

File



AUDIT AND MANAGEMENT SERVICES DEPARTMENT
OVERTOWN TRANSIT VILLAGE
701 NW 1st COURT – SUITE 8-175
MIAMI, FLORIDA 33136
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RECEIVED
SEP 12 2018
OCITT

August 22, 2018

Ms. Yocelyn Galiano Gomez
Village Manager
Village of Pinecrest
12645 Pinecrest Parkway
Pinecrest, Florida 33156

Re: Charter County Transportation System Surtax Review – Village of Pinecrest

Dear Ms. Galiano Gomez:

Enclosed is the above-captioned Final Audit Report that was previously discussed with your Finance Staff, together with the Village of Pinecrest's Response. Overall, we are pleased with the corrective actions planned, and thus the audit has been closed.

We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact G. Nancy McKee, Assistant Director, at 786-469-5900, if you have any questions or require further information.

Sincerely,

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

Cathy Jackson
Director

CJ:ag

Attachment


c: Javier A. Betancourt, Executive Director, OCITT
Marie Arteaga-Nariño, Finance Director, Village of Pinecrest

Memorandum



Date: August 22, 2018

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 Pinecrest

PURPOSE AND SCOPE

We performed a review of the Village of Pinecrest's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the four years ended September 30, 2017. 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 17, 2003. Additionally, we assessed resolution of prior audit findings referenced in our Report dated September 30, 2014 (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 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.

Pursuant to the *Interlocal Agreement*, the Village of Pinecrest (Pinecrest) 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 \$103,361 (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, Pinecrest 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 Pinecrest's Five-Year Transportation Plan demonstrates how the funds will be used.

SUMMARY RESULTS

For the four years ended September 30, 2017, Pinecrest received \$2.9 million in Surtax Proceeds, earned investment income of \$8,502, and claimed Transit and Transportation-related expenditures totaling \$6 million (Table I). After adjusting claimed expenditures for the Maintenance of Effort (MOE) and disallowed costs of \$185,053, Pinecrest had \$270,358 of unspent proceeds as of September 30, 2017.

**Table I
 Surtax Statistics**

Description	Fiscal Year Ended September 30,				All Years
	2014	2015	2016	2017	
Maintenance of Effort	\$ 103,361	\$ 103,361	\$ 103,361	\$ 103,361	\$ 413,444
Revenue					
Surtax Proceeds (Schedule IV)	\$ 686,122	\$ 723,235	\$ 737,876	\$ 738,316	\$ 2,885,549
Investment Income	905	5,904	1,682	11	8,502
	<u>\$ 687,027</u>	<u>\$ 729,139</u>	<u>\$ 739,558</u>	<u>\$ 738,327</u>	<u>\$ 2,894,051</u>
Claimed Expenditures (Schedule II)					
Transit	\$ 480,873	\$ 235,355	\$ 181,216	\$ 157,804	\$ 1,055,248
Transportation	468,782	2,115,712	1,682,288	669,232	4,936,014
	<u>\$ 949,655</u>	<u>\$ 2,351,067</u>	<u>\$ 1,863,504</u>	<u>\$ 827,036</u>	<u>\$ 5,991,262</u>
Unspent Surtax Proceeds (Schedule III) ¹					
Transit	\$ 266,812	\$ 176,104	\$ 142,463	\$ 132,322	
Transportation	2,356,670	928,811	18,782	138,036	
	<u>\$ 2,623,482</u>	<u>\$ 1,104,915</u>	<u>\$ 161,245</u>	<u>\$ 270,358</u>	
CIIT Public Transit Fund (Schedule I) ¹					
Cash and Cash Equivalents ²	\$ 255,510	\$ 1,008,690	\$ 32,994	\$ 142,007	
Fund Balance	\$ 271,136	\$ 1,167,281	\$ 283,120	\$ 352,477	

Source: OCITT, Pinecrest's Audited Financial Statements and General Ledgers

¹ As of September 30 in each Fiscal Year.

