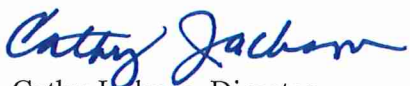


# Memorandum



**Date:** June 30, 2021

**To:** Javier A. Betancourt, Executive Director  
Office of the Citizens' Independent Transportation Trust (OCITT)

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

**Subject:** Final Audit Report – Charter County Transportation System Surtax Review –  
City of Florida City

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## **PURPOSE AND SCOPE**

We performed a review of the City of Florida City's (City) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2020. 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 (Interlocal Agreement)* executed on July 10, 2007. Additionally, we assessed resolution of prior audit findings referenced in our Report dated June 25, 2019 (Exhibit I).

## **BACKGROUND**

*County Ordinance No. 02-116*, enacted on July 9, 2002, imposed a one-half of one percent Surtax on eligible sales transactions for use on 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 II). 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 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 \$165,000 (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, the City must apply at least 20% of the Surtax Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure. *CITT Resolution No. 09-055*, adopted July 30, 2009, allows for the rollover of unspent Surtax funds for up to five years, provided the City's Five-Year Transportation Plan demonstrates how the funds will be used. Additionally, *CITT Resolution No. 15-027*, adopted May 20, 2015, allows for carryover credits in the event amounts expended exceed annual Surtax allocations.

## **SUMMARY RESULTS**

For the three years ended September 30, 2020, the City received \$1.6 million in Surtax Proceeds and claimed Transit and Transportation-related expenditures totaling \$4.9 million (Table I), which included ineligible Transportation expenditures of \$1.5 million. After adjusting claimed expenditures for the Maintenance of Effort (MOE) and ineligible costs, the City had \$2.4 million in carryover credits to offset future Surtax Proceeds earmarked for Transportation activities.

**Table I**  
**Surtax Statistics**

| Description  | Fiscal Year Ended September 30, |              |                | All Years    |
|--|---------------------------------|--------------|----------------|--------------|
|  | 2018                            | 2019         | 2020           |              |
| Maintenance of Effort                                    | \$ 165,000                      | \$ 165,000   | \$ 165,000     | \$ 495,000   |
| Surtax Proceeds, per General Ledger <sup>1</sup>         | \$ 442,371                      | \$ 594,221   | \$ 582,439     | \$ 1,619,031 |
| Claimed Expenditures                                     |                                 |              |                |              |
| Transit (Table II)                                       | \$ 282                          | \$ 3,860     | \$ 68,218      | \$ 72,360    |
| Transportation (Table III)                               | 1,191,064                       | 1,207,725    | 2,439,007      | 4,837,796    |
|  | \$ 1,191,346                    | \$ 1,211,585 | \$ 2,507,225   | \$ 4,910,156 |
| Unspent Surtax Proceeds (Carryover Credits) (Schedule I) |                                 |              |                |              |
| Transit  | \$ 513,768                      | \$ 628,752   | \$ 677,022     |              |
| Transportation   | \$ (734,409)                    | \$ (556,101) | \$ (2,364,157) |              |

<sup>1</sup> Surtax Proceeds do not agree with Schedule II due to timing differences.

However, we continue to be concerned about the City's ability to expend at least 20% of the Surtax Proceeds for Transit projects. The City began its on-demand *FreeBee Shuttle* service in July 2020, at a monthly cost of \$10,253. Also, in an effort to reduce its Unspent Transit-related funds of \$677,022 (Table I), the City expanded *FreeBee* service from one to two vehicles and the latest Five-Year Transportation Plan shows the use of rollover funds by FY 2024. OCITT must closely monitor this issue to ensure Unspent Proceeds are significantly reduced, or future Transit-related funding should be withheld.

Further, the City accounts for its Surtax Proceeds and expenditures in the General Fund and has not segregated its Unspent Surtax Proceeds. We believe the \$677,022 should be deposited in a restricted bank account and separately identified in the City's General Ledger.

These findings and recommendations are more fully discussed in the remainder of this document, along with the City's Response (Attachment I). Our findings have not been addressed by the City for several years, and we therefore recommend that OCITT take more stringent measures to ensure the City deposits Unspent Proceeds in a separate account. Nonetheless, the audit is closed with the understanding that OCITT will monitor timely resolution of our findings. We appreciate the courtesies and cooperation extended to our Staff during the audit process. Please contact G. Nancy McKee, Assistant Director, at 786-469-5900, if you have any questions.



## **FINDINGS AND RECOMMENDATIONS**

### **Use of Transit-Related Surtax Proceeds**

The City began on-demand *FreeBee Shuttle* service on July 27, 2020, as permitted by *BCC Resolution No. 18-46*, effective November 1, 2018. Subsequent *BCC Resolution No. 19-06* (effective July 23, 2019) requires an Interlocal Agreement with the County to operate the service, which has not been executed because the County is still developing Agreement terms. The *FreeBee* contract calls for one XL electric van (Exhibit II) to be operated a minimum of 56 hours Monday through Friday, for a monthly fixed cost of \$10,253. In September 2020, 545 passengers rode the *FreeBee Shuttle*, and ridership averaged approximately 800 through February 2021 (Exhibit III). The vendor provides comprehensive monthly reports that should allow the City to monitor vendor performance and costs.

