unspent amounts for up to five years, provided the funds are appropriated in South Miami’s Five-Year Transportation Plan. Within 90 days, an updated Plan should be submitted reflecting how unspent Proceeds will be used.

**Table I
Surtax Statistics**

Description	Fiscal Year Ended (FY) September 30,					All Years
	2009	2010	2011	2012	2013	
Maintenance of Effort	\$ 115,668	\$ 115,668	\$ 115,668	\$ 115,668	\$ 115,668	\$ 578,340
Revenues						
Surtax Proceeds (Schedule I)	\$ 308,347	\$ 328,868	\$ 357,423	\$ 395,573	\$ 443,069	\$ 1,833,280
Interest Income	-	60	4,158	11,335	11,328	26,881
	<u>\$ 308,347</u>	<u>\$ 328,928</u>	<u>\$ 361,581</u>	<u>\$ 406,908</u>	<u>\$ 454,397</u>	<u>\$ 1,860,161</u>
Claimed Expenditures (Table II)						
Transit	\$ 29,343	\$ -	\$ 3,675	\$ -	\$ 4,500	\$ 37,518
Transportation	261,492	231,866	136,763	260,088	190,213	1,080,422
	<u>\$ 290,835</u>	<u>\$ 231,866</u>	<u>\$ 140,438</u>	<u>\$ 260,088</u>	<u>\$ 194,713</u>	<u>\$ 1,117,940</u>
Unspent Surtax Proceeds (Schedule II) ¹						
Transit	\$ 163,887	\$ 229,661	\$ 297,471	\$ 376,586	\$ 460,700	
Transportation	100,854	247,810	532,611	753,982	1,045,475	
	<u>\$ 264,741</u>	<u>\$ 477,471</u>	<u>\$ 830,082</u>	<u>\$ 1,130,568</u>	<u>\$ 1,506,175</u>	
Key Account Balances ¹						
Peoples Transportation Tax Fund:						
Cash and Cash Equivalents	\$ 85,811	\$ 85,921	\$ 949,802	\$ 1,152,770	\$ 1,569,944	
Fund Balance	<u>\$ 468,768</u>	<u>\$ 652,083</u>	<u>\$ 1,010,802</u>	<u>\$ 1,288,663</u>	<u>\$ 1,651,822</u>	

Source: OCITT, South Miami’s Audited Financial Statements and General Ledgers

¹ As of September 30, in each Fiscal Year.

These and other findings are more fully discussed in the remainder of this Report, and the status of prior audit findings is summarized on Exhibit I. Following the Exit Conference, South Miami furnished us their responses to the audit findings, which have been incorporated herein. Based on our review, the actions planned or already taken to address the findings are satisfactory, and thus the audit has been closed. We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact Jacqueline Williams, Audit Manager, at 786-469-5900, if you have any questions.

FINDINGS AND RECOMMENDATIONS

Uses of Surtax Proceeds

As mentioned previously, at least 20% of the Surtax Proceeds (\$366,657) must be used for Transit-related projects. However, South Miami spent only \$37,518 for bus shelters and signage, which was significantly less than the required minimum (Table II and Schedule II).

