


Memorandum



Date: March 12, 2025

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

From: 
Ofelia Tamayo, Director
Internal Compliance Department

Subject: Final Report – Charter County Transportation System Surtax Review –
City of Homestead

PURPOSE AND SCOPE

We performed a review of the City of Homestead's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the five years ended September 30, 2022. 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 on July 10, 2007. Additionally, we assessed actions taken to resolve findings referenced in our Report (Prior Report) dated April 30, 2019 (Exhibit I).

BACKGROUND

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 annually to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics. The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of 15 members appointed by the County's Board of County Commissioners (BCC), County Mayor, and Miami-Dade League of Cities.

Pursuant to the *Interlocal Agreement*, the City of Homestead (City) must annually continue the same level of General Fund support for Transportation projects appropriated in its Fiscal Year (FY) 2002 Budget, also referred to as Maintenance of Effort (MOE), which totaled \$1.2 million (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 City must apply at least 20% of the Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other Transit-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, 2022, the City received \$16.7 million in Surtax Proceeds and earned investment, as well as Trolley rental income of \$36,862. Claimed Transit and Transportation-related expenditures totaled \$22.3 million (Table I).

The City had \$4.6 million in unspent Surtax Proceeds as of September 30, 2022 (Schedule II) after adjusting claimed expenditures for the MOE and other ineligible amounts, including reimbursed transfers of \$1.7 million related to the Multimodal Transit Center (Table II). Additionally, \$4.6 million disallowed in the Prior Report for land acquisition and other costs prior to the construction of the Multimodal Transit Center were reinstated (Schedule II-A and Table V). However, the *People's Transportation Plan (PTP) Fund* had only \$796,343 in Cash and Investments as of September 30, 2022 (Schedule I), a shortfall of \$3.8 million.

Table I
Surtax Statistics

Description	Fiscal Year Ended September 30,					All Years
	2018	2019	2020	2021	2022	
Maintenance of Effort	\$ 1,219,161	\$ 1,219,161	\$ 1,219,161	\$ 1,219,161	\$ 1,219,161	\$ 6,095,805
Revenue:						
Surtax Proceeds (Schedule I)	\$ 2,928,991	\$ 3,343,085	\$ 2,771,584	\$ 3,362,619	\$ 4,246,513	\$ 16,652,792
Investment Income (Loss)	6,626	27,062	15,249	438	(19,170)	30,205
Trolley Rentals and Other Revenue	286	511	5,488	-	372	6,657
	<u>\$ 2,935,903</u>	<u>\$ 3,370,658</u>	<u>\$ 2,792,321</u>	<u>\$ 3,363,057</u>	<u>\$ 4,227,715</u>	<u>\$ 16,689,654</u>
Claimed Expenditures:						
Transit (Table II)	\$ 2,469,776	\$ 3,180,806	\$ 2,744,210	\$ 1,995,329	\$ 1,736,123	\$ 12,126,244
Transportation (Table IV)	2,028,281	2,817,754	2,040,580	1,602,552	1,725,829	10,214,996
	<u>\$ 4,498,057</u>	<u>\$ 5,998,560</u>	<u>\$ 4,784,790</u>	<u>\$ 3,597,881</u>	<u>\$ 3,461,952</u>	<u>\$ 22,341,240</u>
Unspent Surtax Proceeds (Schedule II):						
Transit	\$ -	\$ -	\$ -	\$ -	\$ -	
Transportation	<u>\$ 1,931,528</u>	<u>\$ 1,528,244</u>	<u>\$ 1,505,109</u>	<u>\$ 2,531,092</u>	<u>\$ 4,595,736</u>	
Key Account Balances as of September 30 (Schedule I):						
<i>Transit Surtax Special Revenue Fund:</i>						
Cash and Investments	\$ 716,498	\$ 772,988	\$ 874,421	\$ 971,159	\$ 796,343	
Fund Balance	<u>\$ 1,962,927</u>	<u>\$ 1,085,602</u>	<u>\$ 446,609</u>	<u>\$ 1,427,703</u>	<u>\$ 3,548,913</u>	

These and other findings and recommendations are further discussed in the remainder of this Report, as well as the City's Response (Attachment I). Overall, the Response provided including actions already taken to resolve the findings appear satisfactory, and thus, the review has been closed. We appreciate the courtesies and assistance extended to our staff during the review. Please contact Yvette M. Cardona, Internal Compliance Manager, at (786) 469-5900, if you have any questions.

