



AUDIT AND MANAGEMENT SERVICES DEPARTMENT  
OVERTOWN TRANSIT VILLAGE  
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May 20, 2022

Mr. Hernan Organvidez  
Acting City Manager  
City of Doral  
8401 NW 53<sup>rd</sup> Terrace  
Doral, FL 33166

**Re: Final Audit Report – Charter County Transportation System Surtax Review –  
City of Doral**

Dear Mr. Organvidez:

Attached is the above-referenced Final Audit Report that was discussed with your Finance staff. We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact me 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  
Solangel D. Perez, Acting Chief Financial Officer, City of Doral

# Memorandum



**Date:** May 20, 2022

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

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

**Subject:** Final Audit Report – Charter County Transportation System Surtax Review –  
City of Doral

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## PURPOSE AND SCOPE

We performed a review of the City of Doral's (City) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2021. 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 April 13, 2012.

## 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 II). 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.

At the time of Surtax adoption, there were 31 municipalities eligible for Surtax Proceeds. Subsequently, three new municipalities were incorporated (Cities of Doral, Miami Gardens, and the Town of Cutler Bay) and executed Interlocal and/or Settlement Agreements 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 secure such bonds or pay debt service. Further, the City 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, 2021, the City received \$7.9 million in Surtax Proceeds and claimed Transit and Transportation-related expenditures totaling \$6 million (Table I). The requirement for municipalities 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, is not referenced in the City’s Interlocal Agreement, as the City was not incorporated until June 2003.

**Table I  
 Surtax Statistics**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
Surtax Proceeds (Schedule I)	\$ 2,747,033	\$ 2,551,901	\$ 2,608,047	\$ 7,906,981
Claimed Expenditures (Table II):				
Transit	\$ 1,436,305	\$ 1,924,689	\$ 1,964,315	\$ 5,325,309
Transportation	519,240	104,377	10,622	634,239
	\$ 1,955,545	\$ 2,029,066	\$ 1,974,937	\$ 5,959,548
Maintenance of Effort (MOE)	\$ -	\$ -	\$ -	\$ -
Transit Carryforward Credit (Table IV)	\$ (1,005,616)	\$ (609,197)	\$ (106,017)	
Key Account Balances as of September 30th:				
<i>People's Transportation Plan Fund</i> (Schedule I)				
Cash and Cash Equivalents	\$ 550,914	\$ 1,477,558	\$ 2,342,050	
Fund Balance	\$ 1,353,438	\$ 1,877,452	\$ 2,511,034	

Claimed expenditures were more than sufficient to expend all Surtax monies and thus, the City had a Transit carryforward credit of \$106,017 as of September 30, 2021, that may be applied to future Surtax funding (Table IV).

We appreciate the courtesies extended to our staff during the audit process. A copy of this Report has been submitted to the City and, because there were no findings, the audit has been closed. Please contact me at (786) 469-5900, if you have any questions.



**USE OF SURTAX FUNDS**

At least 20% of Surtax Proceeds (\$1.6 million) must be used for Transit-related projects, for which the City claimed \$5.3 million (Table II). The Florida Department of Transportation (FDOT) provided grant funding for 50% of the operating costs for the FIU Panther Station Trolley Route, which was appropriately deducted from claimed expenditures.

**Table II  
 Claimed Transit and Transportation Expenditures, as Adjusted**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<b>Transit-Related:</b>				
Circulator Operations and Maintenance	\$1,635,620	\$1,683,328	\$1,831,000	\$5,149,948
On-Demand <i>FreeBee</i> Shuttle	-	241,515	289,817	531,332
Transit Expenditures (Schedule I)	1,635,620	1,924,843	2,120,817	5,681,280
Less: FDOT Grant (Schedule I)	(199,315)	(154)	(156,502)	(355,971)
Eligible Transit Expenditures	<u>\$1,436,305</u>	<u>\$1,924,689</u>	<u>\$1,964,315</u>	<u>\$5,325,309</u>
<b>Transportation-Related:</b>				
Milling, Resurfacing, and Sidewalk Improvements	\$ 519,240	\$ 104,377	\$ 10,622	\$ 634,239
Unclaimed Administrative Costs at 5%	137,352	127,595	130,402	395,349
Eligible Transportation Expenditures	<u>\$ 656,592</u>	<u>\$ 231,972</u>	<u>\$ 141,024</u>	<u>\$1,029,588</u>

