


Memorandum



Date: September 16, 2019

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

From: 
Cathy Jackson, Director
Audit and Management Services Department

Subject: Final Audit Report – Charter County Transportation System Surtax Review –
Bal Harbour Village (Village) Fiscal Years 2013 through 2017

We have reviewed the Village's Response, dated September 6, 2019 (Attachment I), to the above-captioned Audit Report issued December 14, 2018. The positive actions taken or planned to address the audit findings and recommendations are satisfactory, and thus the audit has been closed.

We appreciate the assistance provided by the Village to our staff, during the audit process. Please contact me at 786-469-5900 if you have any questions or require further information.

CJ:bm

Attachment

c: Honorable Harvey A. Ruvin, Clerk of the Courts
Abigail Price-Williams, County Attorney
Edward Marquez, Deputy Mayor
Jennifer Moon, Deputy Mayor/Director, Office of Management and Budget
Jorge M. Gonzalez, Village Manager, Bal Harbour Village

BAL HARBOUR

- V I L L A G E -

JORGE M. GONZALEZ
VILLAGE MANAGER

September 6, 2019

Miami-Dade County
Audit and Management Services Department
Overtown Transit Village
701 NW 1st Court – Suite 8-175
Miami, FL 33136

Dear Ms. Jackson,




The following is in response to the audit recommendation referenced in the attached draft audit report dated December 3, 2018.

Use of Surtax Proceeds and Other Requirements

Recommendation: Prospectively, Express Shuttle ridership statistics should include data for Saturday and Sunday ridership. Within 90 days after year-end Staff should reconcile revenue estimates with actual receipts to assure General Ledger balances are accurate and complete. Also, Compliance Reports should be submitted timely and accurately.

Village Response: The Village began including the statistics for the Saturday and Sunday ridership in the Quarterly status updates beginning with Q1 2017. We will continue to include and report such information in the quarterly reports going forward on a timely basis. In addition, revenues are recorded in our general ledger each Fiscal Year based on Generally Accepted Accounting Principles. Therefore amounts recorded in the general ledger may result in timing differences between those reported by OCITT.

Sincerely,



Jorge M. Gonzalez
Village Manager

Cc:

Javier A. Betancourt, Executive Director, OCITT
Claudia Dixon, Chief Financial Officer



AUDIT AND MANAGEMENT SERVICES DEPARTMENT
OVERTOWN TRANSIT VILLAGE
701 NW 1st COURT – SUITE 8-175
MIAMI, FLORIDA 33136
TELEPHONE: 786-469-5900
FAX: 786-469-5933

December 14, 2018

Mr. Jorge M. Gonzalez
Village Manager
Bal Harbour Village
655 - 96th Street
Bal Harbour, Florida 33154

**Re: Audit Report – Charter County Transportation System Surtax Review –
Bal Harbour Village (Village)**

Dear Mr. Gonzalez:

Enclosed is the above-captioned Audit Report that was previously discussed with your Finance Staff. Although the Office of the Citizens' Independent Transportation Trust (OCITT) will be contacting you to resolve the audit findings, 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,

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

Cathy Jackson
Director

CJ:ag

Attachment


c: Javier A. Betancourt, Executive Director, OCITT
Amber Riviere, Chief Financial Officer, Bal Harbour Village

Memorandum



Date: December 14, 2018

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 –
Bal Harbour Village (Village)

PURPOSE AND SCOPE

We performed a review of the Village's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the five years ended September 30, 2017. 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 April 13, 2007. Additionally, we assessed resolution of prior findings referenced in our Audit Report dated September 30, 2013 (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 (Schedule I). 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 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 \$324,785 (Table I). Surtax monies may be used to develop, construct, equip, maintain, operate, or expand County-wide bus systems, fixed guideway rapid transit systems, roads, and bridges, as well as secure such bonds or pay debt service. Further, the Village 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 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 five years ended September 30, 2017, the Village reported \$537,261 in Surtax receipts, and claimed Transit and Transportation-related expenditures of \$4.6 million (Table I). Claimed amounts were used primarily for the circulator service, and to meet the Maintenance of Effort (MOE) requirement. As a result, the Village had \$1 million in excess expenditures that may be applied against future Surtax Proceeds pursuant to *CITT Resolution No. 15-027*.