As mentioned previously, the City must spend 20% of its Surtax Proceeds (\$323,806) on Transit-related activities, but only spent \$72,360 on the *FreeBee Shuttle* and solar lighting upgrades to its bus shelters (Table II). Unspent Transit-related Surtax Proceeds increased from \$425,576 at the start of the audit period to \$677,022 as of September 30, 2020 (Schedule I).

**Table II**  
**Claimed Transit Expenditures**

| Description                     | Fiscal Year Ended September 30, |                 |                  | All Years        |
|---------------------------------|---------------------------------|-----------------|------------------|------------------|
|                                 | 2018                            | 2019            | 2020             |                  |
| Bus Shelters                    | \$ 282                          | \$ 3,860        | \$ 32,660        | \$ 36,802        |
| <i>FreeBee Shuttle</i>          | -                               | -               | 30,758           | 30,758           |
| <i>FreeBee</i> Charging Station | -                               | -               | 4,800            | 4,800            |
| Claimed Transit Expenditures    | <u>\$ 282</u>                   | <u>\$ 3,860</u> | <u>\$ 68,218</u> | <u>\$ 72,360</u> |

Source: City General Ledgers, Vendor Invoices, and other supporting documentation

### **Recommendation**

The City must significantly reduce its Unspent Transit-related Surtax Proceeds or future Transit-related funding should be withheld by OCITT. Additionally, OCITT should encourage the County to finalize the terms of the *Interlocal Agreement* with the City for the on-demand services.

### **Auditee Response**

*The City decided to analyze how effective its Transit solution was, in an effort to efficiently spend Transit funding. Given that the determination has now occurred, the City signed an agreement with Freebee in March 2021 to provide another van for service. The City anticipates the rollover Transit Funding will be expended, within five years, once the additional van is in service.*

### **Use of Transportation-Related Surtax Proceeds**

The remaining 80% of Surtax Proceeds was used primarily for infrastructure improvements and street lighting (Table III). However, approximately \$1.9 million of claimed costs was paid with Community Redevelopment Agency (CRA) Tax Increment Financing (TIF) monies. Per the Office of the County Attorney and OCITT, funds expended for eligible Surtax projects by the CRA, from the City's General Fund contributions, may be used to meet the MOE requirement. CRA costs of \$1.5 million in excess of the MOE were thus deemed ineligible. After adjusting claimed expenditures for ineligible costs and the MOE, the City had Transportation-related credits totaling \$2.4 million as of September 30, 2020 (Schedule I). As mentioned previously, *CITT Resolution No. 15-027* allows for the rollover of excess expenditures to offset subsequent years' Surtax allocations.

**Table III**  
**Claimed Transportation Expenditures, as Adjusted**

| Description  | Fiscal Year Ended September 30, |            |              | All Years    |
|--|---------------------------------|------------|--------------|--------------|
|  | 2018                            | 2019       | 2020         |              |
| CRA Infrastructure Improvements:                                   |                                 |            |              |              |
| Roadway and Streetscape Improvements, SW 1st Street, NW 1st Street | \$ 873,296                      | \$ 910,656 | \$ 78,069    | \$ 1,862,021 |
| General Fund Expenditures:   |                                 |            |              |              |
| East Palm Drive - Road Widening, Canal Culverting, Drainage        | 134,428                         | 146,869    | 2,247,588    | 2,528,885    |
| Street Lights  | 80,613                          | 76,217     | 84,228       | 241,058      |
| Citywide Road Repairs and Repaving                                 | 80,608                          | 44,272     | -            | 124,880      |
| Administrative Costs (limited to 5% of Surtax Proceeds)            | 22,119                          | 29,711     | 29,122       | 80,952       |
| Claimed Transportation Expenditures                                | 1,191,064                       | 1,207,725  | 2,439,007    | 4,837,796    |
| Less: CRA Amounts in Excess of MOE                                 | (708,296)                       | (745,656)  | -            | (1,453,952)  |
| Eligible Transportation Expenditures                               | \$ 482,768                      | \$ 462,069 | \$ 2,439,007 | \$ 3,383,844 |

Source: City General Ledgers, Vendor Invoices, and other supporting documentation

### **Recommendation**

The City should limit its claimed CRA expenditures to the amount required to meet the annual MOE.

### **Auditee Response**

*The City disagrees that administrative costs are only applicable to the transportation portion of CITT expenditures, based upon the significance of the expenditures. Given that administrative time is spent to plan and/or address both transportation and transit projects, the costs could be applicable to both. To note, on our five-year plan, administrative costs were only identified as being related to transportation, based upon the previous AMS response.*

**AMS Rejoinder**

*Administrative costs are limited to 5% of Surtax Proceeds. There was no material Transit-related activity until FY 2020, and the allocation of administrative costs to Transit expenditures for that year would have been less than \$4,000. Therefore, all administrative costs were charged as Transportation expenditures.*

**Discrete Surtax Accounts**

The City accounts for Surtax Proceeds and expenditures in the General Fund, and the \$677,022 unspent cash balance has not been restricted in a separate bank account or fund, as required by the *Interlocal Agreement*.

**Recommendation**

Unused Surtax Proceeds should be restricted in a separate bank account. Further, Surtax Proceeds and expenditures should be accounted for in a separate Fund or Sub-fund.

