



AUDIT AND MANAGEMENT SERVICES DEPARTMENT
OVERTOWN TRANSIT VILLAGE
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May 28, 2019

Mr. Edward Silva
Village Manager
Village of Palmetto Bay
9705 East Hibiscus Street
Palmetto Bay, FL 33157

**Re: Final Audit Report – Charter County Transportation System Surtax Review –
Village of Palmetto Bay**

Dear Mr. Silva:

Attached is the above-referenced Final Audit Report together with the Village of Palmetto Bay's Response. However, the Office of the Citizens' Independent Transportation Trust (OCITT) may contact you to resolve items meriting further attention.

We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact G. Nancy McKee, Assistant Director, at (786) 469-5900, should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Cathy Jackson'.

Cathy Jackson
Director

CJ:bm

Attachment


c: Javier A. Betancourt, Executive Director, OCITT
Desmond Chin, Finance Director, Village of Palmetto Bay

Memorandum



Date: May 28, 2019

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

From: 
Cathy Jackson, Director
Audit and Management Services Department

Subject: Final Audit Report – Charter County Transportation System Surtax Review – Village of Palmetto Bay

PURPOSE AND SCOPE

We performed a review of the Village of Palmetto Bay's (Village) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2018. The primary objective was to ensure 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 30, 2016 (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 IV). 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.

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 Village 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 municipality'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 are in excess of annual Surtax allocations.

SUMMARY RESULTS

For the three years ended September 30, 2018, the Village received \$3 million in Surtax Proceeds and other revenues, and claimed Transit and Transportation-related expenditures totaling \$3.1 million (Table I). The Village had no budgeted Fiscal Year (FY) 2002 General Fund transportation support or Maintenance of Effort (MOE), as the municipality was incorporated on September 10, 2002.

Table I
Surtax Statistics

Description	Fiscal Year Ended September 30,			All Years
	2016	2017	2018	
Revenue (Schedule I):				
Surtax Proceeds	\$ 941,265	\$ 961,500	\$ 1,022,032	\$ 2,924,797
Interest Income	11,233	10,193	11,380	32,806
	<u>\$ 952,498</u>	<u>\$ 971,693</u>	<u>\$ 1,033,412</u>	<u>\$ 2,957,603</u>
Claimed Expenditures:				
Transit (Table II)	\$ 121,139	\$ 224,826	\$ 138,312	\$ 484,277
Transportation (Table III)	683,631	1,325,719	568,636	2,577,986
	<u>\$ 804,770</u>	<u>\$ 1,550,545</u>	<u>\$ 706,948</u>	<u>\$ 3,062,263</u>
Unspent Surtax Proceeds (Schedule II):				
Transit	\$ 682,788	\$ 650,262	\$ 716,425	
Transportation	1,914,614	1,524,372	1,784,742	
	<u>\$ 2,597,402</u>	<u>\$ 2,174,634</u>	<u>\$ 2,501,167</u>	
Key Account Balances as of September 30th				
<i>OCITT Special Revenue Funds (Schedule I):</i>				
Cash and Cash Equivalents	\$ 1,323,600	\$ 863,405	\$ 1,061,077	
Due from Miami-Dade County	\$ 304,404	\$ 314,280	\$ 340,884	
Fund Balance	<u>\$ 1,559,345</u>	<u>\$ 980,493</u>	<u>\$ 1,306,957</u>	

After adjusting claimed expenditures for ineligible costs of \$319,000, the Village had unspent Proceeds of \$2.5 million, as of September 30, 2018, however, *Equity in Pooled Cash and Due from Miami-Dade County* totaled only \$1.4 million. Within 60 days, the Village should either fund the \$1.1 million shortfall, or work with OCITT to develop a remedial plan. These and other findings are more fully discussed in the remainder of this Report, and the Village's Response is presented as Attachment I.