**Table II
Summary of Claimed Expenditures, As Adjusted**

Description	Fiscal Year Ended September 30,					All Years
	2009	2010	2011	2012	2013	
Claimed Transit Expenditures:						
Bus Shelters Design and Installation	\$ 28,488	\$ -	\$ 3,675	\$ -	\$ 4,500	\$ 36,663
Bus Signage	855	-	-	-	-	855
	<u>\$ 29,343</u>	<u>\$ -</u>	<u>\$ 3,675</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 37,518</u>
Claimed Transportation Expenditures:						
Transportation Fund Projects						
Sunset Drive Improvements - US1 to SW 69 Ave. ¹	\$ 133,592	\$ 28,836	\$ 3,204	\$ 22,447	\$ 8,600	\$ 196,679
Pinecrest Villas Neighborhood Traffic Calming Design & Construction	-	-	3,462	29,372	47,807	80,641
Roadway Improvements - SW 85 St./Between 60 to 64 Ave. ¹	-	79,352	-	-	-	79,352
Stand-alone Sidewalk Repair - Various City Locations	-	-	15,800	27,814	-	43,614
Mango Terrace Neighborhood Traffic Calming Study & Design ¹	-	-	-	17,498	15,727	33,225
Citywide Roadway Improvements, Phase VI - Design ¹	13,485	10,781	-	-	-	24,266
Miscellaneous Expenses	-	-	-	11,987	3,900	15,887
Manor Lane Neighborhood Traffic Calming Study	-	-	-	9,800	-	9,800
Sunset Drive Median Construction - Sunset Dr./SW 57 Ct. to 58 Ave.	-	-	-	9,700	-	9,700
5801 Sunset Dr. Parking Area/Alleyway Drainage Improvement	-	-	-	8,730	255	8,985
Administrative Cost	4,642	680	-	-	-	5,322
	<u>151,719</u>	<u>119,649</u>	<u>22,466</u>	<u>137,348</u>	<u>76,289</u>	<u>507,471</u>
General Fund Transportation Projects						
Electricity for Street Lights	98,998	96,454	96,426	102,961	91,771	486,610
Additional Administrative Cost	10,775	15,763	17,871	19,779	22,153	86,341
	<u>109,773</u>	<u>112,217</u>	<u>114,297</u>	<u>122,740</u>	<u>113,924</u>	<u>572,951</u>
	<u>261,492</u>	<u>231,866</u>	<u>136,763</u>	<u>260,088</u>	<u>190,213</u>	<u>1,080,422</u>
Adjustments for Ineligible Costs:						
Stand-alone Sidewalk Repair - Various City Locations	-	-	(15,800)	(27,814)	-	(43,614)
5801 Sunset Dr. Parking Area/Alleyway Drainage Improvement	-	-	-	(8,730)	(255)	(8,985)
Miscellaneous Repairs	-	-	-	(1,454)	-	(1,454)
	-	-	(15,800)	(37,998)	(255)	(54,053)
Net Eligible Transportation Expenditures	<u>\$ 261,492</u>	<u>\$ 231,866</u>	<u>\$ 120,963</u>	<u>\$ 222,090</u>	<u>\$ 189,958</u>	<u>\$ 1,026,369</u>

Source: City of South Miami General Ledger, Vendor Invoices, and other supporting documents

¹ Project was funded by several sources, including Surtax Funds.

For the remaining 80% (\$1.5 million), South Miami claimed \$1.1 million for traffic calming, street resurfacing, roadway improvements, and sidewalk projects. However, Surtax monies may not be used for stand-alone sidewalk repairs (\$43,614) until November 15, 2013, per CITT Resolution 13-054. Thus, these and other ineligible expenditures totaling \$54,053 incurred during the audit period were disallowed (Table II). After adjusting claimed expenditures for MOE and ineligible costs, Transit and Transportation funds totaling \$460,700 and \$1 million, respectively, were unspent and available for carryover as of September 30, 2013 (Schedule II).

Recommendation

South Miami should submit a revised Five-Year Transportation Plan within 90-days, reflecting how the \$1.5 million in unspent Transit and Transportation-related Surtax Proceeds will be used.

Auditee Response

The City of South Miami will be preparing and submitting a Five-Year Transportation Plan within 90-days, reflecting how the \$1.5 million of unspent Transit and Transportation-related Surtax Proceeds will be used.

Rollover of Unused Funds

The prior audit report cited unspent Transportation and Transit Surtax Proceeds totaling \$239,646 and \$245,655, respectively, as of September 30, 2008. However, after retroactively applying CITT Resolution No. 09-055, allowing for the rollover of unused funds for up to five years, the unspent Transportation amount was eliminated, and the Transit carryover was restated as \$131,561 (Schedule II-A).

Table III
Analysis of Rollover Funds ¹

Unspent Amounts			Unspent Amounts Aged by Expiry Date		
September 30,	Transit	Transportation	September 30,	Transit	Transportation
2009	\$ 163,887	\$ 100,854	2014	\$ 163,887	\$ 100,854
2010	\$ 229,661	\$ 247,810	2015	65,774	146,956
2011	\$ 297,471	\$ 532,611	2016	67,810	284,801
2012	\$ 376,586	\$ 753,982	2017	79,115	221,371
2013	\$ 460,700	\$ 1,045,475	2018	84,114	291,493
				\$ 460,700	\$ 1,045,475

¹ The 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 (Schedule II) expire in the succeeding years as shown.