**Table I
 Surtax Statistics**

| Description | Fiscal Years ended September 30, | | | | | All Years |
|--|----------------------------------|------------|------------|------------|--------------|--------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | |
| Maintenance of Effort (MOE) | \$ 324,785 | \$ 324,785 | \$ 324,785 | \$ 324,785 | \$ 324,785 | \$ 1,623,925 |
| Revenues: | | | | | | |
| Surtax Proceeds ¹ | \$ 82,991 | \$ 125,422 | \$ 140,329 | \$ 103,646 | \$ 84,873 | \$ 537,261 |
| Claimed Expenditures (Schedule II): | | | | | | |
| Transit | \$ 107,507 | \$ 110,049 | \$ 109,917 | \$ 109,872 | \$ 111,401 | \$ 548,746 |
| Transportation | 1,385,108 | 825,229 | 639,455 | 551,068 | 649,904 | 4,050,764 |
| | \$ 1,492,615 | \$ 935,278 | \$ 749,372 | \$ 660,940 | \$ 761,305 | \$ 4,599,510 |
| Carry-Forward Amounts (Schedule III): ² | | | | | | |
| Transit-Related | \$ 352,734 | \$ 356,089 | \$ 385,119 | \$ 474,262 | \$ 568,688 | |
| Transportation-Related | 716,517 | 616,179 | 503,916 | 451,453 | 454,852 | |
| | \$ 1,069,251 | \$ 972,268 | \$ 889,035 | \$ 925,715 | \$ 1,023,540 | |

Source: Village General Ledgers

¹ Amounts differ from those reported by OCITT due to timing differences; see Schedule I.

² As of September 30th

These and other findings are more fully discussed in the remainder of this document. We appreciate the courtesies and assistance extended to our staff during the audit process. A copy of this Report has been submitted to the Village, with a written response requested within 30 days. Please contact me, at 786-469-5900, if you have any questions.

FINDINGS AND RECOMMENDATIONS

Use of Surtax Proceeds and Other Requirements

As mentioned previously, at least 20% of Surtax Proceeds received during the audit period, or \$107,452, must be used for Transit-related projects, of which the Village claimed \$548,746 to operate the Village *Express Shuttle* circulator service (Schedule II). The *Express Shuttle* is free and operates on a fixed-route schedule, Sunday through Thursday from 9:00 a.m. to 5:00 p.m., and on Fridays and Saturdays from 9:00 a.m. to 7:00 p.m., except for Village-observed holidays. Ridership averages 15,705 annually, however, statistics oftentimes omitted data for Saturday and Sunday ridership (Table II).

Table II
Express Shuttle Ridership Data

| Reporting Period | Fiscal Years Ended September 30, | | | |
|------------------|----------------------------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | Total |
| Quarter 1 | 4,554 | 4,648 | 1,719 | 10,921 |
| Quarter 2 | 4,411 | 5,140 | 3,426 | 12,977 |
| Quarter 3 | 3,776 | 5,001 | 3,592 | 12,369 |
| Quarter 4 | 3,776 | 4,182 | 2,890 | 10,848 |
| | <u>16,517</u> | <u>18,971</u> | <u>11,627</u> | <u>47,115</u> |

Source: Village Quarterly Reports

To meet the annual MOE requirement of \$324,785, the Village claimed approximately \$810,153 each year, or \$4 million over the five-year audit period. However, we determined that only \$2.4 million was needed to satisfy the annual MOE as well as other Surtax spending requirements (e.g., 80% must be expended on eligible Transit or Transportation-related activities). As a result, the Village has \$568,688 and \$454,852 in Transit and Transportation-related expenditures, respectively, that may be credited against Surtax Proceeds received in future years as permitted by *CITT Resolution No. 15-027* (Schedule III). Nonetheless, in FYs 2015 and 2017, Surtax Proceeds recorded in the General Ledger differed from OCITT amounts by more than 15%. Further, certain expenditures claimed differed from those recorded in Village Quarterly Reports, which were oftentimes submitted to OCITT beyond required due dates.

Recommendation

Prospectively, *Express Shuttle* ridership statistics should include data for Saturday and Sunday ridership. Within 90 days after year-end, Staff should reconcile revenue estimates with actual receipts to assure General Ledger balances are accurate and complete. Also, Compliance Reports should be submitted timely and accurately.