Village Management is requesting that the \$319,000 disallowed debt service costs associated with the Street Sign Replacement Project be revisited by OCITT. As documented in past Audit Reports and explained herein, the Village spent only 40% of the loan proceeds over ten years, and therefore we allowed debt service costs in direct proportion to the percentage of loan proceeds expended (Schedule III). In FY 2018, the loan proceeds used increased to 68.44% and accordingly, there was no disallowance. As such, we reaffirm the accuracy of our finding, and the audit has been closed. We appreciate the courtesies 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 Funds

At least 20% of the Surtax Proceeds (\$585,000) must be used for Transit-related projects, for which the Village claimed \$484,000 for its *I-Bus* Circulator System (*I-Bus*) comprising two mini-buses (Table II). The *I-Bus* operated on a fixed-route within the Village until June 11, 2018, when it began transporting commuters between the Village Park-and-Ride on SW 152nd Street and the Dadeland South Metrorail Station. The new route utilizes the County Transitway on U.S. Highway Route 1 to avoid rush hour traffic, and minimize travel time to and from the Metrorail Station. After the route changes, Ridership more than doubled during the last quarter of FY 2018.

Table II
Summary of Claimed Transit Expenditures

Description	Fiscal Year Ended September 30,			All Years
	2016	2017	2018	
Driver Salaries and Benefits	\$ 69,552	\$ 72,261	\$ 100,051	\$ 241,864
Trolley Purchases	-	122,551	-	122,551
Circulator Operations and Maintenance	45,405	20,399	31,450	97,254
Administrative Costs (limited to 5% of Surtax Proceeds)	6,182	9,615	6,811	22,608
Total Claimed (Schedule I)	121,139	224,826	138,312	484,277
Less: Late Fees for Fuel Payments	(98)	-	(69)	(167)
Net Allowable Transit Costs (Schedule II)	\$ 121,041	\$ 224,826	\$ 138,243	\$ 484,110
Annual Circulator Ridership	7,032	5,276	7,469	19,777

Source: Village of Palmetto Bay General Ledgers

After deducting \$167 in late fuel payment penalties from claimed costs, the Village had \$716,000 in unspent Transit-related funds as of September 30, 2018 (Schedule II). As mentioned previously, *CITT Resolution 09-055* allows rollover of the unspent monies for up to five years, provided the funds are appropriated in the Village's Five-Year Transportation Plan. The current Plan does not include uses for all of the unspent Proceeds, and estimated annual expenditures for Circulator operations appear to be overstated.

Recommendation

Within 60 days, the Village should submit an updated Five-Year Transportation Plan reflecting planned uses of unspent Transit Proceeds.

Use of Transportation Funds

The Village submitted \$2.6 million in claimed Transportation costs to substantiate use of the remaining 80% (\$2.3 million) in Surtax receipts (Table III). Approximately \$1.3 million was applied towards debt service costs associated with a loan used to replace Street Signs, and bond payments billed by the County for the Quality Neighborhood Improvement Program (QNIP). The QNIP Bonds were issued to fund varying drainage, sidewalk, and street resurfacing improvements made throughout the Village. However, only 39.5% of the debt service costs claimed in FYs 2016 and 2017 for the Street Signs Replacement Loan were allowed, because most of the proceeds remained unused for ten years. In FY 2018, the unspent amount decreased significantly, and thus all claimed costs were accepted (Schedule III).

Table III
Summary of Claimed Transportation Expenditures

Description	Fiscal Year Ended September 30,			All Years
	2016	2017	2018	
Debt Service - Street Sign Replacement Loan (Schedule III)	\$ 266,552	\$ 260,314	\$ 260,245	\$ 787,111
Traffic Calming	5,736	564,000	67,852	637,588
Debt Service - County QNIP Bonds (Schedule III)	164,605	165,564	166,789	496,958
Milling, Resurfacing, and Sidewalk Improvements	91,789	283,752	8,491	384,032
Traffic Signals and Signs	125,741	13,629	6,969	146,339
Administrative Costs (limited to 5% of Surtax Proceeds)	24,728	38,460	27,246	90,434
Engineering/Architectural	4,480	-	31,044	35,524
Total Claimed (Schedule I)	683,631	1,325,719	568,636	2,577,986
Less: Debt Service - Street Sign Replacement Loan (Schedule	(162,597)	(156,084)	-	(318,681)
Net Allowable Transportation Costs (Schedule II)	<u>\$ 521,034</u>	<u>\$ 1,169,635</u>	<u>\$ 568,636</u>	<u>\$ 2,259,305</u>

Source: Village of Palmetto Bay General Ledgers

After reducing claimed costs for disallowed debt service, unspent Transportation-related Surtax funds totaled \$1.8 million, as of September 30, 2018 (Schedule II). These funds may be carried forward for up to five years.