² Although Unspent Surtax Proceeds exceed Cash and Cash Equivalents, Accounts Receivable as of September 30, 2017 includes \$221,660 due from OCITT.

These findings and recommendations are more fully discussed in the remainder of this document. Pinecrest's response, received on August 14, 2018, is also included as Attachment I. We are pleased with the actions planned or already taken to address our concerns, and thus the audit has been closed. 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 Surtax Proceeds

As mentioned previously, Pinecrest received \$2.9 million, including investment income, for Surtax use and claimed \$1.1 and \$4.9 million in Transit and Transportation expenditures, respectively, during the audit period (Schedule II). Pinecrest previously accounted for Surtax Transit and Transportation expenditures in two funds – the 20% Transit share in the *CITT Public Transit Fund*, and the 80% Transportation share in the *Transportation Fund*. During FY 2015, the Transportation monies were transferred to the *CITT Public Transit Fund*, where all Surtax transactions are now recorded.

At least 20% of the Surtax Proceeds (\$577,109) must be used for Transit-related projects. Pinecrest operated a circulator, and completed the relocation of a major bus shelter on US 1 from SW 117 to SW 120 Street, as well as two smaller bus circulator shelters. The remaining 80% (\$2.3 million) was used primarily for Villagewide paving, Public Works salaries, sidewalks, and professional fees (Schedule II).

Disallowed Transportation-related costs totaled \$185,053, mostly consisting of \$88,171 for Hurricane Irma debris removal, \$69,715 in paving expenses reimbursed by a State grant, and \$13,677 claimed during the prior audit. Approximately \$70,944 of the Hurricane Irma debris removal costs appear eligible, but were disallowed pending acceptance of the Federal Emergency Management Agency (FEMA) claim, while \$17,227 pertained to parks debris removal, which is ineligible.

After adjusting claimed expenditures for disallowed costs and the MOE, Transit and Transportation Surtax Proceeds totaling \$132,322 and \$138,036, respectively, were unspent and available for carryover as of September 30, 2017.

Recommendation

Pinecrest should carefully review claimed costs to ensure all amounts are allowable under OCITT guidelines.

CJ:ag

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Abigail Price-Williams, County Attorney
- Alina T. Hudak, Deputy Mayor
- Edward Marquez, Deputy Mayor
- Jennifer Moon, Director, Office of Management and Budget
- Yocelyn Galiano Gomez, Village Manager, Village of Pinecrest

Charter County Transportation System Surtax Review - Village of Pinecrest
CITT Public Transit Fund Financial Statements

Balance Sheets				
Description	As of September 30,			2017
	2014	2015	2016	
Assets:				
Cash and Cash Equivalents	\$ 255,510	\$ 1,008,690	\$ 32,994	\$ 142,007
Accounts Receivable, Net ¹	29,567	175,605	277,519	221,660
	<u>\$ 285,077</u>	<u>\$ 1,184,295</u>	<u>\$ 310,513</u>	<u>\$ 363,667</u>
Liabilities and Fund Balance:				
Accounts Payable and Accrued Liabilities	\$ 13,941	\$ 17,014	\$ 27,393	\$ 11,190
Restricted Fund Balance	271,136	1,167,281	283,120	352,477
	<u>\$ 285,077</u>	<u>\$ 1,184,295</u>	<u>\$ 310,513</u>	<u>\$ 363,667</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance				
Description	For the Fiscal Year Ended September 30,			2017
	2014	2015	2016	
Revenues:				
Surtax Proceeds ¹	\$ 130,929	\$ 147,928	\$ 771,396	679,558
Investment Income ²	188	278	1,682	11
Public Works Expenditures	131,117	148,206	773,078	679,569
Excess (Deficiency) of Revenues over Expenditures	480,873	235,355	1,657,239	610,212
Transfer in from Transportation Fund ³	(349,756)	(87,149)	(884,161)	69,357
	-	983,294	-	-
Net Change in Fund Balance	(349,756)	896,145	(884,161)	69,357
Fund Balance, Beginning	620,892	271,136	1,167,281	283,120
Fund Balance, Ending	<u>\$ 271,136</u>	<u>\$ 1,167,281</u>	<u>\$ 283,120</u>	<u>\$ 352,477</u>