**Auditee Response**

*The City recognizes the need to identify the funds specifically related to the Citizens' Transportation Trust. To that end, the City established a separate "CITT" bank account. However, while there are unspent Transit Funds that the City has a plan to address, per analysis by both the City and AMS, the City has spent more in overall CITT related funding than that which has been distributed.*

**AMS Rejoinder**

*We agree that the City has a credit carryover in Transportation Surtax funds, however, there is an Unspent balance of \$677,022 that can only be used for Transit purposes, which must be segregated from general operating funds.*

**Reporting Requirements**

The City submitted required compliance reports, albeit several were late. Also, expenditures presented in Quarterly Reports did not always coincide with claimed amounts.

**Recommendation**

The City should submit timely and accurate reports.

**Auditee Response**

*Regarding reporting requirements, in the time frame under audit, the City has submitted two quarterly reports, out of twelve, late. Additionally, since the completion of the last audit report, each of the quarterly reports have been submitted timely.*

CJ:bm

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts  
Geri Bonzon-Keenan, County Attorney  
Edward Marquez, Chief Financial Officer  
Jimmy Morales, Chief Operations Officer  
David L. Clodfelter, Director, Office of Management and Budget  
Chad Burkhalter, Finance Director, City of Florida City

**Charter County Transportation System Surtax Review - City of Florida City**  
**Surtax Proceeds Usage Analysis**

| Description                                      | Fiscal Year Ended September 30, |                     |                       | All Years             |
|--|---------------------------------|---------------------|-----------------------|-----------------------|
|  | 2018                            | 2019                | 2020                  |                       |
| <b>Receipts:</b>                                 |                                 |                     |                       |                       |
| Surtax Proceeds (Table I) <sup>1</sup>           | \$ 442,371                      | \$ 594,221          | \$ 582,439            | \$ 1,619,031          |
| <b>Surtax Uses:</b>                              |                                 |                     |                       |                       |
| Eligible Transit Expenditures (Table II)         | \$ 282                          | \$ 3,860            | \$ 68,218             | \$ 72,360             |
| Eligible Transportation Expenditures (Table III) | \$ 482,768                      | \$ 462,069          | \$ 2,439,007          | \$ 3,383,844          |
| Less Maintenance of Effort (Table I)             | (165,000)                       | (165,000)           | (165,000)             | (495,000)             |
| Expenditures Available For Surtax Use            | \$ 317,768                      | \$ 297,069          | \$ 2,274,007          | \$ 2,888,844          |
| <b>AMS Analysis:</b>                             |                                 |                     |                       |                       |
| <b>Transit-Related Expenditures:</b>             |                                 |                     |                       |                       |
| Expenditures Available for Surtax Use            | \$ 282                          | \$ 3,860            | \$ 68,218             | \$ 72,360             |
| Less 20% Minimum Amount <sup>2</sup>             | (88,474)                        | (118,844)           | (116,488)             | (323,806)             |
| Increase in Rollover Amounts                     | \$ (88,192)                     | \$ (114,984)        | \$ (48,270)           | \$ (251,446)          |
| <b>Analysis of Unspent Rollover:</b>             |                                 |                     |                       |                       |
| Beginning Balance <sup>3</sup>                   | \$ 425,576                      | \$ 513,768          | \$ 628,752            | \$ 425,576            |
| Increase In Unspent Amounts                      | 88,192                          | 114,984             | 48,270                | 251,446               |
| <b>Remaining Unspent Amount</b>                  | <u>\$ 513,768</u>               | <u>\$ 628,752</u>   | <u>\$ 677,022</u>     | <u>\$ 677,022</u>     |
| <b>Transportation-Related Expenditures:</b>      |                                 |                     |                       |                       |
| Expenditures Available for Surtax Use            | \$ 317,768                      | \$ 297,069          | \$ 2,274,007          | \$ 2,888,844          |
| Less Remaining 80% Amount <sup>2</sup>           | (353,897)                       | (475,377)           | (465,951)             | (1,295,225)           |
| Increase (Decrease) in Carryover Credit          | \$ (36,129)                     | \$ (178,308)        | \$ 1,808,056          | \$ 1,593,619          |
| <b>Analysis of Carryover Credit:</b>             |                                 |                     |                       |                       |
| Beginning Balance <sup>3</sup>                   | \$ (770,538)                    | \$ (734,409)        | \$ (556,101)          | \$ (770,538)          |
| (Increase) Decrease in Carryover Credit          | 36,129                          | 178,308             | (1,808,056)           | (1,593,619)           |
| <b>Remaining Carryover Credit</b>                | <u>\$ (734,409)</u>             | <u>\$ (556,101)</u> | <u>\$ (2,364,157)</u> | <u>\$ (2,364,157)</u> |

<sup>1</sup> Amounts do not agree with Schedule II due to timing differences.