Source: City of Doral General Ledgers and Vendor Invoices

The remaining 80% share of Surtax Proceeds (\$6.3 million) was used for milling, resurfacing, and sidewalk improvements for which the City claimed \$634,239 (Table II). The City did not claim administrative costs but was eligible for 5% of Surtax revenues totaling \$395,349.

The Trolley system operates four routes throughout the City, with stops at the County’s Palmetto Metrorail Station, shopping malls, and campuses of Florida International University and Miami-Dade College. Trolley ridership declined in FY 2020 due to the COVID-19 pandemic, resulting in suspension of services in April 2020 and resuming in May 2020 with reduced hours. The regular Trolley schedule was restored in February 2021 (Table III).

The City’s on-demand *FreeBee* service commenced April 2019, utilizing three electric vehicles for a minimum guaranteed monthly rate of \$24,151. Again, due to COVID-19 restrictions, there was no on-demand service in April and May of 2020.

**Table III**  
**Summary of Trolley and FreeBee Ridership**

Months	Fiscal Year Ended September 30,		
	2019	2020	2021
October to December			
Trolley	201,462	207,758	41,773
FreeBee	-	9,369	9,028
January to March			
Trolley	198,878	184,779	63,602
FreeBee	-	10,900	9,713
April to June			
Trolley	194,488	14,454	85,884
FreeBee	2,650	1,157	11,265
July to September			
Trolley	184,637	27,424	100,364
FreeBee	4,049	5,935	12,396
Total Trolley Ridership	779,465	434,415	291,623
Total FreeBee Ridership	6,699	27,361	42,402
	<u>786,164</u>	<u>461,776</u>	<u>334,025</u>

Source: OCITT and FreeBee Reporting

Claimed expenditures exceeded Surtax monies, resulting in a \$106,017 Transit carryforward credit as of September 30, 2021 that may be applied to future Surtax funding (Table IV).

**Table IV**  
**Surtax Proceeds Usage Analysis**

Description	Fiscal Year Ended September 30,		
	2019	2020	2021
<b>Surtax Revenues (Schedule I):</b>			
Surtax Proceeds <sup>1</sup>	\$ 2,747,033	\$ 2,551,901	\$ 2,608,047
Interest Income	1,087	1,179	472
	<u>\$ 2,748,120</u>	<u>\$ 2,553,080</u>	<u>\$ 2,608,519</u>
<b>Surtax Uses (Table II):</b>			
Eligible Transit Expenditures	<u>\$ 1,436,305</u>	<u>\$ 1,924,689</u>	<u>\$ 1,964,315</u>
Eligible Transportation Expenditures	<u>\$ 656,592</u>	<u>\$ 231,972</u>	<u>\$ 141,024</u>
<b>AMS Analysis:</b>			
Surtax Revenues	\$ 2,748,120	\$ 2,553,080	\$ 2,608,519
Current Year Transportation Expenditures	(656,592)	(231,972)	(141,024)
Net Revenues Available for Transit Use	2,091,528	2,321,108	2,467,495
Use of Prior Year Transit Carryforward Credits <sup>2</sup>	(1,660,839)	(1,005,616)	(609,197)
Current Year Transit Expenditures	<u>(1,436,305)</u>	<u>(1,924,689)</u>	<u>(1,964,315)</u>
Ending Transit Carryforward Credit	<u>\$(1,005,616)</u>	<u>\$ (609,197)</u>	<u>\$ (106,017)</u>

<sup>1</sup> The City met the requirement for 20% of Surtax Proceeds to be used for Transit purposes.

<sup>2</sup> See the April 3, 2019 Audit Report for the FY 2018 ending balance. Credits arise when expenditures exceed Surtax Proceeds.