Source: Village of Pinecrest Comprehensive Annual Financial Reports and General Ledgers

¹ Accounts receivable are primarily Surtax payments due from Miami-Dade County. Revenue amounts do not agree with OCITT payments on Schedule IV, due to recording of certain amounts in the *Transportation Fund* during FYs 2014 to 2015, and timing differences during FYs 2016 and 2017.

² Amounts in Table I include interest earned on *Transportation Fund* balances in FYs 2014 and 2015.

³ Pinecrest transferred this amount from its *Transportation Fund*, as all future Surtax activities will be accounted for in this *CITT Public Transit Fund*.

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

Charter County Transportation System Surtax - Village of Pinecrest
 Claimed Transit and Transportation-Related Expenditures, As Adjusted

Description	Fiscal Year Ended September 30,				All Years
	2014	2015	2016	2017	
Transit-Related:					
Circulator Operations	\$ 175,419	\$ 138,247	\$ 181,216	\$ 157,804	\$ 652,686
Bus Shelters	305,454	97,108	-	-	402,562
Eligible Transit Expenditures	\$ 480,873	\$ 235,355	\$ 181,216	\$ 157,804	\$ 1,055,248
Transportation-Related:					
Villagewide Paving and Permits	\$ 7,750	\$ 1,648,001	\$ 1,062,306	\$ 243,154	\$ 2,961,211
Public Works Salary and Benefits ¹	126,469	204,615	192,762	117,601	641,447
Professional Fees - Surveys & Consulting	131,383	173,317	56,086	44,340	405,126
Sidewalks	77,845	15,888	187,093	82,602	363,428
Administrative Costs ²	34,010	37,374	35,656	35,616	142,656
Drainage	-	-	121,298	-	121,298
Traffic Calming	66,510	19,558	11,200	9,856	107,124
Hurricane Irma Debris Removal	-	-	-	88,171	88,171
Road Striping, Materials, and Supplies	10,072	5,380	2,700	26,300	44,452
Gasoline and Diesel Fuel ³	10,993	7,344	6,829	7,631	32,797
Repair and Maintenance of Public Works Vehicles ³	2,095	4,235	5,574	3,421	15,325
Street Signage	1,655	-	784	10,540	12,979
Total	468,782	2,115,712	1,682,288	669,232	4,936,014
Less AMS Adjustments:					
Hurricane Irma Debris Removal - Pending FEMA Approval	-	-	-	(70,944)	(70,944)
Paving and Professional Fees, Reimbursed by State Grant	-	-	(69,715)	-	(69,715)
Hurricane Irma Park Debris Removal	-	-	-	(17,227)	(17,227)
Paving and Road Striping Costs Claimed in FY 2013	(13,677)	-	-	-	(13,677)
Drainage Work on Park Property	-	-	(7,200)	-	(7,200)
Duplicate Claim for Professional Fees	-	-	-	(6,290)	(6,290)
Eligible Transportation Expenditures	(13,677)	2,115,712	1,605,373	(94,461)	(185,053)
	\$ 455,105	\$ 2,115,712	\$ 1,605,373	\$ 574,771	\$ 4,750,961

Source: Village of Pinecrest General Ledgers

¹ Amounts are allocated to Surtax based upon employee time sheets.

² Annually, limited to 5% of Surtax Proceeds.

³ Allocated from the Public Works Department for Transportation-related activities.

