


Memorandum



Date: May 12, 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: Audit Report – Charter County Transportation System Surtax Review –
City of Miami Gardens

PURPOSE AND SCOPE

We performed a review of the City of Miami Gardens' (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 *Settlement Agreement and Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County (Settlement/Interlocal Agreement)* executed May 11, 2012. Additionally, we assessed resolution of prior audit findings referenced in our December 20, 2018 Audit Report (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 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 III). The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of fifteen members appointed by the Board of County Commissioners, County Mayor, and Miami-Dade League of Cities.

Subsequently, the City was incorporated in May 2003 and thereafter, executed the *Settlement/Interlocal Agreement* with the County to receive a share of Surtax Proceeds consistent with other municipalities. 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 to secure such bonds or pay debt service. Further, the City 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. However, the requirement for cities to annually continue the same level of General Fund support for Transportation projects appropriated in their Fiscal Year (FY) 2002 Budget, or Maintenance of Effort, was waived, as the City was not incorporated until after that date. Notwithstanding, *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 funds expended are in excess of annual Surtax allocations. See Schedule I for summary financial information.

SUMMARY RESULTS

For the three years ended September 30, 2020, the City received \$13.8 million in Surtax Proceeds and claimed \$11.2 million in Transit and Transportation expenditures (Table I). Claimed amounts were primarily used for circulator operations as well as roadway and infrastructure improvements. The City had unspent Surtax Proceeds totaling \$23.1 million as of September 30, 2020. However, the balance of Cash, Cash Equivalents, and Investments in the *Transportation Fund* was only \$16.9 million, resulting in a cash shortfall of \$6.2 million. Until the City resolves the Cash deficiency and reduces Unspent Surtax Proceeds, we recommend that OCITT suspend future Surtax distributions.

**Table I
 Surtax Statistics**

Description	Fiscal Year Ended September 30,			Total
	2018	2019	2020	
Revenues (Schedule I):				
Surtax Proceeds	\$ 4,737,286	\$ 4,846,211	\$ 4,248,977	\$ 13,832,474
Interest	181,364	293,023	143,117	617,504
	<u>\$ 4,918,650</u>	<u>\$ 5,139,234</u>	<u>\$ 4,392,094</u>	<u>\$ 14,449,978</u>
Claimed Expenditures:				
Transit (Table III)	\$ 1,115,955	\$ 1,289,943	\$ 1,402,197	\$ 3,808,095
Transportation (Table IV)	1,723,534	2,048,125	3,637,508	7,409,167
	<u>\$ 2,839,489</u>	<u>\$ 3,338,068</u>	<u>\$ 5,039,705</u>	<u>\$ 11,217,262</u>
Unspent Surtax Proceeds (Schedule II):				
Transit	\$ 2,733,152	\$ 2,412,451	\$ 1,860,049	
Transportation	18,866,977	21,240,284	21,245,763	
	<u>\$ 21,600,129</u>	<u>\$ 23,652,735</u>	<u>\$ 23,105,812</u>	
Key Account Balances as of September 30 (Schedule I):				
<i>Transportation Fund:</i>				
Cash and Cash Equivalents	\$ 2,162,452	\$ 4,474,732	\$ 4,882,007	
Investments	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	
Fund Balance	<u>\$ 15,521,584</u>	<u>\$ 17,759,048</u>	<u>\$ 17,196,394</u>	

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 has been provided to the City, with a written response requested within 30 days. Notwithstanding, OCITT should contact the City to resolve the outstanding issues and advise AMS of planned corrective actions. Please contact G. Nancy McKee, Assistant Director, at (786) 469-5900, should you have any questions.

FINDINGS AND RECOMMENDATIONS

Use of Transit-Related Surtax Proceeds

The City’s *Miami Gardens Express Trolley* operates daily from 7:00AM to 7:00PM, with average ridership in excess of 87,000 annually (Table II). As mentioned previously, at least 20% of Surtax Proceeds, or \$2.8 million, must be used for Transit-related expenditures. Claimed Transit expenditures of \$3.8 million were primarily for the Trolley service, as well as bus shelter installation and maintenance (Table III).

