AUDIT AND MANAGEMENT SERVICES DEPARTMENT
OVERTOWN TRANSIT VILLAGE
701 NW 1st COURT – SUITE 8-175
MIAMI, FLORIDA 33136
TELEPHONE: 786-469-5900
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December 9, 2016

Ms. Yvette Harrell, City Manager
City of Opa-locka
780 Fisherman Street, 4th Floor
Opa-locka, Florida 33054

Re: Charter County Transportation System Surtax Review – City of Opa-locka (City)

Dear Ms. Harrell:

Enclosed is the above-captioned Audit Report that was discussed with you in draft form on October 31, 2016. At least $1.4 million must be recaptured because the City did not furnish any documentation to support use of Surtax distributions for the three years ended September 30, 2010. On several occasions, either you, the former City Manager, and/or Finance Director were apprised of the documentation deficiencies, in addition to the negative financial impact if the matter was not resolved. This data was first requested in April 2015.

Also, we are concerned the City has not sought reimbursement from the Office of the Citizens' Independent Transportation Trust for monies paid to operate the Circulator in Fiscal Years 2015 and 2016, as previously recommended. The City must ensure that all eligible street lighting, transit, transportation, stormwater, and drainage project costs are claimed to effectively leverage available Surtax Proceeds.

Finally, the Fiscal Year 2014 Comprehensive Annual Financial Report incorrectly reported that the People's Transportation Tax Fund had $716,750 in *Cash and Equity in Pooled Cash*, when in fact there was no cash in the fund. Consequently, the City's Surtax distributions were suspended in November 2015, pending resolution of these and other issues.

The Office of the Citizens' Independent Transportation Trust will be contacting you to resolve these and other audit findings. Nonetheless, a written response is requested within 30 days. We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact me at 786-469-5900, if you have any questions or require further information.

Sincerely,

Cathy Jackson
Director

CJ:as

Attachment

c: Charles D. Scurr, Executive Director, Office of the Citizens' Independent Transportation Trust
Honorable Mayor Myra L. Taylor and Members, City Commission, City of Opa-locka
Melinda M. Miguel, Chief Inspector General, Office of the Chief Inspector General

Memorandum

Date: November 15, 2016
(Released December 9, 2016)

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

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

Subject: Audit Report – Charter County Transportation System Surtax Review – City of Opa-locka

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PURPOSE AND SCOPE

We performed a review of City of Opa-locka's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the seven years ended September 30, 2014. 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 November 25, 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 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. 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 Opa-locka (Opa-locka) 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 $254,705 (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, Opa-locka 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 seven years ended September 30, 2014, Opa-locka received $3.5 million in Surtax Proceeds and claimed Transit and Transportation-related expenditures totaling $5.5 million (Table I). After adjusting claimed expenditures for the Maintenance of Effort (MOE), as well as other unclaimed and ineligible expenditures, Opa-locka should have on hand $1.7 million in Surtax Proceeds as of September 30, 2014. Approximately $309,000 represents unspent Transit Proceeds, and $1.4 million is subject to recapture because the City did not claim any expenses for the three years ended September 30, 2010. See Schedules I through III for financial-related information.

Table I
Surtax Statistics

Description	Fiscal Year Ended September 30, 2008	2009	2010	2011	2012	2013	2014	All Years
Maintenance of Effort (MOE)	$ 254,705	$ 254,705	$ 254,705	$ 254,705	$ 254,705	$ 254,705	$ 254,705	$ 1,782,935
Revenues:								
Surtax Proceeds (Schedule III)	$ 497,615	$ 448,435	$ 445,408	$ 480,123	$ 516,448	$ 552,018	$ 580,600	$ 3,520,647
Claimed Expenditures (Tables III & IV):								
Transit	$ -	$ -	$ -	$ 124,422	$ 116,188	$ 93,844	$ 47,369	$ 381,823
Transportation	-	-	-	745,453	602,499	2,180,822	1,568,000	5,096,774
	$ -	$ -	$ -	$ 869,875	$ 718,687	$ 2,274,666	$ 1,615,369	$ 5,478,597
Surtax Proceeds Analysis (Schedule II):								
Unspent Transit Proceeds [1]				$ 461,475	$ 372,912	$ 314,096	$ 308,631	
Transportation Carry-Forward Credit [1]				$ (1,071,568)	$ (736,363)	$ (1,531,927)	$ (1,665,512)	
Amounts Subject to Forfeiture due to Unmet MOE	$ 497,615	$ 448,435	$ 445,408	$ -	$ -	$ -	$ -	$ 1,391,458
Key Account Balances (Schedule I): [1]								
People's Transportation Tax Fund:								
Cash and Equity in Pooled Cash	$ 344,921	$ 802,511	$ 1,471,122	$ 1,829,910	$ 2,252,493	$ 1,308,589	$ 716,750	
Fund Balance	$ 599,051	$ 1,061,902	$ 1,493,589	$ 1,845,408	$ 2,162,715	$ 1,339,427	$ 1,054,942	

Source: OCITT and Opa-locka's Audited Financial Statements and General Ledgers

[1] As of September 30th.

The City's Comprehensive Annual Financial Report, released in June 2015, disclosed that the *People's Transportation Tax (PTP) Fund* had $716,750 in "*Cash and Equity in Pooled Cash"* as of September 30, 2014 (Table I). According to then City Manager Shiver, the *PTP Fund* had no monies, and in reviewing the City's *General Operating Bank Account* reconciliation, we identified this and other discrepancies that Finance Department staff could not explain. We also contacted the External Auditor, who did not respond to repeated requests for assistance in resolving the discrepancies.