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

Description	Fiscal Year Ended September 30,				All Years
	2014	2015	2016	2017	
Receipts:					
Surtax Proceeds (Schedule IV)	\$ 686,122	\$ 723,235	\$ 737,876	\$ 738,316	\$ 2,885,549
Investment Income (Table I)	905	5,904	1,682	11	8,502
Total Revenues	\$ 687,027	\$ 729,139	\$ 739,558	\$ 738,327	\$ 2,894,051
Surtax Uses:					
Eligible Transit Expenditures (Schedule II)	\$ 480,873	\$ 235,355	\$ 181,216	\$ 157,804	\$ 1,055,248
Eligible Transportation Expenditures (Schedule II)	\$ 455,105	\$ 2,115,712	\$ 1,605,373	\$ 574,771	\$ 4,750,961
Less Maintenance of Effort (Table I)	(103,361)	(103,361)	(103,361)	(103,361)	(413,444)
Expenditures Available For Surtax Use	\$ 351,744	\$ 2,012,351	\$ 1,502,012	\$ 471,410	\$ 4,337,517
AMS Analysis:					
Transit-Related Expenditures:					
Expenditures Available for Surtax Use	\$ 480,873	\$ 235,355	\$ 181,216	\$ 157,804	\$ 1,055,248
Less 20% Minimum Amount ¹	(137,224)	(144,647)	(147,575)	(147,663)	(577,109)
(Increase) Decrease in Rollover Amounts	\$ 343,649	\$ 90,708	\$ 33,641	\$ 10,141	\$ 478,139
Analysis of Unspent Rollover:					
Beginning Balance ²	\$ 610,461	\$ 266,812	\$ 176,104	\$ 142,463	\$ 610,461
Increase (Decrease) In Unspent Amounts	(343,649)	(90,708)	(33,641)	(10,141)	(478,139)
Remaining Unspent Amount	\$ 266,812	\$ 176,104	\$ 142,463	\$ 132,322	\$ 132,322
Transportation-Related Expenditures:					
Expenditures Available for Surtax Use	\$ 351,744	\$ 2,012,351	\$ 1,502,012	\$ 471,410	\$ 4,337,517
Less Remaining 80% Amount ¹	(548,898)	(578,588)	(590,301)	(590,653)	(2,308,440)
Less Interest Income	(905)	(5,904)	(1,682)	(11)	(8,502)
(Increase) Decrease in Rollover Amounts	\$ (198,059)	\$ 1,427,859	\$ 910,029	\$ (119,254)	\$ 2,020,575
Analysis of Unspent Rollover:					
Beginning Balance ²	\$ 2,158,611	\$ 2,356,670	\$ 928,811	\$ 18,782	\$ 2,158,611
Increase (Decrease) In Unspent Amounts	198,059	(1,427,859)	(910,029)	119,254	(2,020,575)
Remaining Unspent Amount	\$ 2,356,670	\$ 928,811	\$ 18,782	\$ 138,036	\$ 138,036

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 Per the September 30, 2014 Audit Report.