CJ:bm

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Geri Bonzon-Keenan, County Attorney
- Edward Marquez, Chief Financial Officer
- Jimmy Morales, Chief Operations Officer
- David L. Clodfelter, Director, Office of Management and Budget
- Hernan Organvidez, Acting City Manager, City of Doral

**Charter County Transportation System Surtax Review - City of Doral  
People's Transportation Plan Fund Financial Statements**

Balance Sheets			
Description	As of September 30,		
	2019	2020	2021
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 550,914	\$ 1,477,558	\$ 2,342,050
Accounts Receivable, net	834,828	592,558	876,834
Total Assets	<u>\$ 1,385,742</u>	<u>\$ 2,070,116</u>	<u>\$ 3,218,884</u>
<b>Liabilities:</b>			
Accounts Payable and Accrued Liabilities	\$ 32,304	\$ 192,664	\$ 119,258
Deferred Revenues	-	-	588,592
Total Liabilities	32,304	192,664	707,850
<b>Fund Balance:</b>			
Restricted	1,353,438	1,866,829	2,511,034
Committed	-	10,623	-
Total Fund Balance	<u>1,353,438</u>	<u>1,877,452</u>	<u>2,511,034</u>
Total Liabilities and Fund Balance	<u>\$ 1,385,742</u>	<u>\$ 2,070,116</u>	<u>\$ 3,218,884</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance			
Description	Fiscal Year Ended September 30,		
	2019	2020	2021
<b>Revenues:</b>			
Transportation Surtax (Table IV) <sup>1</sup>	\$ 2,747,033	\$ 2,551,901	\$ 2,608,047
Grant from Florida Department of Transportation (Table II)	199,315	154	156,502
Interest Income (Table IV)	1,087	1,179	472
Total Revenues	<u>2,947,435</u>	<u>2,553,234</u>	<u>2,765,021</u>
<b>Expenditures:</b>			
Public Works (Table II)	1,635,620	1,924,843	2,120,817
Capital Outlay (Table II)	519,240	104,377	10,622
Total Expenditures	<u>2,154,860</u>	<u>2,029,220</u>	<u>2,131,439</u>
Excess of Revenues over Expenditures	792,575	524,014	633,582
<b>Fund Balance, Beginning of Year</b>	560,863	1,353,438	1,877,452
<b>Fund Balance, End of Year</b>	<u>\$ 1,353,438</u>	<u>\$ 1,877,452</u>	<u>\$ 2,511,034</u>

Source: City of Doral Audited Financial Statements

<sup>1</sup> FY 2021 amount differs from Schedule II due to timing differences.