FINDINGS AND RECOMMENDATIONS

Use of Transit Surtax Proceeds

The City claimed \$12.1 million in Transit-related expenditures primarily for its debt service obligations and *Homestead Trolley* operations (Table II).

Table II
Summary of Claimed Transit Expenditures, As Adjusted

Description	For the Fiscal Year Ended September 30,					Total
	2018	2019	2020	2021	2022	
Debt Service Payments - Bonds Series 2017	\$ 1,747,892	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 7,347,892
Trolley Operations - Contracted Services	484,868	465,709	465,211	463,150	94,018	1,972,956
Transfer for Multimodal Transit Center Cost	-	1,000,000	700,000	-	-	1,700,000
Trolley Operations - Fuel Cost	54,105	54,364	50,774	48,994	74,398	282,635
Multimodal Transit Center Professional Services	138,189	86,398	10,109	-	-	234,696
Bus Shelter Improvements	-	96,021	67,693	-	-	163,714
Traffic Signalization Study and Services	-	65,450	-	23,550	72,221	161,221
Other Trolley Related Cost	5,037	9,787	12,495	36,157	31,778	95,254
Design for Bus Shelters and Bus Route Signage	-	-	7,228	7,007	52,126	66,361
Homestead Station Transit Center Sign and Installation	-	-	28,895	-	-	28,895
Bus Shelters Maintenance	18,726	2,400	1,728	1,100	1,950	25,904
Homestead Station Transit Center Exit Lights, Fences and Other Cost	-	-	-	15,371	9,632	25,003
Multimodal Transit Center Demolition Cost	20,889	-	-	-	-	20,889
Miscellaneous	70	677	77	-	-	824
Total Claimed Transit Expenditures (Table I)	2,469,776	3,180,806	2,744,210	1,995,329	1,736,123	12,126,244
<i>Internal Compliance Department (ICD) Adjustments:</i>						
Reimbursement for Transfer for Multimodal Transit Center Cost	-	(1,000,000)	(700,000)	-	-	(1,700,000)
Transfer for Debt Service Obligations Reserve	(347,892)	-	-	-	-	(347,892)
Allocate 22% of Homestead Station Exit Lights, Fences and Other Cost	-	-	-	(3,382)	(2,119)	(5,501)
	(347,892)	(1,000,000)	(700,000)	(3,382)	(2,119)	(2,053,393)
Total Eligible Transit Expenditures (Schedule II)	\$ 2,121,884	\$ 2,180,806	\$ 2,044,210	\$ 1,991,947	\$ 1,734,004	\$ 10,072,851

Source: City of Homestead Audited Financials, General Ledgers, and Vendor Invoices

After adjusting for ineligible costs, Transit expenditures totaled \$10.1 million, satisfying the *Ordinance* requirement that at least 20% of the Surtax Proceeds, or \$3.3 million, be used for Transit activities. Ineligible claimed Transit-related expenditures included:

- \$1.7 million incurred for the Multimodal Transit Center that were subsequently reimbursed upon receipt of County funds from the Transportation Infrastructure Improvement District (TIID) Trust Fund.
- \$347,892 intended as a debt service obligation reserve in FY 2018 for the *Taxable Transportation System Revenue Bonds Fund* (Table VI).
- \$5,501 in costs associated with the Homestead Station Transit Center that are not Transit-related based on the approximate number of spaces dedicated to Transit patrons (See finding *Homestead Station – Multimodal Transit Center*).