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
- Jorge M. Gonzalez, Village Manager, Bal Harbour Village

**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 |
| | \$ 366,036,017 | \$ 50,643,530 | \$ 52,721,784 | \$ 55,855,796 | \$ 57,288,164 | \$ 57,624,331 | \$ 640,169,622 |

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 As of September 30, 2017, \$1.2 million was being withheld from the City of Opa-locka due to instances of noncompliance.

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

**Charter County Transportation System Surtax Review - Bal Harbour Village
Summary of Expenditures Claimed and Applied for Surtax Usage**

| Summary of Claimed Expenditures | | | | | | |
|--|---------------------------------|------------|------------|------------|------------|--------------|
| Description | Fiscal Year Ended September 30, | | | | | All Years |
| | 2013 | 2014 | 2015 | 2016 | 2017 | |
| Transit-Related Expenditures: | | | | | | |
| <i>Express Shuttle</i> Service Provider and Related Charges | \$ 107,507 | \$ 110,049 | \$ 109,917 | \$ 109,872 | \$ 111,401 | \$ 548,746 |
| Transportation-Related Expenditures: | | | | | | |
| Salaries and Related Benefits ¹ | \$ 387,840 | \$ 450,623 | \$ 340,980 | \$ 215,983 | \$ 235,067 | \$ 1,630,493 |
| Machinery and Equipment ² | 758,582 | 156,447 | 49,238 | 35,942 | 138,519 | 1,138,728 |
| Fuel Charges ³ | 30,831 | 19,576 | 148,150 | 119,847 | 127,605 | 446,009 |
| Professional Engineering, Architecture, and Other Charges ² | 134,079 | 123,393 | 14,738 | 32,651 | 4,560 | 309,421 |
| Operating Supplies | 19,239 | 34,141 | 43,403 | 48,910 | 45,808 | 191,501 |
| Utilities | 47,642 | 32,082 | 29,428 | 26,351 | 24,958 | 160,461 |
| Maintenance of Equipment | - | - | - | - | 61,343 | 61,343 |
| 16-Passenger Shuttle Bus Acquisition | - | - | - | 60,823 | - | 60,823 |
| Rentals/Leases for Automobiles | 2,750 | 1,495 | 5,308 | 5,819 | 8,492 | 23,864 |
| Waste Dumping Fees | - | 2,008 | 8,210 | 4,742 | 3,552 | 18,512 |
| Utilities Location | 4,145 | 5,464 | - | - | - | 9,609 |
| | 1,385,108 | 825,229 | 639,455 | 551,068 | 649,904 | 4,050,764 |
| Total Claimed | \$ 1,492,615 | \$ 935,278 | \$ 749,372 | \$ 660,940 | \$ 761,305 | \$ 4,599,510 |

Source: Bal Harbour Village (Village) Summaries of Claimed Expenditures and General Ledgers

| Summary of Expenditures Applied for Surtax Usage | | | | | | |
|--|---------------------------------|------------|------------|------------|------------|--------------|
| Description | Fiscal Year Ended September 30, | | | | | All Years |
| | 2013 | 2014 | 2015 | 2016 | 2017 | |
| Transit-Related Expenditures: | | | | | | |
| <i>Express Shuttle</i> Service Provider and Related Charges | \$ 107,507 | \$ 110,049 | \$ 109,917 | \$ 109,872 | \$ 111,401 | \$ 548,746 |
| Transportation-Related Expenditures: | | | | | | |
| Salaries and Related Benefits ¹ | 169,836 | 178,328 | 187,244 | 196,607 | 206,437 | 938,452 |
| Machinery and Equipment ² | 758,582 | - | 36,293 | 35,942 | 126,168 | 956,985 |
| Professional Engineering, Architecture, and Other Charges ² | 134,079 | 36,840 | 14,738 | 32,651 | 4,560 | 222,868 |
| Fuel Charges ³ | 13,843 | 13,843 | 13,843 | 13,843 | 13,843 | 69,215 |
| Operating Supplies | 11,530 | 8,311 | 14,489 | 22,154 | 11,092 | 67,576 |
| 16-Passenger Shuttle Bus Acquisition ⁴ | - | - | - | 51,398 | - | 51,398 |
| Utilities | 19,825 | 5,853 | 5,357 | 2,644 | 788 | 34,467 |
| Maintenance of Equipment | - | - | - | - | 33,194 | 33,194 |
| | 1,107,695 | 243,175 | 271,964 | 355,239 | 396,082 | 2,374,155 |
| Total Applied | \$ 1,215,202 | \$ 353,224 | \$ 381,881 | \$ 465,111 | \$ 507,483 | \$ 2,922,901 |