Recommendation

Within 60 days, the Village should submit an updated Five-Year Transportation Plan reflecting planned uses of unspent Surtax Proceeds, per *CITT Resolution No. 09-055*.

Reporting Requirements

Quarterly uses of Surtax Proceeds reported to OCITT varied significantly from expenditures claimed during the audit period.

Recommendation

The Village Finance Department should review Quarterly Reports for accuracy prior to filing with OCITT.

CJ:bm

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
- Edward Silva, Village Manager, Village of Palmetto Bay

**Charter County Transportation System Surtax Review - Village of Palmetto Bay
Transit and Transportation Special Revenue Funds - Financial Statements**

Balance Sheets			
Description	As of September 30,		
	2016	2017	2018
Assets:			
Cash and Cash Equivalents	\$ 1,323,600	\$ 863,405	\$ 1,061,077
Due From Miami-Dade County	304,404	314,280	340,884
Due From Other Funds	15,304	72,537	-
Total Assets	<u>\$ 1,643,308</u>	<u>\$ 1,250,222</u>	<u>\$ 1,401,961</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 45,561	\$ 102,266	\$ 85,878
Due to Other Funds	38,402	167,463	9,126
	83,963	269,729	95,004
Restricted Fund Balance	1,559,345	980,493	1,306,957
Total Liabilities and Fund Balance	<u>\$ 1,643,308</u>	<u>\$ 1,250,222</u>	<u>\$ 1,401,961</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance			
Description	Fiscal Year Ended September 30,		
	2016	2017	2018
Revenues:			
Surtax	\$ 941,265	\$ 961,500	\$ 1,022,032
Interest	11,233	10,193	11,380
Total Revenues	<u>952,498</u>	<u>971,693</u>	<u>1,033,412</u>
Expenditures:			
Transit (Table II)	121,139	224,826	138,312
Transportation (Table III):			
Road and Sidewalk Costs	252,474	899,841	141,602
Debt Service:			
Street Sign Replacement Loan	266,552	260,314	260,245
Quality Neighborhood Improvement Program Bonds	164,605	165,564	166,789
	683,631	1,325,719	568,636
Total Expenditures	<u>804,770</u>	<u>1,550,545</u>	<u>706,948</u>
Excess (Deficiency) of Revenues over Expenditures	147,728	(578,852)	326,464
Fund Balance, beginning of year	1,411,617	1,559,345	980,493
Fund Balance, end of year	<u>\$ 1,559,345</u>	<u>\$ 980,493</u>	<u>\$ 1,306,957</u>

Source: Village of Palmetto Bay General Ledgers

Charter County Transportation System Surtax Review - Village of Palmetto Bay
Surtax Proceeds Usage Analysis