On September 20, 2019, the City was awarded a U.S. Department of Transportation Grant (FL-2019-094-00) to support the *Homestead Trolley* component of the Multimodal project and its interface with the County Busway. The Grant funds 80% of the contracted *Homestead Trolley* operations, with the remaining 20% of the cost funded with Surtax monies. Federal funds will also be used for the design and construction of 20 trolley shelters and signage and other improvements to the project. In total, the Grant will contribute federal funds of \$7.6 million for the various approved projects with an expected end date of May 28, 2025. In FY 2022, the City commenced requesting reimbursements for its trolley service. According to City Management, as of September 30, 2022, no other expenditures under the terms of the Grant were incurred.

The *Homestead Trolley* is operated and maintained by Limousines of South Florida, Inc.; however, the City owns the vehicles and provides fuel and storage. The *Homestead Trolley* runs along two fixed routes Monday through Friday from 6:00 AM to 6:00 PM, and Saturday and Sunday from 10:00 AM to 2:00 PM. The City also operates the *Homestead National Parks Trolley* providing seasonal trolley service to Everglades and Biscayne National Parks, from approximately December through April. The number of trolley riders has substantially declined since FY 2018, despite a slight increase in FY 2022 (Table III).

Table III
Homestead Trolley Ridership

Months of Service	Fiscal Year Ended September 30,				
	2018	2019	2020	2021	2022
October - December	38,093	27,573	16,984	6,448	6,400
January - March	34,570	28,415	16,084	7,674	7,473
April - June	29,461	16,978	5,927	5,383	5,931
July - September	31,086	16,513	5,676	4,730	7,238
Total Ridership	133,210	89,479	44,671	24,235	27,042
Average Monthly Ridership	11,101	7,457	3,723	2,020	2,254

Source: City of Homestead Quarterly Reports

Recommendation

- In alignment with existing debt service allocations, claimed expenditures related to the Homestead Station Transit Center should also be limited to 78% of the costs incurred, based on parking spaces reserved for Transit patrons.
- Prospectively, the City should endeavor to ensure that only eligible expenditures are paid with Surtax Proceeds.

Use of Transportation Surtax Proceeds

The City claimed \$10.2 million in Transportation-related expenditures that were primarily used to fund street lighting, citywide roadway and sidewalk maintenance and improvement projects (Table IV).

Table IV
Summary of Claimed Transportation-Related Expenditures, As Adjusted

Description	For the Fiscal Year Ended September 30,					Total
	2018	2019	2020	2021	2022	
<i>People's Transportation Plan Fund</i>						
Personnel Cost - Street Maintenance	\$ 245,749	\$ 227,265	\$ 193,292	\$ 179,940	\$ 209,143	\$ 1,055,389
Citywide Streets Resurfacing	-	563,699	-	107,000	60,993	731,692
SW 328th Street Widening Project	91,156	114,864	371,528	-	-	577,548
Sidewalks Installations and Repairs	39,200	139,449	55,117	49,998	57,498	341,262
Street Maintenance and Repairs	77,582	67,674	19,147	-	-	164,403
Administrative Costs	43,099	37,226	48,020	49,696	42,748	220,789
	496,786	1,150,177	687,104	386,634	370,382	3,091,083
<i>General Fund (Maintenance of Effort)</i>						
Street Lighting Utilities	681,902	683,884	677,786	628,528	648,281	3,320,381
Roads and Sidewalks Improvements	328,626	521,383	214,491	147,197	84,230	1,295,927
Personnel Cost - Street Maintenance	246,363	210,152	241,455	248,311	286,407	1,232,688
Vehicle Repairs and Support Services	140,500	125,712	95,909	103,995	202,217	668,333
Roads Maintenance and Repairs	86,264	85,624	34,262	16,977	24,130	247,257
Administrative Costs	34,998	27,484	31,225	33,120	39,949	166,776
Professional Services	(125)	8,475	46,522	25,035	53,229	133,136
Building Maintenance and Other Costs	12,967	4,863	11,826	12,755	17,004	59,415
	1,531,495	1,667,577	1,353,476	1,215,918	1,355,447	7,123,913
Total Claimed Transportation Expenditures (Table I)	2,028,281	2,817,754	2,040,580	1,602,552	1,725,829	10,214,996
<i>ICD Adjustments:</i>						
Cybrary Site Expense (PTP Fund)	-	-	(2,700)	-	-	(2,700)
Professional Services	-	-	(35,647)	(25,035)	(52,022)	(112,704)
Building Maintenance and Other Costs	(12,967)	(4,863)	(11,826)	(12,755)	(17,004)	(59,415)
Landscaping Costs	(175,741)	-	-	-	(5,875)	(181,616)
Purchases: Microwave, Refrigerator, Watch and Others	(250)	(594)	-	(474)	(2,700)	(4,018)
	(188,958)	(5,457)	(50,173)	(38,264)	(77,601)	(360,453)
Total Transportation Eligible Expenditures (Schedule II)	\$ 1,839,323	\$ 2,812,297	\$ 1,990,407	\$ 1,564,288	\$ 1,648,228	\$ 9,854,543