Source: Bal Harbour Village (Village) Summaries of Claimed Expenditures, General Ledgers and invoices

¹ Beginning with Fiscal Year (FY) 2014, Management represented that up to 9 of 10 employees working within the Parks and Public Spaces Division spent from 10% to 55% of their time on eligible Surtax-related activities. However, only the annual amounts listed herein were needed to meet the Maintenance of Effort requirement, and thus our review for eligibility is limited to these charges.

² The Village received \$243,000 in FY 2014 from the South Florida Regional Transportation Authority/Federal Transit Administration Grant for Bus Shelter Construction, which was offset against total charges recorded in Machinery and Equipment, and the remaining amounts towards Professional Engineering & Architecture Fees.

³ AMS calculated actual fuel usage using Village usage reports (appx. 341.10 gallons/month) and fuel costs (appx. \$3.382/gallon) during FY 2015 for the Village *Express Shuttle* service, thus permitting \$13,843. This amount was used as the maximum eligible for every other year under review.

⁴ The auction proceeds received (\$9,425) for a bus acquired in FY 2010 were offset against the bus purchased in FY 2016.

Charter County Transportation System Surtax Review - Bal Harbour Village (Village)
Surtax Proceeds Usage Analysis

| Description | Fiscal Year Ended September 30, | | | | | All Years |
|---|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | |
| Surtax Proceeds per the Village | \$ 82,991 | \$ 125,422 | \$ 140,329 | \$ 103,646 | \$ 84,873 | \$ 537,261 |
| Surtax Uses: | | | | | | |
| Transit-Related Expenditures Applied (Schedule II) | \$ 107,507 | \$ 110,049 | \$ 109,917 | \$ 109,872 | \$ 111,401 | \$ 548,746 |
| Less Amounts Applied to Meet the Maintenance of Effort (MOE) ¹ | - | (81,610) | (52,821) | - | - | (134,431) |
| Remaining Expenditures Available for Surtax Use | \$ 107,507 | \$ 28,439 | \$ 57,096 | \$ 109,872 | \$ 111,401 | \$ 414,315 |
| Transportation-Related Expenditures Applied (Schedule II) | \$ 1,107,695 | \$ 243,175 | \$ 271,964 | \$ 355,239 | \$ 396,082 | \$ 2,374,155 |
| Transit Expenditures Applied to Meet the MOE ¹ | - | 81,610 | 52,821 | - | - | 134,431 |
| Less: MOE | (324,785) | (324,785) | (324,785) | (324,785) | (324,785) | (1,623,925) |
| Expenditures Available For Surtax Use | \$ 782,910 | \$ - | \$ - | \$ 30,454 | \$ 71,297 | \$ 884,661 |
| AMS Analysis: | | | | | | |
| Transit-Related Expenditures: | | | | | | |
| Remaining Expenditures Available for Surtax Use ¹ | \$ 107,507 | \$ 28,439 | \$ 57,096 | \$ 109,872 | \$ 111,401 | \$ 414,315 |
| Less 20% Minimum Amount ² | (16,598) | (25,084) | (28,066) | (20,729) | (16,975) | (107,452) |
| Excess Expenditures | \$ 90,909 | \$ 3,355 | \$ 29,030 | \$ 89,143 | \$ 94,426 | \$ 306,863 |
| Analysis of Rollover Amount: | | | | | | |
| Beginning Balance ³ | \$ (261,825) | \$ (352,734) | \$ (356,089) | \$ (385,119) | \$ (474,262) | \$ (261,825) |
| Increase in Excess Expenditures | (90,909) | (3,355) | (29,030) | (89,143) | (94,426) | (306,863) |
| Remaining Carry-Forward Amount | \$ (352,734) | \$ (356,089) | \$ (385,119) | \$ (474,262) | \$ (568,688) | \$ (568,688) |
| Transportation-Related Expenditures: | | | | | | |
| Expenditures Available for Surtax Use | \$ 782,910 | \$ - | \$ - | \$ 30,454 | \$ 71,297 | \$ 884,661 |
| Less Remaining 80% Amount ² | (66,393) | (100,338) | (112,263) | (82,917) | (67,898) | (429,809) |
| Excess (Deficiency In) Expenditures | \$ 716,517 | \$ (100,338) | \$ (112,263) | \$ (52,463) | \$ 3,399 | \$ 454,852 |
| Analysis of Rollover Amount: | | | | | | |
| Beginning Balance ³ | \$ - | \$ (716,517) | \$ (616,179) | \$ (503,916) | \$ (451,453) | \$ - |
| Change due to (Excess) Deficiency In Expenditures | (716,517) | 100,338 | 112,263 | 52,463 | (3,399) | (454,852) |
| Remaining Carry-Forward Amount | \$ (716,517) | \$ (616,179) | \$ (503,916) | \$ (451,453) | \$ (454,852) | \$ (454,852) |