Nonetheless, unspent funds have increased annually since that time, because the City has not been able to effectively use its share of the Surtax Proceeds. For example, unspent Surtax funds totaled \$1.5 million, including \$460,700 restricted for Transit activities as of September 30, 2013. To avoid recapture, \$264,741 of the \$1.5 million must be expended in FY 2014, and the remaining \$1.2 million will expire in FYs 2015 through 2018 (Table III). While the most recent Five-Year Transportation Plan shows City-wide roadway improvement projects (\$1.4 million) and installations of bus shelters (\$250,000), those projects may not be sufficient to utilize annual Surtax receipts and reduce the carryover monies.

Recommendation

South Miami should request an extension of the rollover amount expiring in FY 2014 if the \$264,741 is not fully expended. More importantly, South Miami should more diligently monitor unspent funds to minimize the risk of funds recapture and maximize effective use of Surtax dollars.

Auditee Response

The City of South Miami will be requesting an extension of the City's People's Transportation Plan funds rollover amount. Furthermore, South Miami and OCITT staff will continue to work closely to track and monitor unspent funds to minimize the risk of funds recapture and maximize effective use of Surtax dollars.

Certification and Reporting Requirements

The annual Certification Letter, Certified Budget, and Five-Year Transportation Plan due November 1, 2009 were not submitted. Further, Quarterly Reports due October 2011 and 2012 were not on file at OCITT, but were provided by South Miami upon request. Other Quarterly Reports on file were submitted after the applicable due dates.

Recommendation

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

Auditee Response

The City will continue to prepare and submit the annual Certification Letter, Certified Budget, and Five-Year Transportation Plan due November 1 of each year. Furthermore, the City will continue to prepare and submit the Quarterly Reports before each of their respective due dates. We will be sure to confirm receipt by OCITT.

CJ:ai

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
Steven Alexander, City Manager, City of South Miami

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 ⁴	-	-	-	-	-	-	-	-	-	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 ²	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
Village of Pinecrest ¹	361,540	553,977	579,684	639,364	646,631	627,523	14,305	572,099	612,279	618,387	1,205,816	6,431,605
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 ^{4,5}	-	-	-	-	-	-	-	-	-	3,886,873	1,453,608	5,340,481
City of Doral ⁴	-	-	-	-	-	-	-	-	-	3,642,653	1,667,049	5,309,702
City of (No Suggestions)	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 ²	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 ²	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 ³	625	955	931	1,093	-	-	-	-	-	-	-	3,604
	\$ 21,054,793	\$ 32,261,501	\$ 33,986,547	\$ 37,903,517	\$ 38,214,640	\$ 37,317,372	\$ 33,968,468	\$ 35,311,637	\$ 37,732,390	\$ 58,285,152	\$ 50,643,530	\$ 416,679,547

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

¹ 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.

² 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.

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

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

⁵ 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 - City of South Miami
Surtax Proceeds Usage Analysis**