Source: City of Homestead Audited Financials, General Ledgers and Vendor Invoices

It is noteworthy that claimed expenditures in FY 2021 did not meet the MOE threshold of \$1,219,161. Further, claimed expenditures for FYs 2020 and 2022 exceeded the threshold by less than 7% after adjusting for disallowances identified partially through sample testing. Our review was limited to a select number of transactions, therefore, we may not have identified all ineligible costs claimed. The City should endeavor to segregate non-transportation-related costs to avoid inadvertently failing to meet the MOE threshold. Overall, after adjusting claimed expenditures for the MOE and ineligible expenses identified, the City had unspent Transportation funds of \$4.6 million as of September 30, 2022 which may be rolled over for up to five years (Schedule II). In accordance with *CITT Resolution No. 09-055*, the City submitted its Five-Year Transportation Plan which demonstrates how the funds will be used. The \$796,343 reported as Cash and Investments in the *PTP Fund* (Schedule I) was approximately \$3.8 million less than the unspent balance as of September 30, 2022.

Recommendation

- Prospectively, the City should endeavor to segregate costs that are non-transportation-related from claimed MOE and ensure only eligible expenditures are paid with Surtax Proceeds.
- The City must address the resulting \$3.8 million cash shortfall in the *PTP Fund*.

Homestead Station - Multimodal Transit Center

As of May 2020, the City finalized the construction of its Multimodal Transit Center (Transit Center) with the completion of a seven-story parking garage. The Transit Center provides parking for the larger Homestead Station Project, which includes 30,500 square feet of street-level retail space and a 65,000-square-foot multilevel structure that houses an entertainment center with a 10-screen movie theater, 14 bowling lanes, video arcade, food service and restrooms. The City plans to link the Transit Center to the County's South Dade TransitWay Bus Rapid Transit (BRT) station, one of the Strategic Miami Area Rapid Transit (SMART) Plan projects currently under construction, allowing Transit users easy access to the BRT service, *Homestead Trolley*, and other modes of public transit services.

The \$42.3 million Transit Center (garage) was primarily funded with proceeds from *Taxable Transportation System Revenue Bonds Series 2017*. Surtax funds were used for land acquisition and other costs directly associated with the Transit Center, including 78% of the annual debt service for the *Revenue Bonds*, based on the approximate number of dedicated spaces intended for Transit patrons. Additionally, BCC Resolution No. R-368-23, adopted April 18, 2023, approved an *Interlocal Cooperation Agreement* whereby the City received \$5.7 million in November 2023 from the TIID to be used for eligible transit components of the construction costs incurred in association with the Multimodal Transit Center project (Table V and Schedule I-A).