**Table II
 Summary of Transit Ridership**

Period	Fiscal Year Ended September 30,		
	2018	2019	2020
Quarter 1	21,523	22,978	27,509
Quarter 2	23,402	20,908	28,027
Quarter 3	18,252	22,900	14,699
Quarter 4	20,869	26,287	14,219
	<u>84,046</u>	<u>93,073</u>	<u>84,454</u>

Source: City Ridership Data

As of September 30, 2020, the City had \$1.9 million in Unspent Transit-related Surtax Proceeds (Schedule II). However, the City’s latest Five-Year Transportation Plan was inaccurately prepared and does not include most of the annual Transit-related expenditures. As a result, OCITT cannot rely on the Plan to determine whether the City will satisfactorily reduce the balance of Unspent Transit Proceeds within five years.

**Table III
 Claimed Transit Expenditures**

Description	Fiscal Year Ended September 30,			Total
	2018	2019	2020	
Current Expenditures:				
<i>Miami Gardens Express Trolley</i>	\$ 653,045	\$ 774,464	\$ 795,161	\$ 2,222,670
Salaries and Fringe Benefits	179,107	191,452	181,781	552,340
Bus Shelter Maintenance and Repairs	164,131	203,660	252,159	619,950
Other	52,704	65,456	47,791	165,951
	<u>1,048,987</u>	<u>1,235,032</u>	<u>1,276,892</u>	<u>3,560,911</u>
Capital Outlay:				
Bus Stop Sidewalk Installations/Replacements	66,968	31,500	125,305	223,773
Acquisition of Ford F-150 Pickup Truck	-	23,411	-	23,411
	<u>66,968</u>	<u>54,911</u>	<u>125,305</u>	<u>247,184</u>
Total, as Claimed (Schedule I)	<u>\$ 1,115,955</u>	<u>\$ 1,289,943</u>	<u>\$ 1,402,197</u>	<u>\$ 3,808,095</u>

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

Recommendation

The City should submit a revised Five-Year Transportation Plan detailing how the \$1.9 million in Unspent Transit-related Proceeds will be used.

Use of Transportation-Related Surtax Proceeds

The remaining 80% of Surtax Proceeds claimed was used primarily for roadway and sidewalk improvements, as well as traffic calming and roadway-related salaries and benefits totaling \$7.4 million (Table IV). However, the City’s 80% Surtax portion was \$11.1 million, and there was a carryover balance of \$16.4 million at the start of the audit period. As a result, the City had Unspent Transportation-related Surtax Proceeds of \$21.2 million as of September 30, 2020 (Schedule II). The most current Five-Year Transportation Plan was incorrectly prepared and future use of the Unspent amounts has not been clearly documented. Additionally, Cash, Cash Equivalents, and Investments in the *Transportation Fund* totaled \$16.9 million, which is \$6.2 million less than the Unspent Transit and Transportation-related Proceeds of \$23.1 million.

**Table IV
 Claimed Transportation Expenditures**

Description	Fiscal Year Ended September 30,			Total
	2018	2019	2020	
Current Expenditures:				
Salaries and Fringe Benefits	\$ 210,701	\$ 217,144	\$ 231,252	\$ 659,097
Professional Services and Other	24,791	266	3,030	28,087
	<u>235,492</u>	<u>217,410</u>	<u>234,282</u>	<u>687,184</u>
Capital Outlay:				
Roadway and Sidewalk Improvements	1,488,042	1,646,735	3,138,292	6,273,069
Traffic Calming Devices	-	183,980	261,709	445,689
Road Project Median Irrigation	-	-	3,225	3,225
	<u>1,488,042</u>	<u>1,830,715</u>	<u>3,403,226</u>	<u>6,721,983</u>
Total, as Claimed (Schedule I)	<u>\$ 1,723,534</u>	<u>\$ 2,048,125</u>	<u>\$ 3,637,508</u>	<u>\$ 7,409,167</u>

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

Recommendation

The City should submit a revised Five-Year Transportation Plan detailing how the unspent \$21.2 million will be used. Additionally, the City should fund the \$6.2 million cash shortfall within 90 days, and OCITT should consider withholding future Surtax funding until the Unspent balance has been significantly reduced.