Description	Fiscal Year Ended September 30,					All Years
	2009	2010	2011	2012	2013	
Sources of Funds:						
Surtax Proceeds (Schedule I)	\$ 308,347	\$ 328,868	\$ 357,423	\$ 395,573	\$ 443,069	\$ 1,833,280
Interest Income	-	60	4,158	11,335	11,328	26,881
	<u>\$ 308,347</u>	<u>\$ 328,928</u>	<u>\$ 361,581</u>	<u>\$ 406,908</u>	<u>\$ 454,397</u>	<u>\$ 1,860,161</u>
Surtax Uses:						
Eligible Transit Expenditures (Table II)	<u>\$ 29,343</u>	<u>\$ -</u>	<u>\$ 3,675</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 37,518</u>
Eligible Transportation Expenditures (Table II)	\$ 261,492	\$ 231,866	\$ 120,963	\$ 222,090	\$ 189,958	\$ 1,026,369
Less MOE	(115,668)	(115,668)	(115,668)	(115,668)	(115,668)	(578,340)
Expenditures Available For Surtax Use	<u>\$ 145,824</u>	<u>\$ 116,198</u>	<u>\$ 5,295</u>	<u>\$ 106,422</u>	<u>\$ 74,290</u>	<u>\$ 448,029</u>
AMS Analysis:						
Transit-Related Expenditures:						
Expenditures Available for Surtax Use	\$ 29,343	\$ -	\$ 3,675	\$ -	\$ 4,500	\$ 37,518
Less 20% Minimum Amount ¹	(61,669)	(65,774)	(71,485)	(79,115)	(88,614)	(366,657)
Increase In Unspent Funds	<u>\$ (32,326)</u>	<u>\$ (65,774)</u>	<u>\$ (67,810)</u>	<u>\$ (79,115)</u>	<u>\$ (84,114)</u>	<u>\$ (329,139)</u>
Analysis of Unspent Rollover:						
Beginning Balance	\$ 131,561	\$ 163,887	\$ 229,661	\$ 297,471	\$ 376,586	\$ 131,561
Increase In Unspent Amounts	32,326	65,774	67,810	79,115	84,114	329,139
Remaining Unspent Amount	<u>\$ 163,887</u>	<u>\$ 229,661</u>	<u>\$ 297,471</u>	<u>\$ 376,586</u>	<u>\$ 460,700</u>	<u>\$ 460,700</u>
Transportation-Related Expenditures:						
Expenditures Available for Surtax Use	\$ 145,824	\$ 116,198	\$ 5,295	\$ 106,422	\$ 74,290	\$ 448,029
Less Remaining 80% Amount ¹	(246,678)	(263,094)	(285,938)	(316,458)	(354,455)	(1,466,623)
Less Interest Income	-	(60)	(4,158)	(11,335)	(11,328)	(26,881)
Increase In Unspent Funds	<u>\$ (100,854)</u>	<u>\$ (146,956)</u>	<u>\$ (284,801)</u>	<u>\$ (221,371)</u>	<u>\$ (291,493)</u>	<u>\$ (1,045,475)</u>
Analysis of Unspent Rollover:						
Beginning Balance	\$ -	\$ 100,854	\$ 247,810	\$ 532,611	\$ 753,982	\$ -
Increase In Unspent Amounts	100,854	146,956	284,801	221,371	291,493	1,045,475
Remaining Unspent Amount	<u>\$ 100,854</u>	<u>\$ 247,810</u>	<u>\$ 532,611</u>	<u>\$ 753,982</u>	<u>\$ 1,045,475</u>	<u>\$ 1,045,475</u>

¹ 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.

Charter County Transportation System Surtax Review - City of South Miami
Surtax Proceeds Usage Analysis, as Restated

Description	Fiscal Year Ended September 30,						All Years
	2003	2004	2005	2006	2007	2008	
Surtax Proceeds (Schedule I)	\$ 203,889	\$ 312,415	\$ 323,655	\$ 360,476	\$ 351,494	\$ 338,279	\$ 1,890,208
Surtax Uses:							
Eligible Transit Expenditures²	\$ -	\$ -	\$ 83,476	\$ -	\$ -	\$ 163,005	\$ 246,481
Eligible Transportation Expenditures²	\$ 344,571	\$ 251,693	\$ 481,910	\$ 278,310	\$ 563,643	\$ 802,838	\$ 2,722,965
Less MOE	(115,668)	(115,668)	(115,668)	(115,668)	(115,668)	(115,668)	(694,008)
Expenditures Available For Surtax Use	\$ 228,903	\$ 136,025	\$ 366,242	\$ 162,642	\$ 447,975	\$ 687,170	\$ 2,028,957
AMS Analysis:							
Transit-Related Expenditures:							
Expenditures Available for Surtax Use	\$ -	\$ -	\$ 83,476	\$ -	\$ -	\$ 163,005	\$ 246,481
Less 20% Minimum Amount ¹	(40,778)	(62,483)	(64,731)	(72,095)	(70,299)	(67,656)	(378,042)
Amount Available (Unavailable) for Surtax Use	(40,778)	(62,483)	18,745	(72,095)	(70,299)	95,349	(131,561)
Amount Applied to Reduce Unspent Transit Funds	-	-	(18,745)	-	-	(95,349)	(114,094)
Increase In Unspent Funds	\$ (40,778)	\$ (62,483)	\$ -	\$ (72,095)	\$ (70,299)	\$ -	\$ (245,655)
Analysis of Unspent Rollover:							
Beginning Balance	\$ -	\$ 40,778	\$ 103,261	\$ 84,516	\$ 156,611	\$ 226,910	\$ -
Increase In Unspent Amounts	40,778	62,483	-	72,095	70,299	-	245,655
Amount Applied to Reduce Unspent Rollover Funds	-	-	(18,745)	-	-	(95,349)	(114,094)
Remaining Unspent Amount	\$ 40,778	\$ 103,261	\$ 84,516	\$ 156,611	\$ 226,910	\$ 131,561	\$ 131,561
Transportation-Related Expenditures:							
Expenditures Available for Surtax Use	\$ 228,903	\$ 136,025	\$ 366,242	\$ 162,642	\$ 447,975	\$ 687,170	\$ 2,028,957
Less Remaining 80% Amount ¹	(163,111)	(249,932)	(258,924)	(288,381)	(281,195)	(270,623)	(1,512,166)
Amount Available (Unavailable) for Surtax Use	65,792	(113,907)	107,318	(125,739)	166,780	416,547	516,791
Amount Applied to Reduce Unspent Rollover Funds	-	-	(107,318)	-	(132,328)	-	(239,646)
Unapplied Excess Expenditures or (Increase) In Unspent Funds	\$ 65,792	\$ (113,907)	\$ -	\$ (125,739)	\$ 34,452	\$ 416,547	\$ 277,145
Analysis of Unspent Rollover:							
Beginning Balance	\$ -	\$ -	\$ 113,907	\$ 6,589	\$ 132,328	\$ -	\$ -
Increase In Unspent Amounts	-	113,907	-	125,739	-	-	239,646
Amount Applied to Reduce Unspent Rollover Funds	-	-	(107,318)	-	(132,328)	-	(239,646)
Remaining Unspent Amount	\$ -	\$ 113,907	\$ 6,589	\$ 132,328	\$ -	\$ -	\$ -