Description	Fiscal Year Ended September 30,			All Years
	2016	2017	2018	
Receipts (Schedule I):				
Surtax Proceeds ¹	\$ 941,265	\$ 961,500	\$ 1,022,032	\$ 2,924,797
Interest Income	11,233	10,193	11,380	32,806
	<u>\$ 952,498</u>	<u>\$ 971,693</u>	<u>\$ 1,033,412</u>	<u>\$ 2,957,603</u>
Surtax Uses:				
Eligible Transit Expenditures (Table II)	<u>\$ 121,041</u>	<u>\$ 224,826</u>	<u>\$ 138,243</u>	<u>\$ 484,110</u>
Eligible Transportation Expenditures (Table III)	<u>\$ 521,034</u>	<u>\$ 1,169,635</u>	<u>\$ 568,636</u>	<u>\$ 2,259,305</u>
AMS Analysis:				
Transit-Related Expenditures:				
Expenditures Available for Surtax Use	\$ 121,041	\$ 224,826	\$ 138,243	\$ 484,110
Less 20% Minimum Amount ²	(188,253)	(192,300)	(204,406)	(584,959)
(Increase) Decrease in Rollover Amounts	<u>\$ (67,212)</u>	<u>\$ 32,526</u>	<u>\$ (66,163)</u>	<u>\$ (100,849)</u>
Analysis of Unspent Rollover:				
Beginning Balance ³	\$ 615,576	\$ 682,788	\$ 650,262	\$ 615,576
Increase (Decrease) In Unspent Amounts	67,212	(32,526)	66,163	100,849
Remaining Unspent Amount	<u>\$ 682,788</u>	<u>\$ 650,262</u>	<u>\$ 716,425</u>	<u>\$ 716,425</u>
Transportation-Related Expenditures:				
Expenditures Available for Surtax Use	\$ 521,034	\$ 1,169,635	\$ 568,636	\$ 2,259,305
Less Remaining 80% Amount ²	(753,012)	(769,200)	(817,626)	(2,339,838)
Less Interest Income	(11,233)	(10,193)	(11,380)	(32,806)
(Increase) Decrease in Rollover Amounts	<u>\$ (243,211)</u>	<u>\$ 390,242</u>	<u>\$ (260,370)</u>	<u>\$ (113,339)</u>
Analysis of Unspent Rollover:				
Beginning Balance ³	\$ 1,671,403	\$ 1,914,614	\$ 1,524,372	\$ 1,671,403
Increase (Decrease) In Rollover Amounts	243,211	(390,242)	260,370	113,339
Remaining Unspent Amount	<u>\$ 1,914,614</u>	<u>\$ 1,524,372</u>	<u>\$ 1,784,742</u>	<u>\$ 1,784,742</u>

¹ Amounts do not agree with Schedule IV due to timing differences.

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 Per the November 30, 2016 Audit Report.

Charter County Transportation System Surtax Review - Village of Palmetto Bay
Summary of Allowable Debt Service Costs

Description	Fiscal Year Ended September 30,											All Years
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Street Sign Replacement Debt Issued/Remaining Balance ¹	\$ 2,500,000	\$ 1,753,985	\$ 1,697,782	\$ 1,596,192	\$ 1,581,289	\$ 1,565,497	\$ 1,524,994	\$ 1,524,994	\$ 1,524,994	\$ 1,524,994	\$ 1,499,083	
Proceeds Expended	(746,015)	(56,203)	(101,590)	(14,903)	(15,792)	(40,503)	-	-	-	(25,911)	(710,119)	
Unspent Proceeds	\$ 1,753,985	\$ 1,697,782	\$ 1,596,192	\$ 1,581,289	\$ 1,565,497	\$ 1,524,994	\$ 1,524,994	\$ 1,524,994	\$ 1,524,994	\$ 1,499,083	\$ 788,964	
% of Unspent Proceeds	70.16%	67.91%	63.85%	63.25%	62.62%	61.00%	61.00%	61.00%	61.00%	59.96%	31.56%	
AMS Analysis:												
Principal	\$ 166,796	\$ 173,388	\$ 180,250	\$ 187,383	\$ 194,798	\$ 202,507	\$ 210,521	\$ 218,852	\$ 227,513	\$ 236,517	\$ 245,877	\$ 2,244,402
Interest	102,664	88,442	81,560	86,119	65,727	58,028	49,924	35,248	39,039	23,797	14,368	644,916
Total Debt Service (Table III)	269,460	261,830	261,810	273,502	260,525	260,535	260,445	254,100	266,552	260,314	260,245	2,889,318
Disallowed Amount Attributable to Unspent Proceeds (Table III) ²	(189,053)	(177,809)	(167,165)	(172,990)	(163,141)	(158,926)	(158,871)	(155,001)	(162,597)	(156,084)	-	(1,661,637)
Allowable Debt Service - Street Sign Replacement Loan	\$ 80,407	\$ 84,021	\$ 94,645	\$ 100,512	\$ 97,384	\$ 101,609	\$ 101,574	\$ 99,099	\$ 103,955	\$ 104,230	\$ 260,245	\$ 1,227,681

Source: Village of Palmetto Bay Audited Financial Statements and General Ledgers

¹ The Village of Palmetto Bay entered into a \$2.5 million Loan Agreement with Regions Bank on July 3, 2007 to fund street and bus sign replacements that cost significantly less than initially planned, resulting in a substantial unspent loan balance.