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



**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	2021	
City of Miami <sup>1</sup>	\$ 163,251,890	\$ 16,889,133	\$ 16,523,990	\$ 18,187,632	\$ 19,212,362	\$ 17,998,849	\$ 22,285,992	\$ 274,349,848
City of Hialeah	94,519,774	9,243,159	9,346,775	9,873,020	10,107,558	8,933,032	10,881,914	152,905,232
City of Miami Beach	37,554,491	3,670,335	3,678,499	3,925,123	3,963,754	3,458,999	4,266,480	60,517,681
City of Miami Gardens <sup>2</sup>	22,375,665	4,336,722	4,409,954	4,737,286	4,846,211	4,248,977	5,187,794	50,142,609
City of North Miami	24,592,952	2,454,241	2,473,804	2,665,998	2,700,412	2,348,890	2,955,552	40,191,849
City of Homestead	20,867,813	2,669,792	2,788,854	2,969,698	3,152,022	2,762,015	3,460,648	38,670,842
City of Coral Gables	18,755,177	1,955,854	1,981,236	2,091,593	2,132,315	1,893,283	2,298,517	31,107,975
City of North Miami Beach	17,154,830	1,733,203	1,746,039	1,882,765	1,945,188	1,705,603	2,164,880	28,332,508
<b>City of Doral <sup>2</sup></b>	<b>9,003,402</b>	<b>2,120,606</b>	<b>2,232,433</b>	<b>2,508,437</b>	<b>2,747,033</b>	<b>2,551,901</b>	<b>3,196,639</b>	<b>24,360,451</b>
City of Aventura	12,992,928	1,494,036	1,502,980	1,590,870	1,613,705	1,413,111	1,726,374	22,334,004
Town of Cutler Bay <sup>2</sup>	8,525,502	1,721,858	1,769,140	1,899,220	1,935,984	1,696,665	2,061,382	19,609,751
Town of Miami Lakes <sup>1</sup>	11,086,213	1,209,319	1,211,635	1,288,227	1,309,407	1,163,617	1,430,953	18,699,371
Village of Palmetto Bay	10,074,295	952,951	956,304	1,013,542	1,033,365	902,837	1,104,932	16,038,226
City of Hialeah Gardens	8,635,855	904,713	922,372	986,599	1,007,122	882,753	1,072,793	14,412,207
City of Sunny Isles Beach	7,759,606	869,990	866,019	933,221	951,809	841,547	1,055,544	13,277,736
Village of Pinecrest	7,840,962	737,876	738,316	777,521	790,584	691,410	840,243	12,416,912
City of Miami Springs	5,682,283	562,418	565,087	601,223	608,639	530,692	646,273	9,196,615
City of Sweetwater <sup>1</sup>	5,070,356	273,778	133,332	466,662	166,116	1,850,267	1,013,554	8,974,065
City of Opa-locka <sup>1</sup>	6,329,004	90,323	195,000	210,000	165,000	1,112,782	469,710	8,571,819
City of South Miami	4,767,184	546,219	547,720	546,151	541,343	473,555	588,532	8,010,704
Village of Key Biscayne	4,809,375	502,197	508,734	540,692	550,288	481,895	586,580	7,979,761
City of Florida City	4,132,139	498,385	504,443	542,769	557,265	488,960	601,470	7,325,431
Miami Shores Village	4,308,419	419,557	420,697	443,831	447,113	391,399	490,481	6,921,497
North Bay Village	2,808,576	314,789	328,007	378,523	384,140	335,832	411,904	4,961,771
City of West Miami	2,445,250	241,053	241,373	279,166	307,465	291,897	355,342	4,161,546
Town of Surfside	2,314,098	229,428	228,739	234,500	248,902	221,896	273,043	3,750,606
Town of Bay Harbor Islands	2,209,631	231,953	222,682	234,375	249,414	220,923	274,132	3,643,110
Bal Harbour Village	1,262,745	114,472	111,421	114,881	125,178	109,190	132,732	1,970,619
Village of Biscayne Park <sup>1</sup>	1,342,176	125,900	126,220	135,905	135,965	10,084	-	1,876,250
Village of Virginia Gardens	973,380	96,229	96,903	102,910	103,132	90,977	110,807	1,574,338
Village of El Portal <sup>1,3</sup>	1,012,447	6,467	174,873	90,094	89,175	77,404	79,627	1,530,087
Town of Medley	429,285	34,442	33,529	35,277	35,617	31,486	38,448	638,084
Town of Golden Beach <sup>1</sup>	365,820	36,766	37,221	39,423	39,386	34,961	42,988	596,565
Indian Creek Village	3,604	-	-	-	-	-	-	3,604
	<b>\$ 525,257,127</b>	<b>\$ 57,288,164</b>	<b>\$ 57,624,331</b>	<b>\$ 62,327,134</b>	<b>\$ 64,202,969</b>	<b>\$ 60,247,689</b>	<b>\$ 72,106,260</b>	<b>\$ 899,053,674</b>

Source: Office of the Citizens' Independent Transportation Trust (OCITT) and County General Ledgers

<sup>1</sup> 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, \$2.2 million from the City of Opa-locka, \$3.3 million from the City of Miami, \$255,236 from the Village of Biscayne Park, and \$17,970 from the Village of El Portal due to specific instances of noncompliance.

<sup>2</sup> 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.

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