<sup>2</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>3</sup> Per the June 25, 2019 Audit Report



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

| Municipality                          | Fiscal Year Ended September 30, |                      |                      |                      |                      |                      | All Years             |
|---------------------------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                                       | 2003 to 2015                    | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |                       |
| City of Miami <sup>1</sup>            | 163,251,890                     | 16,889,133           | 16,523,990           | 18,187,632           | 19,212,362           | 17,998,849           | 252,063,856           |
| City of Hialeah                       | 94,519,774                      | 9,243,159            | 9,346,775            | 9,873,020            | 10,107,558           | 8,933,032            | 142,023,318           |
| City of Miami Beach                   | 37,554,491                      | 3,670,335            | 3,678,499            | 3,925,123            | 3,963,754            | 3,458,999            | 56,251,201            |
| City of Miami Gardens <sup>2</sup>    | 22,375,665                      | 4,336,722            | 4,409,954            | 4,737,286            | 4,846,211            | 4,248,977            | 44,954,815            |
| City of North Miami                   | 24,592,952                      | 2,454,241            | 2,473,804            | 2,665,998            | 2,700,412            | 2,348,890            | 37,236,297            |
| City of Homestead                     | 20,867,813                      | 2,669,792            | 2,788,854            | 2,969,698            | 3,152,022            | 2,762,015            | 35,210,194            |
| City of Coral Gables                  | 18,755,177                      | 1,955,854            | 1,981,236            | 2,091,593            | 2,132,315            | 1,893,283            | 28,809,458            |
| City of North Miami Beach             | 17,154,830                      | 1,733,203            | 1,746,039            | 1,882,765            | 1,945,188            | 1,705,603            | 26,167,628            |
| City of Doral <sup>2</sup>            | 9,003,402                       | 2,120,606            | 2,232,433            | 2,508,437            | 2,747,033            | 2,551,901            | 21,163,812            |
| City of Aventura                      | 12,992,928                      | 1,494,036            | 1,502,980            | 1,590,870            | 1,613,705            | 1,413,111            | 20,607,630            |
| Town of Cutler Bay <sup>2</sup>       | 8,525,502                       | 1,721,858            | 1,769,140            | 1,899,220            | 1,935,984            | 1,696,665            | 17,548,369            |
| Town of Miami Lakes <sup>1</sup>      | 11,086,213                      | 1,209,319            | 1,211,635            | 1,288,227            | 1,309,407            | 1,163,617            | 17,268,418            |
| Village of Palmetto Bay               | 10,074,295                      | 952,951              | 956,304              | 1,013,542            | 1,033,365            | 902,837              | 14,933,294            |
| City of Hialeah Gardens               | 8,635,855                       | 904,713              | 922,372              | 986,599              | 1,007,122            | 882,753              | 13,339,414            |
| City of Sunny Isles Beach             | 7,759,606                       | 869,990              | 866,019              | 933,221              | 951,809              | 841,547              | 12,222,192            |
| Village of Pinecrest                  | 7,840,962                       | 737,876              | 738,316              | 777,521              | 790,584              | 691,410              | 11,576,669            |
| City of Miami Springs                 | 5,682,283                       | 562,418              | 565,087              | 601,223              | 608,639              | 530,692              | 8,550,342             |
| City of Opa-locka <sup>1</sup>        | 6,329,004                       | 90,323               | 195,000              | 210,000              | 165,000              | 1,112,782            | 8,102,109             |
| City of Sweetwater <sup>1</sup>       | 5,070,356                       | 273,778              | 133,332              | 466,662              | 166,116              | 1,850,267            | 7,960,511             |
| City of South Miami                   | 4,767,184                       | 546,219              | 547,720              | 546,151              | 541,343              | 473,555              | 7,422,172             |
| Village of Key Biscayne               | 4,809,375                       | 502,197              | 508,734              | 540,692              | 550,288              | 481,895              | 7,393,181             |
| <b>City of Florida City</b>           | <b>4,132,139</b>                | <b>498,385</b>       | <b>504,443</b>       | <b>542,769</b>       | <b>557,265</b>       | <b>488,960</b>       | <b>6,723,961</b>      |
| Miami Shores Village                  | 4,308,419                       | 419,557              | 420,697              | 443,831              | 447,113              | 391,399              | 6,431,016             |
| North Bay Village                     | 2,808,576                       | 314,789              | 328,007              | 378,523              | 384,140              | 335,832              | 4,549,867             |
| City of West Miami                    | 2,445,250                       | 241,053              | 241,373              | 279,166              | 307,465              | 291,897              | 3,806,204             |
| Town of Surfside                      | 2,314,098                       | 229,428              | 228,739              | 234,500              | 248,902              | 221,896              | 3,477,563             |
| Town of Bay Harbor Islands            | 2,209,631                       | 231,953              | 222,682              | 234,375              | 249,414              | 220,923              | 3,368,978             |
| Village of Biscayne Park <sup>4</sup> | 1,342,176                       | 125,900              | 126,220              | 135,905              | 135,965              | 10,084               | 1,876,250             |
| Bal Harbour Village                   | 1,262,745                       | 114,472              | 111,421              | 114,881              | 125,178              | 109,190              | 1,837,887             |
| Village of Virginia Gardens           | 973,380                         | 96,229               | 96,903               | 102,910              | 103,132              | 90,977               | 1,463,531             |
| Village of El Portal <sup>3</sup>     | 1,012,447                       | 6,467                | 174,873              | 90,094               | 89,175               | 77,404               | 1,450,460             |
| Town of Medley                        | 429,285                         | 34,442               | 33,529               | 35,277               | 35,617               | 31,486               | 599,636               |
| Town of Golden Beach <sup>1</sup>     | 365,820                         | 36,766               | 37,221               | 39,423               | 39,386               | 34,961               | 553,577               |
| Indian Creek Village                  | 3,604                           | -                    | -                    | -                    | -                    | -                    | 3,604                 |
|                                       | <u>\$ 525,257,127</u>           | <u>\$ 57,288,164</u> | <u>\$ 57,624,331</u> | <u>\$ 62,327,134</u> | <u>\$ 64,202,969</u> | <u>\$ 60,247,689</u> | <u>\$ 826,947,414</u> |

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

<sup>1</sup> Amounts are net of withholdings of \$76,553 from the Town of Miami Lakes, \$766,362 from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$1.9 million from the City of Opa-locka, and \$3.3 million from the City of Miami, due to specific instances of noncompliance.