Uncredited Interest Earnings

The City combined Surtax Proceeds with other funds, and interest earnings are allocated in proportion to the *Transportation Fund's* equity share of total pooled resources. However, based on the audited balances of Unspent Surtax Proceeds, an additional \$620,565 in interest should be credited to the *Transportation Fund* (Table V).

Table V
Interest Attributable to Unused Surtax Funds

Description	Fiscal Year Ended September 30,			Total
	2018	2019	2020	
Unspent Transit-Related Funds:				
Beginning of Year (Schedule II)	\$ 2,901,650	\$ 2,733,152	\$ 2,412,451	
End of Year (Schedule II)	\$ 2,733,152	\$ 2,412,451	\$ 1,860,049	
Average Annual Unspent Funds	\$ 2,817,401	\$ 2,572,802	\$ 2,136,250	
Unspent Transportation-Related Funds: ¹				
Beginning of Year	\$ 16,052,172	\$ 18,118,467	\$ 19,947,311	
End of Year	\$ 18,118,467	\$ 19,947,311	\$ 19,708,985	
Average Annual Unspent Funds	\$ 17,085,320	\$ 19,032,889	\$ 19,828,148	
Total Annual Average Unspent Funds	\$ 19,902,721	\$ 21,605,691	\$ 21,964,398	
Average Annual Yield on Investments per the City	2.26%	2.52%	1.11%	
Interest Attributable to Unspent Funds	\$ 449,801	\$ 544,463	\$ 243,805	\$ 1,238,069
Amount Recorded by the City (Schedule I)	(181,364)	(293,023)	(143,117)	(617,504)
Additional Amount Due per AMS	\$ 268,437	\$ 251,440	\$ 100,688	\$ 620,565

Source: City Financial Records and AMS Audit Reports

¹ Unspent Transportation Funds do not include any accumulated interest amounts.

Recommendation

Prospectively, the City should timely and accurately credit interest income to the *Transportation Fund*.

CJ:bm

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Gerri Bonzon-Keenan, County Attorney
- Edward Marquez, Chief Financial Officer
- Jimmy Morales, Chief Operations Officer
- David L. Clodfelter, Director, Office of Management and Budget
- Cameron D. Benson, City Manager, City of Miami Gardens

**Charter County Transportation System Surtax Review - City of Miami Gardens
Transportation Fund¹**

Balance Sheets			
Description	As of September 30,		
	2018	2019	2020
Assets:			
Cash and Cash Equivalents	\$ 2,162,452	\$ 4,474,732	\$ 4,882,007
Investments	12,000,000	12,000,000	12,000,000
Due from Other Governmental Agencies	1,848,152	1,532,154	1,211,639
Due from Other Funds	-	400,000	-
Accounts Receivable, net	25,900	16,894	3,713
Prepaid	8,750	9,583	9,583
Total Assets	<u>\$ 16,045,254</u>	<u>\$ 18,433,363</u>	<u>\$ 18,106,942</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 416,698	\$ 550,692	\$ 792,738
Retainage Payable	106,972	123,623	117,810
Total Liabilities	<u>523,670</u>	<u>674,315</u>	<u>910,548</u>
Fund Balance:			
Restricted for Transportation	15,512,834	17,749,465	17,186,811
Non Spendable	8,750	9,583	9,583
Total Fund Balance	<u>15,521,584</u>	<u>17,759,048</u>	<u>17,196,394</u>
Total Liabilities and Fund Balance	<u>\$ 16,045,254</u>	<u>\$ 18,433,363</u>	<u>\$ 18,106,942</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance			
Description	Fiscal Year Ended September 30,		
	2018	2019	2020
Revenues:			
Surtax Proceeds (Schedule III)	\$ 4,737,286	\$ 4,846,211	\$ 4,248,977
Local Option Gas Tax	2,252,763	2,301,460	2,002,844
State Revenue Sharing and Other	917,793	895,756	1,231,745
Charges for Services (Permit Fees and Fines)	547,857	537,650	313,550
Interest	181,364	293,023	143,117
Other Income	1,761	2,201	1,245
Total Revenue	<u>8,638,824</u>	<u>8,876,301</u>	<u>7,941,478</u>
Expenditures - Public Works:			
Transit:			
Current	1,048,987	1,235,032	1,276,892
Capital Outlay	66,968	54,911	125,305
Total Transit (Table III)	<u>1,115,955</u>	<u>1,289,943</u>	<u>1,402,197</u>
Transportation:			
Current	235,492	217,410	234,282
Capital Outlay	1,488,042	1,830,715	3,403,226
Total Transportation (Table IV)	<u>1,723,534</u>	<u>2,048,125</u>	<u>3,637,508</u>
Other:			
Current	2,431,529	2,697,589	2,753,442
Capital Outlay	7,609	-	102,566
Total Other	<u>2,439,138</u>	<u>2,697,589</u>	<u>2,856,008</u>
Total Expenditures	<u>5,278,627</u>	<u>6,035,657</u>	<u>7,895,713</u>
Excess of Revenues over Expenditures	<u>3,360,197</u>	<u>2,840,644</u>	<u>45,765</u>
Other Financing Sources (Uses):²			
Transfers In	197,013	202,923	209,012
Transfers Out	(788,899)	(806,103)	(817,431)
Total Other Financing Uses	<u>(591,886)</u>	<u>(603,180)</u>	<u>(608,419)</u>
Net Change in Fund Balance	<u>2,768,311</u>	<u>2,237,464</u>	<u>(562,654)</u>
Fund Balance, Beginning	<u>12,753,273</u>	<u>15,521,584</u>	<u>17,759,048</u>
Fund Balance, Ending	<u>\$ 15,521,584</u>	<u>\$ 17,759,048</u>	<u>\$ 17,196,394</u>