In response to our concerns, OCITT suspended direct payment of the Surtax Proceeds effective November 2015, pending resolution of the foregoing cash discrepancies. To minimize the impact to City residents, OCITT is reimbursing Circulator-related expenditures upon receipt of documents substantiating payment. Although the City is experiencing cash flow shortages, the requests for reimbursement are lagging due to personnel constraints.

The Finance Department is significantly under-resourced, which affected timely completion of the audit. Nonetheless, the City should work with OCITT to ensure that all eligible unclaimed transit, transportation, and stormwater projects paid with *General Fund* monies are considered

for *Surtax* reimbursement, as appropriate. Moreover, City Staff must become well-versed in *CITT Ordinances* and procedures to further assure that Surtax Proceeds are appropriately leveraged for the benefit of its residents.

These and other findings are more fully discussed in the remainder of this Report. We appreciate the courtesies and assistance extended to our staff during the audit process. A copy of this Report has been submitted to Opa-locka, with a written response requested within 30 days, in accordance with *County Administrative Order 3-7*. Please contact Jacqueline Williams, Audit Manager, at 786-469-5900, if you have any questions.

FINDINGS AND RECOMMENDATIONS

Uses of Surtax Proceeds for Transit Projects

In February 2011, the City launched the *Opa-locka Express Circulator* service, operated by *Limousines of South Florida*, to connect riders to the *Opa-locka Tri-Rail Station* as well as certain County Metrobus stops. Until recently, the City was operating two routes daily in the City's North and South areas, and a Saturday route was added on August 3, 2013 (Exhibit II). The average combined monthly passenger count over the one-year period ended September 30, 2014 was 15,069.

Table II
Sources of Funding for the Opa-locka Express by Route

Description	North & Saturday Routes	South Route
Limousines of South Florida, Inc. is paid in full by:	Opa-locka	SFRTA
% of Costs Paid Through:		
Opa-locka	50%	25%
SFRTA	0%	25%
FTA-JARC Grant Passed-Through SFRTA	50%	50%

Source: Subreceipient and Funding Agreements between Opa-locka and SFRTA

Circulator operating costs are funded with Surtax Proceeds, Federal Transit Administration (FTA) *Job Access and Reverse Commute* (JARC) Program Grants, and *South Florida Regional Transportation Authority* (SFRTA) local match contributions (Table II). As mentioned previously, at least 20% of the Surtax Proceeds ($704,129) must be used for Transit-related projects.

Initially, Opa-locka claimed $381,823 for Circulator operations in its *PTP Fund* that was primarily established to account for the receipt and use of Surtax Proceeds (Table III). However, we found additional qualifying Circulator expenditures and Program reimbursements totaling $450,509 and $264,678, respectively, that were recorded in the *General Fund* and *Safe Neighborhood Capital Projects Fund*.

Table III
Summary of Claimed Transit Expenditures, As Adjusted

Description	Fiscal Year Ended September 30, 2011	2012	2013	2014	All Years
People's Transportation Tax Fund:					
Circulator Service:					
North Route	$ 91,608	$ -	$ -	$ -	$ 91,608
South Route	23,237	116,188	93,844	47,369	280,638
Branding/Graphics	9,577	-	-	-	9,577
Circulator Service, As Claimed [1]	124,422	116,188	93,844	47,369	381,823
AMS Adjustments:					
General/Safe Neighborhood Capital Projects Funds: [2]					
Circulator Service for the North & Saturday Routes	-	151,329	150,750	148,430	450,509
FTA-JARC Grant Reimbursement for North & Saturday Routes	(39,426)	(75,664)	(75,374)	(74,214)	(264,678)
Total Eligible Transit Expenditures, As Adjusted	$ 84,996	$ 191,853	$ 169,220	$ 121,585	$ 567,654

Source: Opa-locka General Ledgers, Vendor Invoices, and Audited Financial Statements (Schedules of Expenditures of Federal Awards)

[1] In February 2011, Opa-locka implemented the North and South routes. Commencing with FY 2012, only the South route was recorded in the *People's Transportation Tax Fund*.

[2] Commencing with FY 2012, charges and reimbursements for the North and Saturday Routes were recorded in other non-Surtax Funds.

Opa-locka Finance staff could not explain why Surtax transactions were recorded in the *Safe Neighborhood Capital Projects Fund*, reserved for the City's CDBG and General Obligation Bond Programs. After these adjustments, unspent Transit Proceeds totaled $308,631 (Schedule II). Further, the FY 2014 costs claimed are significantly lower than those incurred in prior periods, suggesting there may be additional unclaimed costs. For example, the City may claim 5% of Surtax receipts as an administrative cost reimbursement.

Recommendation

- Opa-locka should submit an updated Five-Year Transportation Plan reflecting how the unspent Surtax Proceeds will be used, as required by *CITT Resolution No. 09-055*.

- Prospectively, Staff must be more diligent in tracking qualifying Transit-related expenditures. Also, Staff should reconcile invoiced Circulator expenditures to amounts claimed, as well as allocate Program administrative costs as appropriate, to further leverage Surtax dollars.