<sup>2</sup> Pursuant to the respective Interlocal and/or Settlement Agreements, these Municipalities, which were incorporated after November 2002, are receiving a share of the County's Surtax Proceeds consistent with the other Municipal distributions.

<sup>3</sup> Amount in FY 2016 is net of \$84,069 withheld due to instances of noncompliance, which was returned in FY 2017 by OCITT.

<sup>4</sup> Amount in FY 2020 is net of \$110,249 withheld due to instances of noncompliance.



**Charter County Transportation System Surtax – City of Florida City**  
**Status of Prior Audit Findings <sup>1</sup>**

| Finding  | Recommendation  | Auditee Response   | Current Status  |
|--|---|--|---|
| <b>Assessment of Surtax Proceeds for Transit Activities</b>  |   |  |   |
| Surtax Proceeds restricted for Surtax projects totaling \$425,576 have remained unspent for five years or more as of September 30, 2017. OCITT must work with City staff to determine if these Proceeds can be more effectively applied to County projects that address the Community's needs. | Within 60 days, the City should submit a revised Five-Year Transportation Plan reflecting the use of unspent Transit-related Proceeds. Moreover, OCITT should consider withholding the 20% Transit share of Surtax Proceeds until the unspent balance is significantly reduced. | <p>The City requested an explanation as to why City administrative costs were only applicable to Transportation-related expenditures.</p> <p><i>AMS Rejoinder – There were no significant Transit expenditures, therefore administrative time was not spent on Transit projects.</i></p>                           | <p><b>Unresolved</b><br/> Unspent Transit Proceeds increased to \$677,022 as of September 30, 2020. See Page 3 of the Audit Report.</p> <p>See Page 5 of the Audit Report regarding administrative costs.</p> |
| <b>Assessment of Claimed Costs for Transportation Use</b>  |   |  |   |
| The City used Community Redevelopment Agency (CRA) funds for \$1.3 million of claimed costs. The claim was limited to annual MOE, in accordance with OCITT guidelines.   | Prospectively, the City must budget and/or transfer Surtax Proceeds to the CRA Fund when seeking to pay for CRA projects with Surtax monies.  | <p>The City requested an explanation as to why CRA project costs were limited to annual MOE.</p> <p><i>AMS Rejoinder – The City cannot use Surtax monies to reimburse costs paid with CRA funds.</i></p>   | <p><b>Unresolved</b><br/> CRA project costs in excess of MOE totaling \$1.5 million were disallowed during the current audit period. See Page 4 of the Audit Report.</p>                                      |
| <b>Discrete Surtax Accounts</b>  |   |  |   |
| Unspent Surtax funds of \$425,576 were not restricted in a separate bank account or fund, as required by the <i>Interlocal Agreement</i> .   | Maintain separate Surtax accounts and restrict unused Surtax Proceeds in a separate bank account, segregated from general operating funds.  | <p>The City has classified funds connected with transportation as Restricted Fund Balance amounts.</p> <p><i>AMS Rejoinder – The FY 2017 Audited Financial Statements showed \$4.4 million in Fund Balance assigned for Transportation Projects. That amount does not correlate with Unspent Surtax Funds.</i></p> | <p><b>Unresolved</b><br/> See Page 5 of the Audit Report.</p>   |
| <b>Reporting Requirements</b>  |   |  |   |
| The City submitted required compliance reports after their due dates, and Quarterly Reports did not always agree with the General Ledger.  | The City should submit timely and accurate reports.   | The City did not respond to this finding.  | <p><b>Partially Resolved</b><br/> See Pages 5-6 of the Audit Report.</p>  |

<sup>1</sup> See the June 25, 2019 Audit Report for the full text.