¹ When Transportation expenditures are insufficient to meet the MOE, Transit expenses may be applied so that the amount is met.

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 The Beginning Balance at October 1, 2012 has been restated to reflect the change pursuant to the Citizens' Independent Transportation Trust Resolution No. 15-027 (see Schedule III-A).

Charter County Transportation System Surtax Review - Bal Harbour Village
Surtax Proceeds Usage Analysis, As Restated ¹

| Description | Fiscal Years Ended September 30, | | | | | All Years | |
|--|----------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | | 2012 |
| Surtax Proceeds ² | \$ 105,834 | \$ 95,526 | \$ 89,285 | \$ 97,016 | \$ 104,292 | \$ 85,278 | \$ 577,231 |
| Surtax Uses: | | | | | | | |
| Eligible Transit Expenditures ² | \$ 102,522 | \$ 108,053 | \$ 98,131 | \$ 170,141 | \$ 106,420 | \$ 106,635 | \$ 691,902 |
| Less Amounts Used to Meet the Maintenance of Effort (MOE) ³ | - | - | (22,855) | - | (9,687) | (18,275) | (50,817) |
| Remaining Expenditures Available for Surtax Use | \$ 102,522 | \$ 108,053 | \$ 75,276 | \$ 170,141 | \$ 96,733 | \$ 88,360 | \$ 641,085 |
| Eligible Transportation Expenditures ² | \$ 381,712 | \$ 383,995 | \$ 301,930 | \$ 458,725 | \$ 315,098 | \$ 306,510 | \$ 2,147,970 |
| Transit Expenditures Applied to Meet the MOE Amount ³ | - | - | 22,855 | - | 9,687 | 18,275 | 50,817 |
| Less: MOE | (324,785) | (324,785) | (324,785) | (324,785) | (324,785) | (324,785) | (1,948,710) |
| Expenditures Available For Surtax Use | \$ 56,927 | \$ 59,210 | \$ - | \$ 133,940 | \$ - | \$ - | \$ 250,077 |
| AMS Analysis: | | | | | | | |
| Transit-Related Expenditures: | | | | | | | |
| Remaining Expenditures Available for Surtax Use ³ | \$ 102,522 | \$ 108,053 | \$ 75,276 | \$ 170,141 | \$ 96,733 | \$ 88,360 | \$ 641,085 |
| Less 20% Minimum Amount ⁴ | (21,167) | (19,105) | (17,857) | (19,403) | (20,858) | (17,056) | (115,446) |
| Less Amount Used to Apply to Transportation-Related Expenditures | (79,846) | - | (57,419) | - | (75,875) | (50,674) | (263,814) |
| Excess Expenditures | \$ 1,509 | \$ 88,948 | \$ - | \$ 150,738 | \$ - | \$ 20,630 | \$ 261,825 |
| Analysis of Unspent Rollover: | | | | | | | |
| Beginning Balance | \$ - | \$ (1,509) | \$ (90,457) | \$ (90,457) | \$ (241,195) | \$ (241,195) | \$ - |
| Increase in Excess Expenditures | (1,509) | (88,948) | - | (150,738) | - | (20,630) | (261,825) |
| Remaining Carry-Forward Credit Amount | \$ (1,509) | \$ (90,457) | \$ (90,457) | \$ (241,195) | \$ (241,195) | \$ (261,825) | \$ (261,825) |
| Transportation-Related Expenditures: | | | | | | | |
| Expenditures Available for Surtax Use | \$ 56,927 | \$ 59,210 | \$ - | \$ 133,940 | \$ - | \$ - | \$ 250,077 |
| Excess Transit Expenditures Applied | 79,846 | - | 57,419 | - | 75,875 | 50,674 | 263,814 |
| Less Remaining 80% Amount ⁴ | (84,667) | (76,421) | (71,428) | (77,613) | (83,434) | (68,222) | (461,785) |
| Excess (Deficiency In) Expenditures | \$ 52,106 | \$ (17,211) | \$ (14,009) | \$ 56,327 | \$ (7,559) | \$ (17,548) | \$ 52,106 |
| Analysis of Unspent Rollover: | | | | | | | |
| Beginning Balance | \$ 52,106 | \$ - | \$ 17,211 | \$ 31,220 | \$ (25,107) | \$ (17,548) | \$ 52,106 |
| Change Due to (Excess) Deficiency In Expenditures | (52,106) | 17,211 | 14,009 | (56,327) | 7,559 | 17,548 | (52,106) |
| Remaining Unspent (Carry-Forward Credit) Amount | \$ - | \$ 17,211 | \$ 31,220 | \$ (25,107) | \$ (17,548) | \$ - | \$ - |