On July 11, 2013, the Village passed *Ordinance 2013-06* to repurpose the debt to include other transportation-related costs; however, no significant expenditures were made until Fiscal Year (FY) 2018.

² The Village had a substantial amount of unused Debt Proceeds, and therefore cannot claim 100% as allowable uses of Surtax monies. The disallowed amount is calculated as Debt Service multiplied by the percentage of Unspent Proceeds in each year through FY 2018, when a significant amount of Proceeds was spent.

Description	Fiscal Year Ended September 30,											All Years
	2008 and Prior	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Village Share of County QNIP Bonds: ¹	\$ 1,105,817	\$ 190,490	\$ 190,659	\$ 190,943	\$ 173,047	\$ 174,033	\$ 175,369	\$ 175,546	\$ 175,860	\$ 176,885	\$ 178,193	\$ 2,906,842
Total Debt Service	(70,772)	(12,191)	(12,202)	(12,220)	(11,075)	(11,138)	(11,224)	(11,235)	(11,255)	(11,321)	(11,404)	(186,037)
Amount Attributable to Ineligible Park Projects at 6.4% ²	\$ 1,035,045	\$ 178,299	\$ 178,457	\$ 178,723	\$ 161,972	\$ 162,895	\$ 164,145	\$ 164,311	\$ 164,605	\$ 165,564	\$ 166,789	\$ 2,720,805
Allowable Debt Service - County QNIP Bonds (Table III)												

Source: Village of Palmetto Bay Audited Financial Statements and General Ledgers

¹ The Village of Palmetto Bay is required to pay Miami-Dade County its allocated share of principal and interest relating to Quality Neighborhood Improvement Program (QNIP) Bonds, Series 1999, that were issued prior to the Village's incorporation.

The Village's pro rata share of debt service costs is approximately 3.6%, and is payable annually through 2024. The underlying costs consist of drainage, resurfacing, and sidewalk projects, which are eligible for Surtax use, as well as park-related amounts that are not allowable.

² Irrigation and parking projects at Coral Reef Park are not allowable uses of Surtax funds; therefore, the percentage of those expenditures (6.4%) has been applied to reduce annual QNIP debt service.