*FreeBee XL Electric Van*





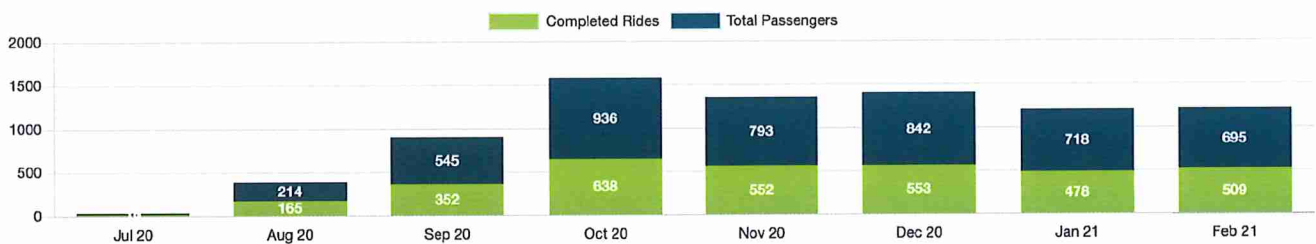
# Florida City

Exhibit III

## Zone Summary



### PASSENGERS AND RIDES BY MONTH (YTD)



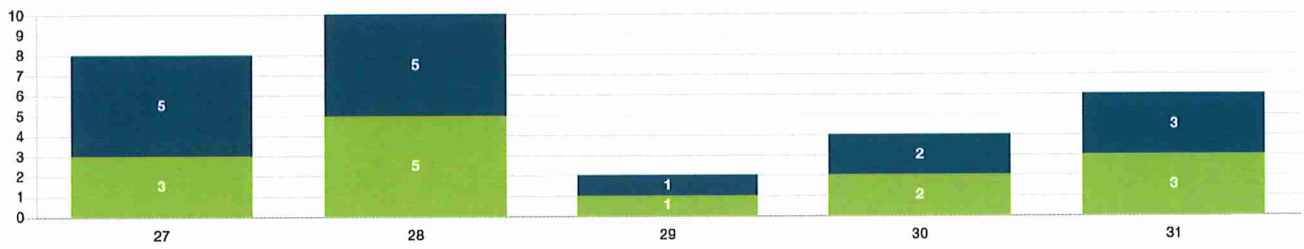
### PASSENGERS AND RIDES BY WEEK (YTD)