Transportation-Related Expenditures

For the Transportation share of Surtax Proceeds ($2.8 million), Opa-locka claimed $5.1 million primarily for sidewalk and roadway projects, as well as street maintenance, for which 33% or $1.7 million was personnel-related (Table IV). However, the City did not claim any amounts for the three years ended September 30, 2010, and thus the MOE requirement was not met. When the annual MOE is unmet, Surtax Proceeds remitted, which totaled $1.4 million, is subject to recapture (Schedule II).

Table IV
Summary of Claimed Transportation Expenditures, As Adjusted

Description	Fiscal Year Ended September 30, 2011	2012	2013	2014	All Years
People's Transportation Tax Fund:					
Personnel Cost - Sidewalks Personnel	$ -	$ -	$ 192,497	$ 291,459	$ 483,956
Burlington Street Drainage & Roadway Improvements	-	-	465,929	-	465,929
NW 128th Street Drainage & Roadway Improvements	-	-	395,827	-	395,827
Gateway Traffic Circle at NW 27th Ave. & Opa-locka Blvd.	-	-	-	334,093	334,093
Rutland Street Drainage & Roadway Improvements	-	5,030	67,317	82,051	154,398
Sidewalk Related Expenses	-	-	37,209	109,608	146,817
NW 143rd Street Drainage & Roadway Improvements	-	-	122,304	-	122,304
Transportation Master Plan & Enhancement (Master Plan) Study	-	-	33,940	-	33,940
Other Expenditures	1,921	-	17,536	-	19,457
Differences Needed to Reconcile to Audited Financial Statements	-	-	-	(7,798)	(7,798)
	1,921	5,030	1,332,559	809,413	2,148,923
General Fund:					
Public Works - Roads & Streets Division:					
Personnel Cost	211,365	169,094	414,899	422,115	1,217,473
Other Contracted Services	295,788	182,905	123,048	85,304	687,045
Operating and General Expenses	58,580	66,928	105,627	70,245	301,380
Machinery & Equipment Purchases, Repairs, and Leases	9,551	15,652	40,244	10,184	75,631
Road Materials & Supplies	10,032	6,378	10,314	12,684	39,408
Uniform Rental/Laundry	4,036	3,721	5,571	4,236	17,564
Automotive Lease/Purchase	11,588	-	-	-	11,588
Small Tools/Supplies and Vehicle Equipment and Repairs	147	1,845	240	-	2,232
	601,087	446,523	699,943	604,768	2,352,321
Street Lighting	142,445	150,946	148,320	153,819	595,530
	743,532	597,469	848,263	758,587	2,947,851
Total Transportation, As Claimed	745,453	602,499	2,180,822	1,568,000	5,096,774
AMS Adjustments for Ineligible Costs:					
People's Transportation Tax Fund:					
Personnel Cost - Non-Sidewalk Employees	-	-	-	(205,543)	(205,543)
Personnel Cost for Ineligible Stand-alone Sidewalk Projects Prior to FY 2014	-	-	(192,497)	-	(192,497)
Decorative Items for Gateway Round-about (Fountains/Signage/LED Display)	-	-	-	(145,609)	(145,609)
Sidewalk Related Expenses	-	-	(37,209)	-	(37,209)
Master Plan Study Reimbursement by Metropolitan Planning Organization	-	-	(20,364)	-	(20,364)
Soil Testing Needed for Statue Foundation	-	-	(2,200)	-	(2,200)
	-	-	(252,270)	(351,152)	(603,422)
General Fund:					
Landscaping-Related Contractual Services	(295,788)	(182,905)	(123,048)	(85,304)	(687,045)
Personnel Cost (Urban Rangers and/or Car Wash)	-	-	(163,014)	(194,001)	(357,015)
Landscaping, Meals for Inmates, and Other General/Operating Expenses	(58,580)	(66,928)	(105,627)	(70,245)	(301,380)
Irrigation and Landscaping-Related Machinery & Equipment Purchases/Rentals/Leases	(9,551)	(15,652)	(40,244)	(10,184)	(75,631)
Uniform Rental/Laundry for Ineligible Employee Positions	-	-	(2,228)	(2,118)	(4,346)
Landscaping Small Tools & Supplies	-	(1,845)	(240)	-	(2,085)
	(363,919)	(267,330)	(434,401)	(361,852)	(1,427,502)
Non-Street Lighting (General Demand) Charges	(1,800)	(2,511)	(2,268)	(2,226)	(8,805)
Total AMS Adjustments	(365,719)	(269,841)	(688,939)	(715,230)	(2,039,729)
Total Eligible Transportation Expenditures, As Adjusted	$ 379,734	$ 332,658	$ 1,491,883	$ 852,770	$ 3,057,045

Source: Opa-locka General Ledgers, Vendor Invoices, and other documentation

In analyzing the $5.1 million claim, we identified sidewalk installations, repairs, and maintenance charges that were ineligible until November 14, 2013, pursuant to *CITT Resolution No. 13-054*. Similarly, personnel-related costs for Code Enforcement, landscaping, car washing, and other non-Surtax activities were disallowed, along with non-personnel-related landscaping maintenance and other expenditures. Collectively, the disallowances totaled $2.04 million, as detailed in Table IV.

After adjusting claimed expenditures for the MOE and cost disallowances, the City had $2 million available for application against Surtax receipts of $2.8 million. However, $1.4 million is subject to recapture because the City did not claim any expenditures to offset the $254,705 MOE threshold in FYs 2008 – 2010. As mentioned previously, Surtax Proceeds may be revoked in any year the MOE requirement goes unmet. Further, the City has a $1.67 million credit available for future use that may be offset against Surtax receipts in ensuing years if the MOE requirement is met (Schedule II).