Source: City of Miami Gardens (City) Comprehensive Annual Financial Reports and General Ledgers

¹The Transportation Fund is used to account for the City's share of Local Option Gas Tax, Surtax and other State Revenues that are restricted for the maintenance of City roads.

²Transfers are non-Surtax related.

These Financial statements are not complete without the accompanying Auditors' Reports and Notes.

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

Description	Fiscal Year Ended September 30,			Total
	2018	2019	2020	
Sources of Funds:				
Surtax Proceeds (Schedules I and III)	\$ 4,737,286	\$ 4,846,211	\$ 4,248,977	\$ 13,832,474
Interest Attributable to Unused Surtax Funds:				
Amounts Recorded by the City (Schedule I)	181,364	293,023	143,117	617,504
Additional Amounts Due per AMS (Table V)	268,437	251,440	100,688	620,565
Total Interest	449,801	544,463	243,805	1,238,069
	<u>\$ 5,187,087</u>	<u>\$ 5,390,674</u>	<u>\$ 4,492,782</u>	<u>\$ 15,070,543</u>
Surtax Uses:				
Eligible Transit Expenditures (Table III)	<u>\$ 1,115,955</u>	<u>\$ 1,289,943</u>	<u>\$ 1,402,197</u>	<u>\$ 3,808,095</u>
Eligible Transportation Expenditures (Table IV)	<u>\$ 1,723,534</u>	<u>\$ 2,048,125</u>	<u>\$ 3,637,508</u>	<u>\$ 7,409,167</u>
AMS Analysis:				
Transit-Related Expenditures:				
Expenditures Available for Surtax Use	\$ 1,115,955	\$ 1,289,943	\$ 1,402,197	\$ 3,808,095
Less 20% Minimum Amount ¹	(947,457)	(969,242)	(849,795)	(2,766,494)
Decrease in Unspent Amounts	<u>\$ 168,498</u>	<u>\$ 320,701</u>	<u>\$ 552,402</u>	<u>\$ 1,041,601</u>
Analysis of Rollover:				
Beginning Balance ²	\$ 2,901,650	\$ 2,733,152	\$ 2,412,451	\$ 2,901,650
Decrease in Unspent Amounts	(168,498)	(320,701)	(552,402)	(1,041,601)
Remaining Unspent Amounts	<u>\$ 2,733,152</u>	<u>\$ 2,412,451</u>	<u>\$ 1,860,049</u>	<u>\$ 1,860,049</u>
Transportation-Related Expenditures:				
Expenditures Available for Surtax Use	\$ 1,723,534	\$ 2,048,125	\$ 3,637,508	\$ 7,409,167
Less Remaining 80% Amount ¹	(3,789,829)	(3,876,969)	(3,399,182)	(11,065,980)
Less Interest	(449,801)	(544,463)	(243,805)	(1,238,069)
Increase in Unspent Funds	<u>\$ (2,516,096)</u>	<u>\$ (2,373,307)</u>	<u>\$ (5,479)</u>	<u>\$ (4,894,882)</u>
Analysis of Unspent Rollover:				
Beginning Balance ²	\$ 16,350,881	\$ 18,866,977	\$ 21,240,284	\$ 16,350,881
Increase in Unspent Funds	2,516,096	2,373,307	5,479	4,894,882
Remaining Unspent Amount	<u>\$ 18,866,977</u>	<u>\$ 21,240,284</u>	<u>\$ 21,245,763</u>	<u>\$ 21,245,763</u>