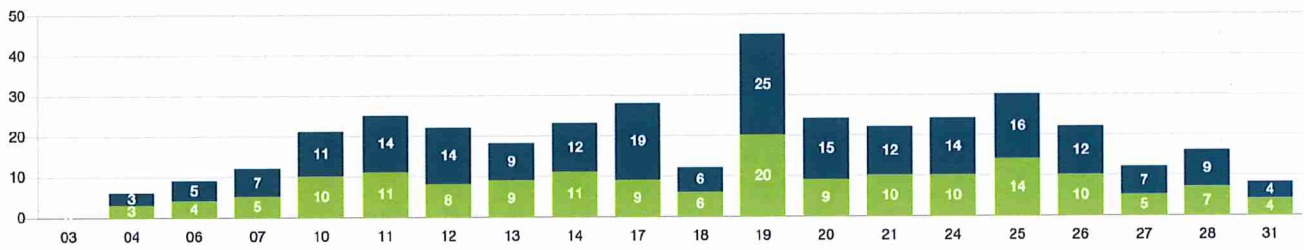
Source: BeeFree, LLC d/b/a FreeBee



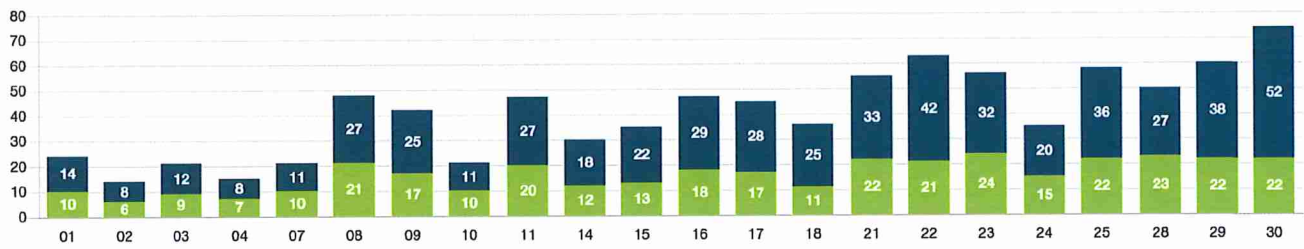
#### PASSENGERS AND RIDES - JULY



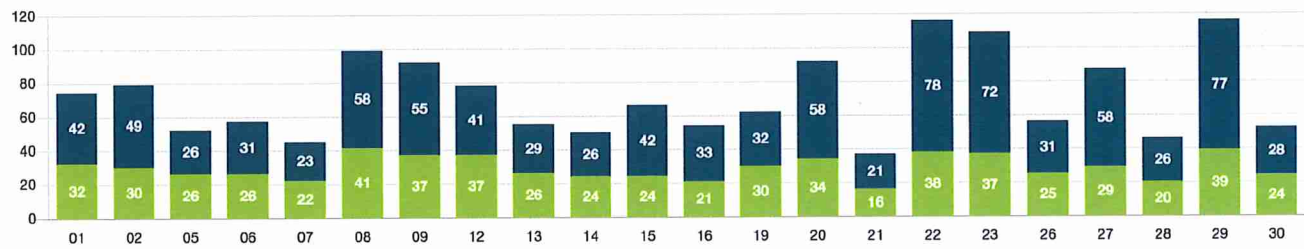
#### PASSENGERS AND RIDES - AUGUST



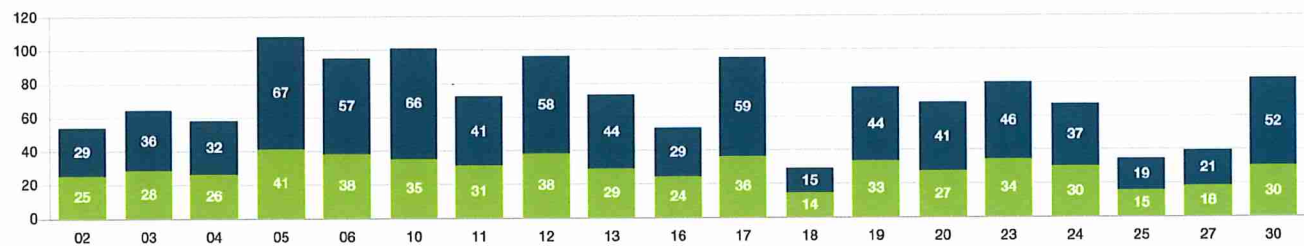
#### PASSENGERS AND RIDES - SEPTEMBER



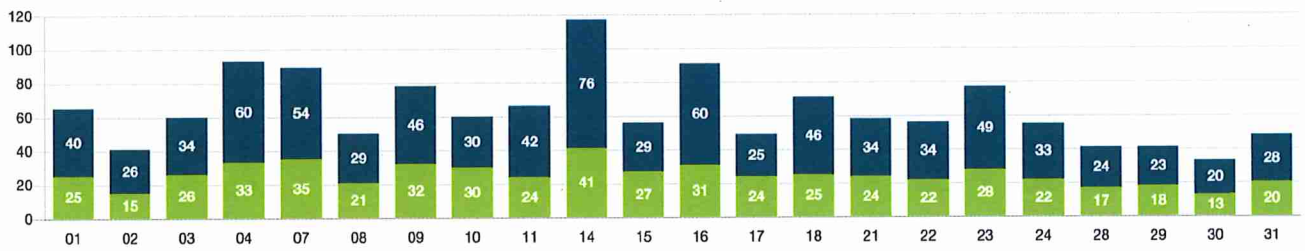
#### PASSENGERS AND RIDES - OCTOBER



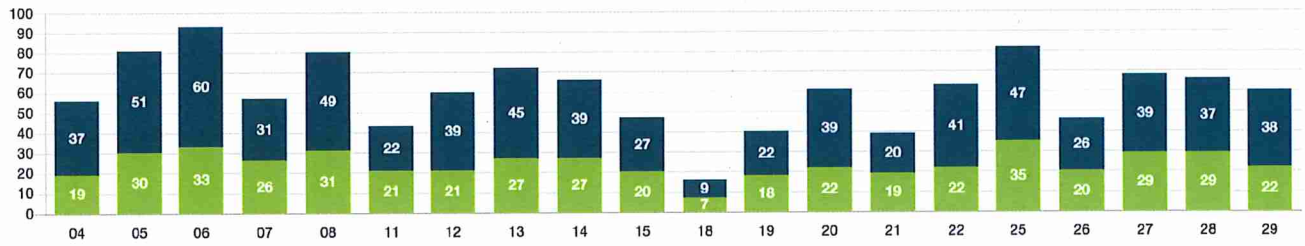
#### PASSENGERS AND RIDES - NOVEMBER



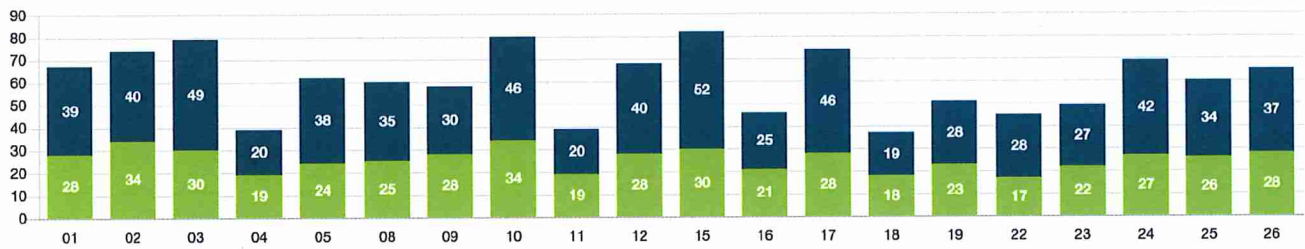
### PASSENGERS AND RIDES - DECEMBER



### PASSENGERS AND RIDES - JANUARY



### PASSENGERS AND RIDES - FEBRUARY



RIDE REQUEST MONDAY



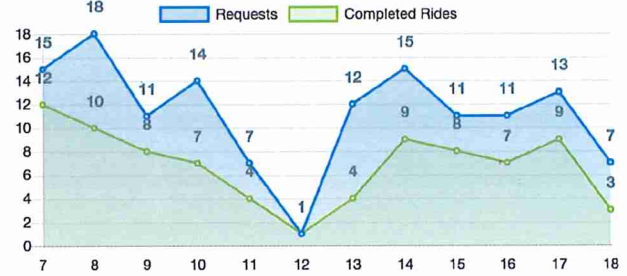
RIDE REQUEST TUESDAY



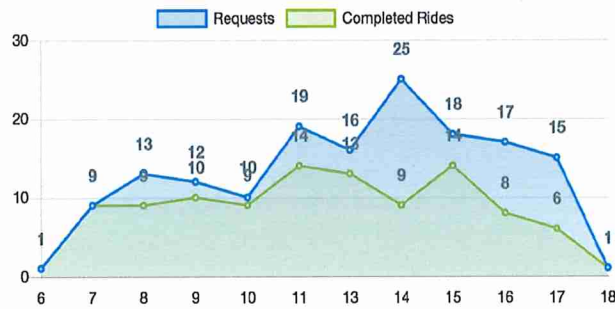
RIDE REQUEST WEDNESDAY



RIDE REQUEST THURSDAY



RIDE REQUEST FRIDAY



RIDE REQUEST SATURDAY

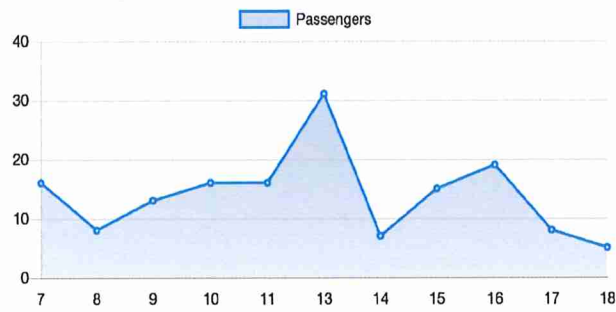


RIDE REQUEST SUNDAY

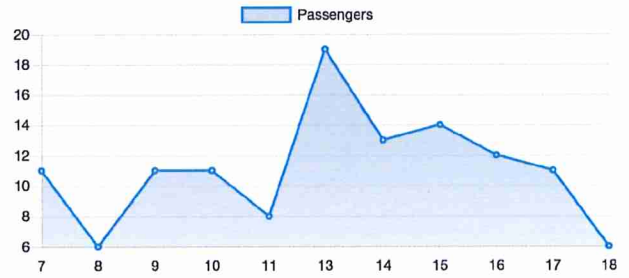




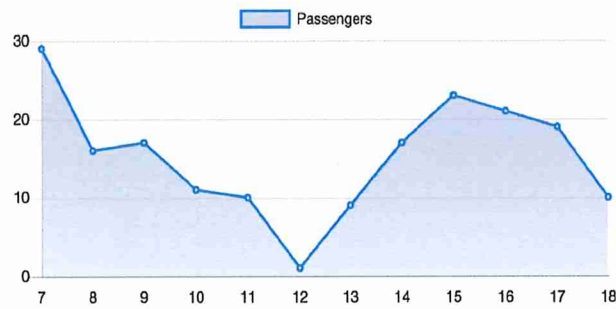
TOTAL PASSENGERS MONDAY



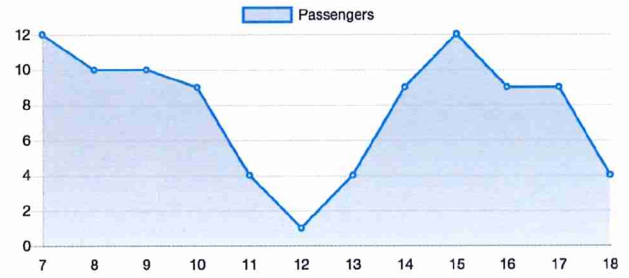
TOTAL PASSENGERS TUESDAY



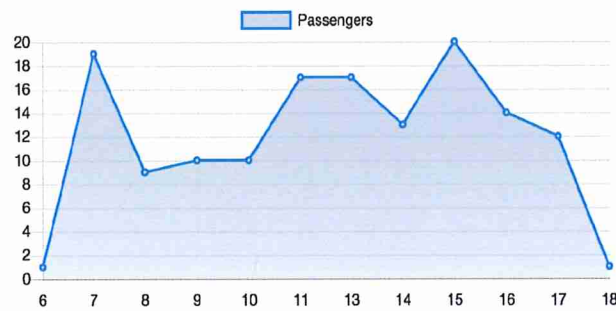
TOTAL PASSENGERS WEDNESDAY



TOTAL PASSENGERS THURSDAY



TOTAL PASSENGERS FRIDAY



TOTAL PASSENGERS SATURDAY



TOTAL PASSENGERS SUNDAY





Cathy Jackson, Director  
Audit and Management Services Department  
701 NW 1<sup>st</sup> Court – Suite 8-175  
Miami, FL 33136

Dear Ms. Jackson:

The City of Florida City appreciates the time that the Audit and Management Services Department took to conduct this audit, and recognizes their efforts to accurately present the information and follow the applicable guidelines.

The following is the response from the City of Florida City regarding the Audit Report for the use of Citizen's Independent Transportation Trust (CITT) Funds, for the three years ending September 30, 2020, and the recommendations therein.