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

Municipality	Fiscal Year Ended September 30,							All Years
	2003 to 2012	2013	2014	2015	2016	2017	2018	
City of Miami ¹	\$ 116,849,163	\$ 14,564,114	\$ 15,424,405	\$ 16,414,208	\$ 16,889,133	\$ 16,523,990	\$ 18,187,632	\$ 214,852,645
City of Hialeah	68,960,371	8,118,432	8,457,199	8,983,772	9,243,159	9,346,775	9,873,020	122,982,728
City of Miami Beach	27,484,782	3,166,271	3,351,080	3,552,358	3,670,335	3,678,499	3,925,123	48,828,448
City of Miami Gardens ²	10,352,937	3,837,951	3,985,238	4,199,539	4,336,722	4,409,954	4,737,286	35,859,627
City of North Miami	17,943,986	2,107,503	2,212,494	2,328,969	2,454,241	2,473,804	2,665,998	32,186,995
City of Homestead	13,789,737	2,204,159	2,354,015	2,519,902	2,669,792	2,788,854	2,969,698	29,296,157
City of Coral Gables	13,391,235	1,685,507	1,781,041	1,897,394	1,955,854	1,981,236	2,091,593	24,783,860
City of North Miami Beach	12,435,165	1,493,737	1,566,354	1,659,574	1,733,203	1,746,039	1,882,765	22,516,837
City of Aventura	8,891,581	1,280,248	1,385,071	1,436,028	1,494,036	1,502,980	1,590,870	17,580,814
City of Doral ²	3,642,653	1,667,049	1,767,800	1,925,900	2,120,606	2,232,433	2,508,437	15,864,878
Town of Miami Lakes ¹	7,766,182	1,052,533	1,095,293	1,172,205	1,209,319	1,211,635	1,288,227	14,795,394
Town of Cutler Bay ²	3,886,873	1,453,608	1,541,361	1,643,660	1,721,858	1,769,140	1,899,220	13,915,720
Village of Palmetto Bay	7,423,535	841,373	879,379	930,008	952,951	956,304	1,013,542	12,997,092
City of Hialeah Gardens	6,178,662	780,808	816,410	859,975	904,713	922,372	986,599	11,449,539
City of Sunny Isles Beach	5,376,896	752,852	795,768	834,090	869,990	866,019	933,221	10,428,836
Village of Pinecrest ³	5,225,789	1,205,816	686,122	723,235	737,876	738,316	777,521	10,094,675
City of Miami Springs	4,113,990	496,146	522,095	550,052	562,418	565,087	601,223	7,411,011
City of Opa-locka ⁵	4,640,264	552,018	580,600	556,122	90,323	195,000	210,000	6,824,327
City of South Miami	3,280,419	443,069	504,946	538,750	546,219	547,720	546,151	6,407,274
Village of Key Biscayne	3,415,345	443,069	461,282	489,679	502,197	508,734	540,692	6,360,998
City of Sweetwater ¹	4,077,699	390,842	326,534	275,281	273,778	133,332	466,662	5,944,128
City of Florida City	2,794,031	419,450	440,752	477,906	498,385	504,443	542,769	5,677,736
Miami Shores Village	3,145,976	368,810	384,663	408,970	419,557	420,697	443,831	5,592,504
North Bay Village	1,965,557	263,374	279,848	299,797	314,789	328,007	378,523	3,829,895
City of West Miami	1,770,807	214,600	224,057	235,786	241,053	241,373	279,166	3,206,842
Town of Surfside	1,666,675	206,033	214,832	226,558	229,428	228,739	234,500	3,006,765
Town of Bay Harbor Islands	1,566,561	201,912	214,053	227,105	231,953	222,682	234,375	2,898,641
Village of Biscayne Park	994,312	110,094	115,264	122,506	125,900	126,220	135,905	1,730,201
Bal Harbour Village	948,405	89,667	110,690	113,983	114,472	111,421	114,881	1,603,519
Village of El Portal ⁴	751,852	83,900	87,815	88,880	6,467	174,873	90,094	1,283,881
Village of Virginia Gardens	704,328	85,654	89,044	94,354	96,229	96,903	102,910	1,269,422
Town of Medley	333,660	29,889	31,913	33,823	34,442	33,529	35,277	532,533
Town of Golden Beach ¹	262,985	33,042	34,366	35,427	36,766	37,221	39,423	479,230
Indian Creek Village	3,604	-	-	-	-	-	-	3,604
	<u>\$ 366,036,017</u>	<u>\$ 50,643,530</u>	<u>\$ 52,721,784</u>	<u>\$ 55,855,796</u>	<u>\$ 57,288,164</u>	<u>\$ 57,624,331</u>	<u>\$ 62,327,134</u>	<u>\$ 702,496,756</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, \$1.6 million from the City of Sweetwater, \$21,058 from the Town of Golden Beach, and \$2.5 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 In FY 2009, \$551,589 was returned by the Village of Pinecrest for their unspent Transit portion of funding as of September 30, 2007. In FY 2013, OCITT returned the monies to the Village.

⁴ Amount in FY 2016 is net of \$84,069 withheld due to instances of noncompliance, which was returned in FY 2017 by OCITT.

⁵ A total of \$1.7 million is being withheld from the City of Opa-locka due to instances of noncompliance.