¹ At least 20% of 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 Per the December 20, 2018 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 ¹	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 ²	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 ²	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 ²	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 ¹	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 ¹	6,329,004	90,323	195,000	210,000	165,000	1,112,782	8,102,109
City of Sweetwater ¹	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
City of Florida City	4,132,139	498,385	504,443	542,769	557,265	488,960	6,723,961
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 ⁴	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 ³	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 ¹	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

¹ 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.

² 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.

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

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

**Charter County Transportation System Surtax – City of Miami Gardens
Status of Prior Audit Findings¹**

Finding	Recommendation	Auditee Response	Current Status
Use of Surtax Proceeds for Transit Projects			
The City had \$2.9 million in Unspent Transit Surtax Proceeds as of September 30, 2017.	The City should submit a revised Five-Year Transportation Plan detailing how the \$2.9 million in Unspent Surtax Proceeds will be used.	The City disagreed with the Unspent balance and stated that additional Trolley services should reduce the City’s claimed Unspent amount of \$756,241.	Unresolved As of September 30, 2020, Unspent Transit Surtax was \$1.9 million. <i>See pages 3-4 of the Audit Report.</i>
Use of Surtax Proceeds for Transportation Projects			
The City’s Unspent Transportation Surtax Proceeds increased from \$11.4 million as of September 30, 2015, to \$16.4 million as of September 30, 2017.	The City should submit a revised Five-Year Transportation Plan detailing how the \$16.4 million in Unspent Surtax Proceeds will be used.	The City disagreed with the Unspent balance and stated that planned road projects should reduce the City’s claimed Unspent amount of \$7.2 million.	Unresolved Unspent Transportation Surtax increased to \$21.2 million as of September 30, 2020. <i>See page 4 of the Audit Report.</i>
Cash Balance and Uncredited Interest Earnings			
As of September 30, 2017, the City’s Cash and Cash Equivalents should have been \$19.3 million – the balance of Unspent Surtax Proceeds. The balance was only \$5.5 million. Also, interest credited to the <i>Transportation Fund</i> was deficient by \$176,000. Finally, the City transferred \$5.98 million from the <i>Transportation Fund</i> to the <i>General Fund</i> to cover cash deficits.	The City should exercise greater diligence in assuring that Surtax monies, which are restricted, are used only for their intended purpose. Prospectively, interest should be correctly allocated to the <i>Transportation Fund</i> .	The City stated that pooled cash could be transferred to the <i>General Fund</i> without issue. Also, interest earnings were recorded based upon cash balances in the <i>Transportation Fund</i> – not upon Unspent Surtax Proceeds.	Mostly Unresolved The incorrect \$5.98 million transfer was reversed. However, there was a Cash deficiency of \$6.2 million and uncredited interest income of \$620,565 as of September 30, 2020. <i>See pages 4-5 of the Audit Report.</i>
Reporting Requirements			
The City could not provide submission dates for certain required reporting to OCITT.	The City should maintain records to document the timely submission of required reports.	Finance is now responsible for submitting annual and quarterly reports.	Partially Resolved While reporting was submitted timely overall, the latest Five-Year Transportation Plan was incomplete and did not show the anticipated usage of Unspent Surtax Proceeds. <i>See pages 3-4 of the Audit Report.</i>

¹ See the December 20, 2018 Audit Report and the March 12, 2019 Response for the full text.