¹ With the implementation of the Citizens' Independent Transportation Trust Resolution No. 15-027, which allows for the carryover of excess expenditures, the years that were impacted have been restated herein.

² See the October 28, 2009 Audit Report for details of the Surtax Proceeds and claimed amounts for Fiscal Years 2007 and 2008, and the September 30, 2013 Audit Report for the succeeding years.

³ When Transportation Expenditures are insufficient to meet the MOE, Transit Expenditures are applied so that the amount is met.

⁴ 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.

Charter County Transportation System Surtax Review – Bal Harbour Village (Village)
 Status of Prior Audit Findings ¹

| Finding | Recommendation | Auditee Response | Current Status |
|--|---|--|---|
| <p>Use of Surtax Proceeds</p> <p>After adjusting claimed costs for disallowed and other eligible expenditure amounts identified during the current audit period, the Village was unable to expend Transportation-related Surtax Proceeds of \$4,477 as of September 30, 2012.</p> | <p>An updated Five-Year Transportation Plan should be submitted reflecting how the \$4,477 will be used.</p> | <p>The Village agrees that the Five-Year Transportation Plan will be updated to show the use of the carryover amount of \$4,477.</p> | <p>Resolved See Pages 2 – 3 of the Audit Report.</p> |
| <p>Maintenance of Accounting Records and Supporting Documentation</p> | | | |
| <p>Expenditures are not segregated in a separate account within the Village accounting system, as required by the Interlocal Agreement. Furthermore, supporting documentation was not provided to validate the eligibility of certain expenditures claimed.</p> | <p>Accounting records should be maintained by the Village in the manner prescribed, and records kept to support uses of Surtax proceeds</p> | <p>None</p> | <p>Resolved Charges for the Village <i>Express Shuttle</i> service are recorded in a separate General Ledger account.</p> |
| <p>Certification and Reporting Requirements</p> | | | |
| <p>The Village did not submit the required annual Independent Audit Reports. Further, certain reports did not accurately and completely demonstrate how Surtax Proceeds were used.</p> | <p>Prospectively, the Village should submit required reports.</p> | <p>We understand that we will be contacted to discuss how future reports should be undertaken.</p> | <p>Partially Resolved Although annual and quarterly reports were provided to OCITT, most were submitted late. See Page 3 of the Audit Report.</p> |
| <p>Signage Requirements</p> | | | |
| <p>The Interlocal Agreement requires posting of conspicuous signage for all projects funded in whole, or in part, with Surtax Proceeds. We found no evidence of such posting on the <i>Express Shuttle</i> Bus.</p> | <p>The Village should be reminded of the importance of complying with the signage requirement.</p> | <p>The shuttle bus now has approved decals.</p> | <p>Resolved The Village currently displays appropriate signage on its <i>Express Shuttle</i> bus.</p> |

¹ For the full text, see the September 30, 2013 Audit Report.