**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	
City of Miami ¹	\$ 116,849,163	\$ 14,564,114	\$ 15,424,405	\$ 16,414,208	\$ 16,889,133	\$ 16,523,990	\$ 196,665,013
City of Hialeah	68,960,371	8,118,432	8,457,199	8,983,772	9,243,159	9,346,775	113,109,708
City of Miami Beach	27,484,782	3,166,271	3,351,080	3,552,358	3,670,335	3,678,499	44,903,325
City of Miami Gardens ²	10,352,937	3,837,951	3,985,238	4,199,539	4,336,722	4,409,954	31,122,341
City of North Miami	17,943,986	2,107,503	2,212,494	2,328,969	2,454,241	2,473,804	29,520,997
City of Homestead	13,789,737	2,204,159	2,354,015	2,519,902	2,669,792	2,788,854	26,326,459
City of Coral Gables	13,391,235	1,685,507	1,781,041	1,897,394	1,955,854	1,981,236	22,692,267
City of North Miami Beach	12,435,165	1,493,737	1,566,354	1,659,574	1,733,203	1,746,039	20,634,072
City of Aventura	8,891,581	1,280,248	1,385,071	1,436,028	1,494,036	1,502,980	15,989,944
Town of Miami Lakes ¹	7,766,182	1,052,533	1,095,293	1,172,205	1,209,319	1,211,635	13,507,167
City of Doral ²	3,642,653	1,667,049	1,767,800	1,925,900	2,120,606	2,232,433	13,356,441
Town of Cutler Bay ^{2,3}	3,886,873	1,453,608	1,541,361	1,643,660	1,721,858	1,769,140	12,016,500
Village of Palmetto Bay	7,423,535	841,373	879,379	930,008	952,951	956,304	11,983,550
City of Hialeah Gardens	6,178,662	780,808	816,410	859,975	904,713	922,372	10,462,940
City of Sunny Isles Beach	5,376,896	752,852	795,768	834,090	869,990	866,019	9,495,615
Village of Pinecrest ⁴	5,225,789	1,205,816	686,122	723,235	737,876	738,316	9,317,154
City of Miami Springs	4,113,990	496,146	522,095	550,052	562,418	565,087	6,809,788
City of Opa-locka ⁶	4,640,264	552,018	580,600	556,122	90,323	195,000	6,614,327
City of South Miami	3,280,419	443,069	504,946	538,750	546,219	547,720	5,861,123
Village of Key Biscayne	3,415,345	443,069	461,282	489,679	502,197	508,734	5,820,306
City of Sweetwater ¹	4,077,699	390,842	326,534	275,281	273,778	133,332	5,477,466
Miami Shores Village	3,145,976	368,810	384,663	408,970	419,557	420,697	5,148,673
City of Florida City	2,794,031	419,450	440,752	477,906	498,385	504,443	5,134,967
North Bay Village	1,965,557	263,374	279,848	299,797	314,789	328,007	3,451,372
City of West Miami	1,770,807	214,600	224,057	235,786	241,053	241,373	2,927,676
Town of Surfside	1,666,675	206,033	214,832	226,558	229,428	228,739	2,772,265
Town of Bay Harbor Islands	1,566,561	201,912	214,053	227,105	231,953	222,682	2,664,266
Village of Biscayne Park	994,312	110,094	115,264	122,506	125,900	126,220	1,594,296
Bal Harbour Village	948,405	89,667	110,690	113,983	114,472	111,421	1,488,638
Village of El Portal ⁵	751,852	83,900	87,815	88,880	6,467	174,873	1,193,787
Village of Virginia Gardens	704,328	85,654	89,044	94,354	96,229	96,903	1,166,512
Town of Medley	333,660	29,889	31,913	33,823	34,442	33,529	497,256
Town of Golden Beach ¹	262,985	33,042	34,366	35,427	36,766	37,221	439,807
Indian Creek Village ⁷	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>\$ 640,169,622</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, \$1.4 million from the City of Sweetwater, \$21,058 from the Town of Golden Beach, and \$1.4 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 As per OCITT, Municipality received \$3,000 in excess of amounts due for Fiscal Year (FY) 2012, which was corrected in FY 2013.

⁴ 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.

⁵ Amount in FY 2016 is net of \$84,069 withheld due to instances of noncompliance, which was returned in FY 2017 by OCITT.

⁶ A total of \$1.2 million is being withheld from the City of Opa-locka due to instances of noncompliance. In addition, starting with FY 2017, the payments recorded herein include amounts that may have been due from a prior fiscal year.

⁷ A total of \$29,097 has been withheld from Indian Creek Village, at their request, since FY 2007.

Charter County Transportation System Surtax - Village of Pinecrest
Status of Prior Audit Findings¹