- 1) Regarding the recommendation to withhold funds for not spending the funds related to transit, the City's current five-year plan addresses how it intends to address the unspent Transit funds. With that said, the City decided to analyze how effective its' Transit solution was, in an effort to efficiently spend Transit funding. Given that the determination has now occurred, the City signed an agreement with Freebee in March 2021 to provide another van for service. The City anticipates the rollover Transit Funding will be expended, within five years, once the additional van is in service.
- 2) The City disagrees that administrative costs are only applicable to the transportation portion of CITT expenditures, based upon the significance of the expenditures. Given that administrative time is spent to plan and/or address both transportation and transit projects, the costs could be applicable to both. To note, on our five year plan, administrative costs were only identified as being related to transportation, based upon the previous AMS response.

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**DIRECTOR'S OFFICE  
AUDIT & MANAGEMENT  
SERVICES DEPARTMENT**

- 3) The City recognizes the need to identify the funds specifically related to the Citizen's Transportation Trust. To that end, the City established a separate "CITT" bank account. However, while there are unspent Transit Funds that the City has a plan to address, per analysis by both the City and AMS, the City has spent more in overall CITT related funding than that which has been distributed.
- 4) Regarding reporting requirements, in the time frame under audit, the City has submitted two quarterly reports, out of twelve, late. Additionally, since the completion of the last audit report, each of the quarterly reports have been submitted timely.

Sincerely,



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Chad Burkhalter, Finance Director





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