Recommendation

- Opa-locka should submit a claim for qualifying expenditures incurred in FYs 2008 – 2010, to reduce the risk of recapture and leverage available Surtax funding. The City should also take advantage of the 5% administrative allowance to augment usage of Surtax dollars.

- Prospectively, greater diligence should be exercised in assuring that only eligible and supported expenditures are paid with Surtax Proceeds. Intentional disregard of OCITT policies may result in recapture of disallowed costs.

Cash Discrepancies and Other Matters

According to the FY 2014 Audited Financial Statements, Opa-locka had $716,750 in *Cash and Equity in Pooled Cash*. However, Opa-locka Officials admitted that restricted monies were used to pay non-Surtax obligations, and thus are no longer on-hand. Further, attempts to reconcile the *Cash and Equity in Pooled Cash* amounts reported in the Government-Wide and Fund Financial Statements went unanswered, as neither Opa-locka staff nor the Independent Certified Public Accountants could explain the discrepancies. Other differences were noted for certain Surtax-related expenditure and/or grant revenue amounts using Opa-locka's General Ledger.

Moreover, based upon review of claimed expenditures, we estimate that the City should have Surtax Proceeds totaling $1.7 million at September 30, 2014, of which $1.4 million may be subject to recapture because the City failed to claim any expenditures for the three years ended September 30, 2010.

Recommendation

- Immediately suspend Surtax distributions until Opa-locka has replenished the *PTP Fund* for the $1.7 million deficiency.

- Opa-locka should ensure accounting records adequately document and support Surtax-related uses.

Signage

The Amended Interlocal Agreement requires the posting of a conspicuous sign at the job site, structure, or vehicle, if funded in whole or in part by Surtax Proceeds. The *Opa-locka Express Circulator* has signage regarding the funding by the SFRTA, but we found no evidence related to Surtax Proceeds funding.

Recommendation

Opa-locka should post the required signs.

Certification and Reporting Requirements

Certain annual Certification Letters and other Compliance Reports were submitted after applicable due dates. In addition, expenditures reported in Quarterly Reports did not always agree with amounts presented in the City's Audited Financial Statements.

Recommendation

- Opa-locka should submit reports timely, as required.
- Financial data in the Quarterly Reports should be compared to the Audited Financial Statements, and significant adjustments communicated to OCITT.

CJ:ag

Attachments

c: Honorable Harvey A. Ruvin, Clerk of the Courts
Abigail Price-Williams, County Attorney
Edward Marquez, Deputy Mayor
Alina T. Hudak, Deputy Mayor
Jennifer Moon, Director, Office of Management and Budget
Neil R. Singh, Acting Commission Auditor
Honorable Mayor Myra L. Taylor and Members, City Commission, City of Opa-locka
Melinda M. Miguel, Chief Inspector General, Office of the Chief Inspector General

Schedule I

Charter County Transportation System Surtax Review - City of Opa-locka
People's Transportation Tax Fund

Balance Sheets							
	As of September 30th,						
Description	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Assets							
Cash and Equity in Pooled Cash	$ -	$ -	$ -	$ 1,829,910	$ 2,252,493	$ 1,308,589	$ 716,750
Receivables, Net	71,881	77,142	65,770	71,557	-	-	-
Due from Other Funds	225,552	225,552	-	-	-	116,134	395,537
Restricted Cash and Cash Equivalents	344,921	802,511	1,471,122	-	-	-	-
Total Assets	$ 642,354	$ 1,105,205	$ 1,536,892	$ 1,901,467	$ 2,252,493	$ 1,424,723	$ 1,112,287
Liabilities and Fund Balance							
Liabilities:							
Accounts Payable and Accrued Liabilities	$ 43,303	$ 43,303	$ 43,303	$ 56,059	$ 89,778	$ 85,296	$ 57,345
Fund Balance:							
Reserved for Transportation	599,051	1,061,902	1,493,589	1,845,408	2,162,715	1,339,427	1,054,942
Total Liabilities and Fund Balance	$ 642,354	$ 1,105,205	$ 1,536,892	$ 1,901,467	$ 2,252,493	$ 1,424,723	$ 1,112,287

Statements of Revenues, Expenditures, and Changes in Fund Balance							
	Fiscal Year Ended September 30,						
Description	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Revenues:							
Intergovernmental	$ 456,062	$ 462,851	$ 431,687	$ 478,162	$ 438,525	$ 603,115	$ 572,297
Expenditures:							
Highways and Streets/Transportation	-	-	-	126,343	121,218	277,289	393,268
Capital Outlay	-	-	-	-	-	1,149,114	463,514
	-	-	-	126,343	121,218	1,426,403	856,782
Excess (Deficiency) of Revenues over Expenditures	456,062	462,851	431,687	351,819	317,307	(823,288)	(284,485)
Fund Balance, Beginning	142,989	599,051	1,061,902	1,493,589	1,845,408	2,162,715	1,339,427
Fund Balance, Ending	$ 599,051	$ 1,061,902	$ 1,493,589	$ 1,845,408	$ 2,162,715	$ 1,339,427	$ 1,054,942

Source: City of Opa-locka Audited Financial Statements

These Financial Statements are not complete without the accompanying Opinion and Notes.