Finding	Recommendation	Auditee Response	Current Status
<p>Use of Surtax Proceeds</p> <p>Pinecrest destroyed invoices supporting claimed Surtax expenditures for FYs 2008 to 2010 prior to the start of our audit, requiring us to perform alternate procedures. Also, the Village did not have support for the estimate of Public Works time spent on street maintenance and repair activities.</p> <p>Surtax Transportation funds were commingled with other road-related monies.</p>	<p>Pinecrest should retain pertinent accounting records and substantiate time and costs incurred on Surtax activities. Finally, all Surtax transactions should be recorded in a single fund.</p>	<p>Records and cancelled checks will now be scanned and retained in a separate computer file, and all Surtax transactions will be recorded separately.</p>	<p>Resolved</p> <p>Records were available to support current Surtax expenditures, including Public Works payroll costs. Additionally, all Surtax transactions are recorded in a single fund restricted to Surtax activities.</p>
<p>Rollover of Unused Funds</p> <p>Pinecrest had unspent Transit and Transportation Surtax Proceeds totaling \$610,000 and \$2.2 million, respectively, as of September 30, 2013. The funds must be spent within five years, or be subject to recapture.</p>	<p>Submit a revised Five-Year Transportation Plan specifying how rollover monies will be used, or request an extension from OCITT.</p>	<p>We have submitted a Five-Year Plan which shows the use of these funds.</p>	<p>Resolved</p> <p>Unspent funds have decreased to \$270,358 as of September 30, 2017.</p>
<p>Certification and Reporting Requirements</p> <p>Pinecrest's FY 2013 Certification Letter incorrectly referred to FY 2013 budget amounts instead of the FY 2002 MOE, Quarterly Reports for FYs 2008 through 2012, and Five-Year Transportation Plans for FYs 2008 and 2009, were not submitted.</p>	<p>OCITT should withhold future funding to encourage compliance with reporting requirements.</p>	<p>We submitted and are current on our reporting requirements.</p>	<p>Resolved</p> <p>All reporting requirements were met for the current audit.</p>

¹ See the September 30, 2014 Audit Report and November 6, 2014 Auditee Response for the full text.



Yocelyn Galiano, ICMA-CM
Village Manager
manager@pinecrest-fl.gov

VILLAGE OF PINECREST
Office of the Village Manager

Ms. Cathy Jackson
Audit and Management Services Department
Overtown Transit Village
701 NW 1st Court, Suite 8-175
Miami, Florida 33136

Dear Ms. Jackson,

I am in receipt of the draft CITT audit report dated July 20, 2018 for the four years ending September 30, 2017. I wish to thank you for your comments and observations, and assure you we will work diligently to address all comments.

After careful review of the \$185,053 that was deemed ineligible to be claimed with CITT, we are in agreement with the decision. The Village therefore, will ensure that procedures are in place to avoid this issue in the future.

Of the \$185,053 disallowed, almost half of those funds were related to Hurricane Irma debris removal. We are pleased to learn that once FEMA and the state pay the Village on the hurricane claim, we may go forward and use CITT funds for any unrecovered road clean up.

We also realized that we have funds due from a vendor for \$6,290 for damage that they caused to one of our resident's driveway. We are in the process of recouping the amount.

We are pleased that prior audit comments have been deemed corrected and will ensure that the new audit observation is addressed "Pinecrest should carefully review claimed costs to ensure all amounts are allowable under OCITT guidelines."

The Finance Department and the Public Works Department have met and discussed ways to improve the processing of the CITT invoices and ensure compliance. For each quarterly reporting to the CITT, the following activities will take place:

- Finance will share the report with Public Works so they may review the invoices and support the time spent on each project.
- Finance will scan copies of the invoices, check copies, and purchase orders for each expenditure.

Furthermore, Finance and Public Works will ensure that grants received are properly reported.

12645 Pinecrest Parkway, Pinecrest, Florida 33156
T: 305.234.2121 | F: 305.234.2131
www.pinecrest-fl.gov



I am confident that we have the procedures and personnel in place to ensure continued compliance with the CITT program.

Sincerely,



Yocelyn Galiano, ICMA-CM
Village Manager

CC: G. Nancy McKee, Assistant Director, Audit and Management Services Department
Alina T. Hudak, Deputy Mayor
Jennifer Moon, Director of Management and Budget
Marie Arteaga-Narino, Finance Director, Village of Pinecrest
Mark Spanioli, Public Works Director, Village of Pinecrest