Charter County Transportation System Surtax Review – Village of Palmetto Bay
Status of Prior Audit Findings ¹

Finding	Recommendation	Auditee Response	Current Status
Use of Transit Funds			
Annual Circulator ridership has steadily declined since Fiscal Year (FY) 2011, and \$616,000 of Transit-related Proceeds were unspent as of September 30, 2015.	Unless ridership improves, the continued use of Surtax proceeds to fund the Circulator should be reassessed. The Village should submit an updated Five-Year Transportation Plan reflecting how the unspent Transit Proceeds will be utilized.	The Village worked with a consultant to review the transit system and make recommendations for improvement.	Partially Resolved Ridership improved after the Circulator was re-routed to transport commuters to the Dadeland South Metrorail Station in June 2018. However, unspent Transit Proceeds increased to \$716,000 as of September 30, 2018 (see Page 3).
Use of Transportation Funds			
The Village claimed debt service for a Street Sign Replacement Loan, as well as QNIP Bonds, totaling \$4.2 million. \$1.5 million was disallowed for unspent loan proceeds, as well as an ineligible portion of QNIP expenditures. Unspent Transportation funds totaled \$1.7 million as of September 30, 2015.	The Village should ensure that claimed costs are allowable under Surtax guidelines. A revised Five-Year Transportation Plan should specify how rollover funds will be used.	The Village disagreed with the reduction of allowable debt service due to unused proceeds, but included plans to spend the remaining funds within five years. The ineligible portion of QNIP debt service was refunded to the <i>Transportation Special Revenue Fund</i> .	Partially Resolved QNIP debt service was correctly claimed, net of the ineligible portion. However, \$319,000 of Street Sign Replacement debt service was disallowed, as the majority of proceeds received in FY 2007 were not spent until FY 2018. Additionally, unspent Transportation Proceeds increased to \$1.8 million as of September 30, 2018 (see Page 4).
Reporting Requirements			
The Village submitted eight Quarterly and four Annual Reports to OCITT after the required deadlines, and amounts presented in the Quarterly Reports did not always agree with actual expenditures.	Prospectively, the Village should submit all reports to OCITT accurately and timely.	The Village stated that OCITT deadlines for filing Annual Reports were in conflict with Florida Statutes.	Partially Resolved Quarterly uses of Surtax Proceeds reported to OCITT significantly varied from expenditures claimed (see Page 5).

¹ See the Audit Report dated November 30, 2016 and the Village Response dated December 11, 2017 for the full text.



VILLAGE OF PALMETTO BAY

May 15, 2019

Mr. Javier Betancourt
Executive Director
Office of the Citizen's Independent Transportation Trust (CITT)
111 NW 1st St.
Miami, FL 33128

RE: 2018 Audit Response

Dear Mr. Betancourt:

The Village of Palmetto Bay (The Village) would like to thank the Miami-Dade Audit and Management Services Department (AMS) for the role they play in ensuring your work of managing these funds are spent appropriately. AMS's work is mostly looked upon negatively and sometimes thankless.

The Village has reconciled AMS's numbers as presented, but would like to make two comments as to their findings:

1: The shortfall of \$1.1 million in their ending cash/fund balances from the Summary Results Table I and Schedule II, is a carryover from their 2015 audit and assumes The Village funded this shortfall, which was a result of their finding on the Street Sign loan. The Village and CITT agreed in the letter dated December 11, 2017 (attached) that the shortfall was waived if The Village pledged and spent the proceeds on the Franjo Road redevelopment project. The Village is still within the estimated time period stated and has spent approximately half of the proceeds to date.

2: The current audit also recommends disallowing \$319,000 related to the Street Sign loan. The Village is also requesting to waive the \$319,000 as The Village is still within the agreed time period to spend funds as stated above. However due to a change in contractors the project was delayed in starting and is requesting an additional six (6) months to complete the project and expend the funds totally.

The Village has reproduced AMS's Schedule II (attached) comparing their results with The Village but with The Village's 2015 ending balance without the \$1.1

million from the prior audit and it shows The Village should have a current ending balance of approximately \$1.6 million not the \$2.5 million they show. If adjustments are made for current disallowances the audited numbers would essentially reconcile to The Village's balance as shown on page 6 of our CITT trial balance report (attached).

Additionally, there is a small discrepancy of \$167 for late fees in Table II which The Village will refund.

Thank you for your continued cooperation between the CITT and The Village on improving transportation throughout the Village and County.

Respectfully,

A handwritten signature in black ink, appearing to read 'Edward Silva', written over a vertical line.

Edward Silva
Village Manager