Charter County Transportation System Surtax Review - City of Opa-locka
Surtax Proceeds Usage Analysis

Description	Fiscal Year Ended September 30, 2008	2009	2010	2011	2012	2013	2014	All Years
Surtax Proceeds (Schedule III)	$ 497,615	$ 448,435	$ 445,408	$ 480,123	$ 516,448	$ 552,018	$ 580,600	$ 3,520,647
Surtax Uses:								
Eligible Transit Expenditures (Table III) [1]				$ 84,996	$ 191,853	$ 169,220	$ 121,585	$ 567,654
Eligible Transportation Expenditures (Table IV) [1]				$ 379,734	$ 332,658	$ 1,491,883	$ 852,770	$ 3,057,045
Less MOE				(254,705)	(254,705)	(254,705)	(254,705)	(1,018,820)
Expenditures Available For Surtax Use				$ 125,029	$ 77,953	$ 1,237,178	$ 598,065	$ 2,038,225
AMS Analysis:								
Transit-Related Expenditures:								
Expenditures Available For Surtax Use				$ 84,996	$ 191,853	$ 169,220	$ 121,585	$ 567,654
Less 20% Minimum Amount [2]				(96,025)	(103,290)	(110,404)	(116,120)	(425,839)
(Increase) Decrease In Unspent Amounts				$ (11,029)	$ 88,563	$ 58,816	$ 5,465	$ 141,815
Analysis of Unspent Rollover:								
Beginning Balance, As Restated [3]				$ 450,446	$ 461,475	$ 372,912	$ 314,096	$ 450,446
Increase (Decrease) In Unspent Amounts				11,029	(88,563)	(58,816)	(5,465)	(141,815)
Remaining Unspent Amount				$ 461,475	$ 372,912	$ 314,096	$ 308,631	$ 308,631
Transportation-Related Expenditures:								
Expenditures Available For Surtax Use				$ 125,029	$ 77,953	$ 1,237,178	$ 598,065	$ 2,038,225
Less Remaining 80% Minimum [2]				(384,098)	(413,158)	(441,614)	(464,480)	(1,703,350)
Change In Rollover Amounts				$ (259,069)	$ (335,205)	$ 795,564	$ 133,585	$ 334,875
Analysis of Carry-Forward Amount:								
Beginning Balance, As Restated [3]				$ (1,330,637)	$ (1,071,568)	$ (736,363)	$ (1,531,927)	$ (1,330,637)
Decrease (Increase) In Balance				259,069	335,205	(795,564)	(133,585)	(334,875)
Remaining Carry-Forward Credit Amount				$ (1,071,568)	$ (736,363)	$ (1,531,927)	$ (1,665,512)	$ (1,665,512)
Surtax Proceeds Subject to Forfeiture [1]	$ 497,615	$ 448,435	$ 445,408	$ -	$ -	$ -	$ -	$ 1,391,458

[1] No expenditures were submitted for the three Fiscal Years Ended September 30, 2010, and thus all Surtax Proceeds remitted are subject to forfeiture.

[2] 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.

[3] See Schedule II-A

Schedule II-A

Charter County Transportation System Surtax Review - City of Opa-locka
Surtax Proceeds Usage Analysis, as Restated

Description	Fiscal Year Ended September 30, 2003	2004	2005	2006	2007	All Years
Surtax Proceeds (Schedule III)	$ 291,102	$ 446,045	$ 468,652	$ 533,416	$ 513,020	$ 2,252,235
Surtax Uses:						
Eligible Transit Expenditures [2]	$ -	$ -	$ -	$ -	$ -	$ -
Eligible Transportation Expenditures [2]	$ 212,450	$ 258,454	$ 1,766,752	$ 1,691,828	$ 476,467	$ 4,405,951
Less MOE	(254,705)	(254,705)	(254,705)	(254,705)	(254,705)	(1,273,525)
Expenditures (Unavailable) Available For Surtax Use	$ (42,255)	$ 3,749	$ 1,512,047	$ 1,437,123	$ 221,762	$ 3,132,426
AMS Analysis:						
Transit-Related Expenditures:						
Expenditures Available for Surtax Use	$ -	$ -	$ -	$ -	$ -	$ -
Less 20% Minimum Amount [1]	(58,220)	(89,209)	(93,730)	(106,683)	(102,604)	(450,446)
Increase In Unspent Rollover Amounts	$ (58,220)	$ (89,209)	$ (93,730)	$ (106,683)	$ (102,604)	$ (450,446)
Analysis of Unspent Rollover:						
Beginning Balance	$ -	$ 58,220	$ 147,429	$ 241,159	$ 347,842	$ -
Increase In Unspent Amounts	58,220	89,209	93,730	106,683	102,604	450,446
Remaining Unspent Amount	$ 58,220	$ 147,429	$ 241,159	$ 347,842	$ 450,446	$ 450,446
Transportation-Related Expenditures:						
Expenditures Available for Surtax Use	$ (42,255)	$ 3,749	$ 1,512,047	$ 1,437,123	$ 221,762	$ 3,132,426
Less Remaining 80% Minimum [1]	(232,882)	(356,836)	(374,922)	(426,733)	(410,416)	(1,801,789)
(Increase) Decrease In Rollover Amounts	$ (275,137)	$ (353,087)	$ 1,137,125	$ 1,010,390	$ (188,654)	$ 1,330,637
Analysis of Unspent (Carry-Forward) Amount:						
Beginning Balance	$ -	$ 275,137	$ 628,224	$ (508,901)	$ (1,519,291)	$ -
Increase (Decrease) In Balance	275,137	353,087	(1,137,125)	(1,010,390)	188,654	(1,330,637)
Remaining Unspent (Carry-Forward Credit) Amount	$ 275,137	$ 628,224	$ (508,901)	$ (1,519,291)	$ (1,330,637)	$ (1,330,637)

[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 November 25, 2008 Audit Report for additional details.