¹ 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.

² See the June 19, 2009 Audit Report for additional details.

**Charter County Transportation System Surtax
City of South Miami
Status of Prior Audit Findings ¹**

Finding	Recommendation	Auditee Response	Current Status
General Fund Support			
<p>The City of South Miami (South Miami) reported its Fiscal Year (FY) 2002 Maintenance of Effort (MOE) as \$173,871, which included non-transportation related landscaping costs of \$58,203.</p>	<p>Require South Miami to support and certify at least \$115,668 as the corrected MOE within 30 days.</p>	<p>South Miami concurred with the finding and reported MOE of \$115,668.</p>	<p><u>Resolved</u></p>
Use of Surtax Proceeds			
<p>Using the listing of claimed qualified projects and the corrected MOE, we determined South Miami was unable to expend \$485,301 of its Surtax Proceeds on eligible Transit and Transportation-related projects.</p>	<p>Recapture or withhold \$485,301 from subsequent submissions.</p>	<p>Even though over the past few years the City has been very aggressive in implementing its People's Transportation Plan projects, it has been difficult to spend the Transit and Transportation system surtax proceeds allocated within a single fiscal year.</p>	<p><u>Resolved</u> Effective July 2009, Citizens' Independent Transportation Trust (CITT) Resolution No. 09-055 permits rollover of unspent monies for up to five years (see Page 4 of the Audit Report).</p>
Interest Earned on Surtax Proceeds			
<p>South Miami earned \$15,997 in interest from unspent Surtax Proceeds for the period January 1, 2003 through September 30, 2008. The Interlocal Agreement does not require annual reporting of interest earned; therefore, the Office of the CITT (OCITT) cannot ensure that interest earnings are spent on Transit and Transportation projects.</p>	<p>Prospectively, OCITT should require annual reporting of interest earned from unspent Surtax Proceeds, and such funds should be solely for eligible Transit and Transportation projects.</p>	<p>South Miami confirmed all interest earned on the unspent Surtax Proceeds remains in the fund and is solely used for eligible Transit and Transportation projects. South Miami will annually report interest earned from unspent Surtax Proceeds to OCITT once the reporting requirements have been established.</p>	<p><u>Resolved</u></p>
Certification and Reporting Requirements			
<p>South Miami could not provide our auditors with reports of qualifying expenditures, nor the required certification reports.</p>	<p>Require South Miami to submit all required reports as specified in the Interlocal Agreement. Consider withholding funding if reports are incomplete or delinquent.</p>	<p>South Miami affirmed that certification letters had been submitted to OCITT, together with a spreadsheet, as a means of reporting expenditures on a quarterly basis for each fiscal year.</p>	<p><u>Resolved</u></p>

¹ For the full text, see the June 19, 2009 Audit Report and August 14, 2009 South Miami response.