Schedule III

Charter County Transportation System Surtax Review
Summary of Payments to Municipalities

Municipality	Fiscal Year Ended September 30, 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	All Years
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	$ 15,424,405	$ 146,837,682
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	8,457,199	85,536,002
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	3,351,080	34,002,133
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	2,212,494	22,263,983
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	2,354,015	18,347,911
City of Miami Gardens [4]	-	-	-	-	-	-	-	-	-	10,352,937	3,837,951	3,985,238	18,176,126
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	1,781,041	16,857,783
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	1,566,354	15,495,256
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	1,385,071	11,556,900
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	1,095,293	9,914,008
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	879,379	9,144,287
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	816,410	7,775,880
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	686,122	7,117,727
City of Doral [4]	-	-	-	-	-	-	-	-	-	3,642,653	1,667,049	1,767,800	7,077,502
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	795,768	6,925,516
Town of Cutler Bay [4, 5]	-	-	-	-	-	-	-	-	-	3,886,873	1,453,608	1,541,361	6,881,842
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**	**580,600**	**5,772,882**
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	522,095	5,132,231
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	326,534	4,795,075
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	461,282	4,319,696
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	504,946	4,228,434
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	384,663	3,899,449
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	440,752	3,654,233
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	279,848	2,508,779
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	224,057	2,209,464
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	214,832	2,087,540
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	214,053	1,982,526
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	115,264	1,219,670
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	110,690	1,148,762
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	87,815	923,567
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	89,044	879,026
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	31,913	395,462
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	34,366	330,393
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	$ 52,721,784	$ 469,401,331

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, $450,000 from the City of Sweetwater, and $21,058 from the Town of Golden Beach, due to specific instances of noncompliance.

[3] A total of $18,600 has been withheld from Indian Creek Village, at their request, since Fiscal Year 2007.

[4] 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.

[5] As per OCITT, Municipality received $3,000 in excess of amounts due for Fiscal Year 2012, which was corrected in 2013.

Exhibit I

Charter County Transportation System Surtax Review
City of Opa-locka
Status of Prior Audit Findings [1]

Finding	Recommendation	Auditee Response	Current Status
General Fund Support			
Opa-locka reported its Fiscal Year (FY) 2002 Maintenance of Effort (MOE) as $189,866, based upon actual rather than budgeted General Fund Transportation expenditures. The City also included landscaping costs that are not eligible. Nonetheless, we reviewed the FY 2002 General Fund Budget and identified eligible Transportation expenditures of $254,705.	Require Opa-locka to support and certify a corrected MOE within 30 days.	In a separate letter to the Office of the Citizens' Independent Transportation Trust (OCITT) dated November 13, 2008, Opa-locka certified the revised MOE.	**Resolved**
Adjustments to Expenditures			
Although Surtax expenditures were not reported to OCITT, Management provided a detail of annual Surtax expenditures totaling $4.5 million. Our review of those expenditures disclosed $68,303 which lacked proper supporting documentation, and were disallowed.	Annual Surtax expenditures should be reported to OCITT.	**Auditee's Response** $43,303 – this amount represents accrual of retainage payable at the end of FY 2005. This was subsequently paid, but was inadvertently recorded and charged against the General Fund budget. $25,000 – subsequent review of this payment disclosed an error of omission with the exclusion of a previous payment made in the computation. This amount will be adjusted out as expenditures of the Surtax fund.	**Unresolved** Opa-locka continues to have errors and omissions in expenditures claimed against Surtax Proceeds. *See pages 3 through 6 of the Audit Report.*
Use of Surtax Proceeds			
Opa-locka had no Transit expenditures during the audit period. Additionally, the City was unable to expend all of the remaining 80% of OCITT Proceeds. Our tests of qualifying expenditures disclosed $1.2 million of unspent Surtax Proceeds that are subject to recapture.	OCITT should recapture or withhold $1.2 million from subsequent remittances. Prospectively, remittances should be withheld until City officials submit a plan that demonstrates it can effectively use the 20% Transit portion.	The City strongly disagrees with the Auditor's recommendation to recapture or withhold $1.2 million. However, the City acknowledges that it did not spend 20% of those actual expenditures in Transit-related projects. The City further acknowledges that Surtax funds were not spent in the period they were appropriated and that the City failed to carry over unspent funds in its annual budget appropriation for FYs 2004 and 2005. The delay in the expenditures of funds was primarily due to the fact that the amount of money the City received in those two years was not sufficient to start any Transit or Transportation projects.	**Unresolved** As of September 30, 2014, Opa-locka should have on-hand $1.7 million in Surtax Proceeds as of September 30, 2014. *See page 2 of the Audit Report.*

Exhibit I

Charter County Transportation System Surtax Review
City of Opa-locka
Status of Prior Audit Findings [1]

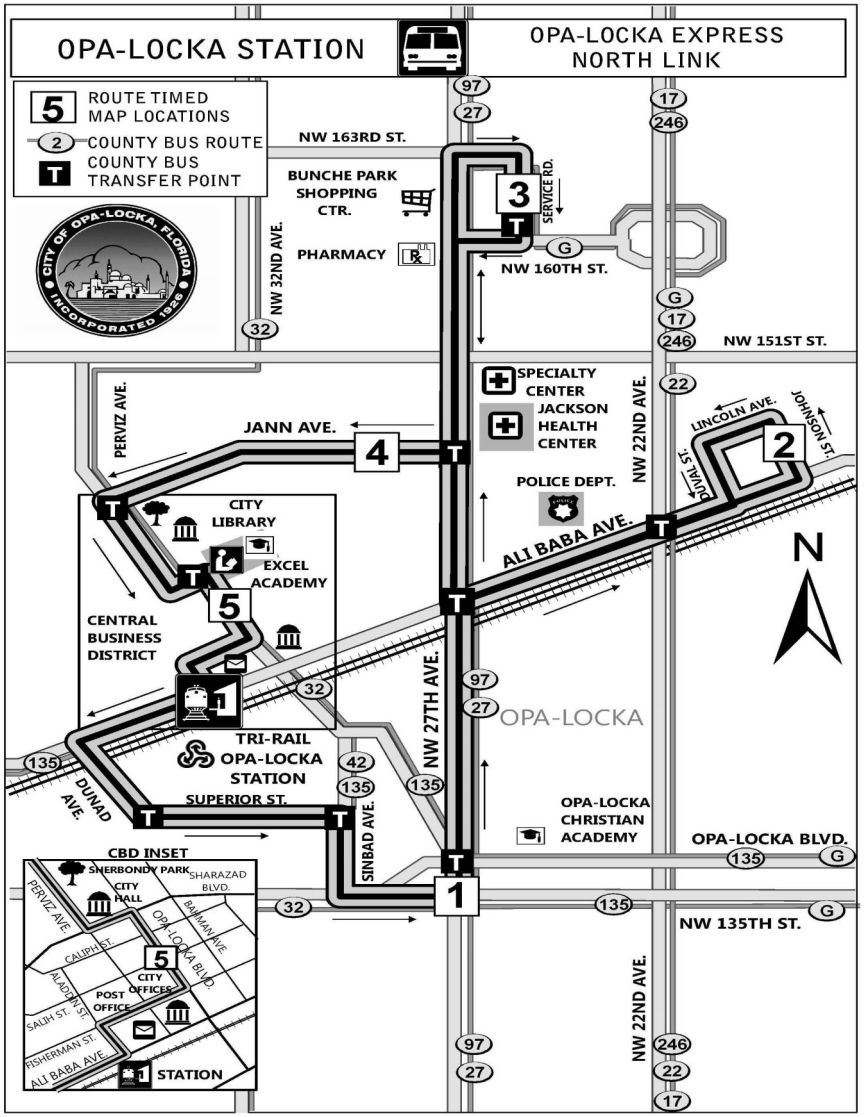
Finding	Recommendation	Auditee Response	Current Status
		In the future, the City will ensure that project status is reported to OCITT in a timely manner. In addition, the City will communicate any delay and/or change in projects, and seek approval before implementing any project changes.	
Certification and Reporting Requirements			
Opa-locka could not provide our auditors with certain copies of annual reports required under the Interlocal Agreement.	• The City should submit all required reports to OCITT as required by the Interlocal Agreement. • OCITT should consider withholding funding if reports are incomplete or delinquent.	The City signed the Interlocal Agreement with Miami-Dade County in 2002. The City submitted yearly its audited Comprehensive Annual Financial Report as required by Article 5.1 of the Interlocal Agreement. The City believes that this submission complies with the reporting requirement for annual Surtax expenditures. For the FY 2008 reporting compliance, OCITT provided the City with a Municipal Projects Template for reporting project expenditures. The City will use the template in reporting its FY 2008 Surtax expenditures.	**Partially Resolved** Opa-locka submitted Compliance Reports as required by OCITT; however, some of these reports were submitted after the due dates. *See page 7 of the Audit Report.*

[1] See the Audit Report dated November 25, 2008 for the full text.

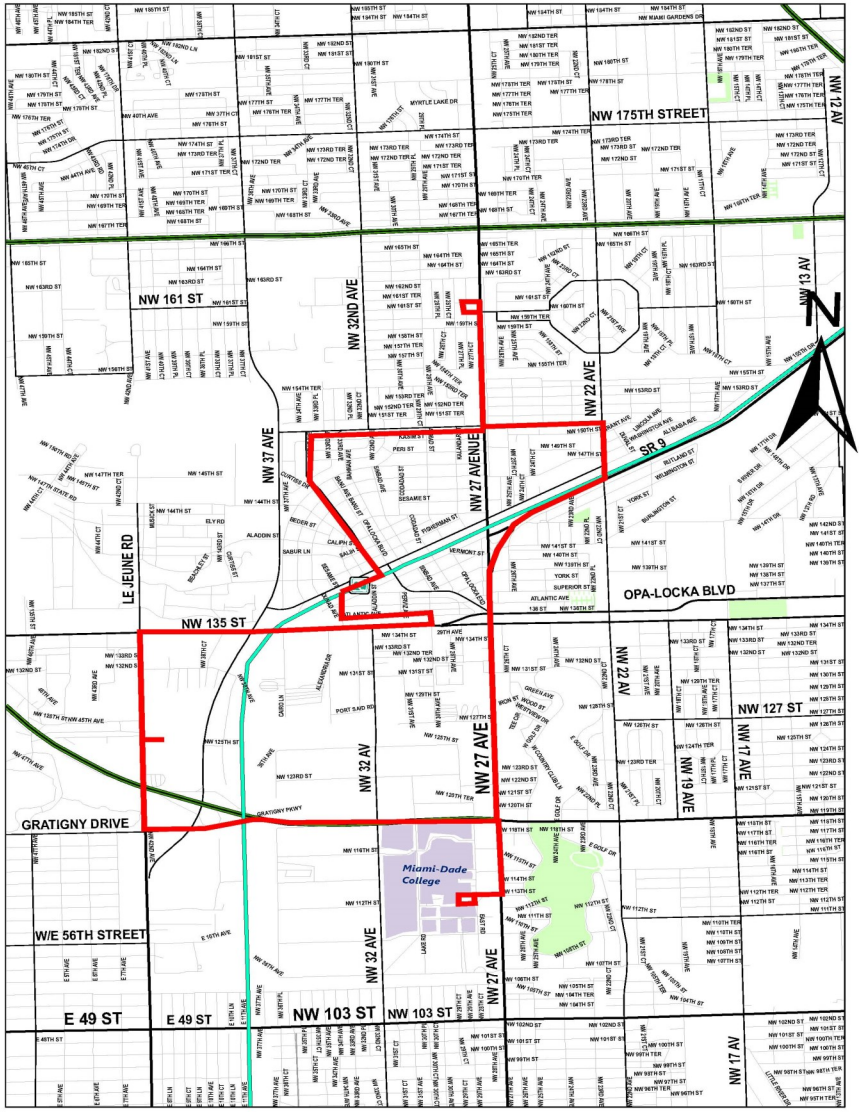
Exhibit II

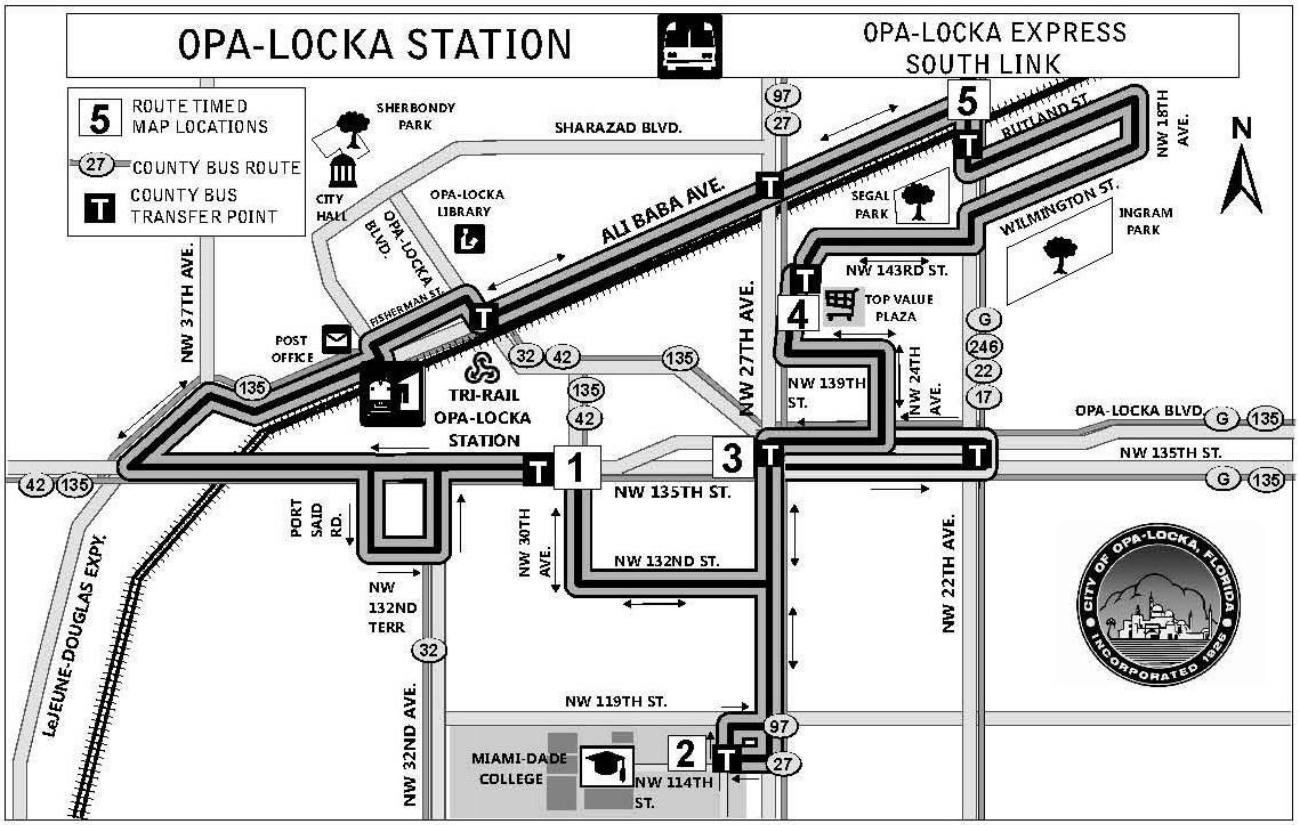
Opa-locka Express Circulator Routes

North Route



Saturday Route



Opa-locka Express Circulator Routes

South Route