Table V
Homestead Station – Multimodal Transit Center Funding

Description	Funding Source			
	Surtax (PTP)	Bonds Proceeds & Interest Income	TIID	Total
Construction Cost	\$ -	\$ 27,297,618	5,700,000	\$ 32,997,618
Land Acquisitions (FY 2016-2017) ¹	3,794,045	-	-	3,794,045
NAPA/DRYER Land Acquisitions (Public Facility)	-	3,225,890	-	3,225,890
Legal Fees	-	668,801	-	668,801
Bond Issuance Costs/Bank Charges	-	546,260	-	546,260
Professional Services (FY 2015-2017) ¹	513,847	-	-	513,847
Professional Services (FY 2018-2020)	234,696	-	-	234,696
Demolition Costs (FY 2017) ¹	276,987	-	-	276,987
Demolition Costs (FY 2018)	20,889	-	-	20,889
Contingency (Surplus Funds)	-	49,045	-	49,045
	<u>\$ 4,840,464</u>	<u>\$ 31,787,614</u>	<u>\$ 5,700,000</u>	<u>\$ 42,328,078</u>

Source: City of Homestead General Ledgers and other Financial Records

¹ These expenses, totaling \$4.6 million, were disallowed in the Prior Report and amounts have been reinstated (Schedule II-A).

The City agreed to reserve 850 (74%) of its 1,153 parking spaces for Transit patrons with the provision that the spaces not needed for Transit patrons may be released for general use in accordance with the *Interlocal Cooperation Agreement*. The City also agreed to accommodate the current County technology (*EASY Card/EASY Ticket*) in allowing Transit patrons access to parking spaces within the facility and to charge Transit patrons an amount not to exceed the greater of the parking fee as per County *Implementing Order No. 4-133* or applicable fees established by the County for parking along the South Corridor BRT parking facilities if any, but not less than \$4.50 per day.

In our Prior Report, we expressed concerns that the Transit Center would primarily benefit the retail portion of the Homestead Station Project rather than Transit patrons. Transit patrons with prepaid *EASY Card* monthly subscriptions with parking add on may park at the garage at no additional cost. However, *EASY Card* usage reports as of August 2024 confirm that no monthly pass Transit patrons have used the garage. As they are ineligible to receive free parking, Transit patrons without monthly subscriptions with parking add on, as well as daily patrons, are likely to find more affordable parking options nearby, such as free Park and Rides currently located along the South Dade Corridor BRT, including the nearby Homestead Park and Ride which is one stop away from the garage, rather than pay regular parking rates of \$3 to \$4 per hour with a maximum of \$24 per day. Without signage or other identification for a Transit patron, the City does not have observable control over the 850 spaces reserved for Transit.

Based on the adoption of BCC Resolution No. R-368-23 on April 18, 2023 in which the County approved the *Interlocal Cooperation Agreement* with the City and provided \$5.7 million for eligible construction costs and debt service payments for the Homestead Multimodal Center, the disallowed expenditures from the prior review (Schedule II-A) were acknowledged. Nevertheless, as currently implemented with parking fees and general use parking spaces, we reaffirm our concerns regarding the eligibility and fulfillment of intended uses as a Surtax-funded parking facility for BRT, as well as the potential precedent that may be established for future uses of Surtax funds.

Recommendation

- Confirm long-term support of Surtax-funded project and applicability to nearby BRT Transit services planned.
- Other current Transit parking facilities, exclusive of Metrorail, offer parking at no charge. Parking fees at the Surtax-funded garage should be reevaluated to be consistent with South Dade TransitWay parking facilities.

Taxable Transportation System Revenue Bonds Series 2017

On September 24, 2017, the City issued \$31,440,000 *Taxable Transportation System Revenue Bonds Series 2017* to partially finance the cost of land acquisitions and construction for the Multimodal Transit Center. The bonds are payable annually through July 1, 2047, and are being repaid from Surtax and Non-Ad Valorem revenues. The City claimed \$7.3 million in debt service payments as use of Surtax funds. (Tables II & VI).

Annual Debt Service payments of approximately \$1.8 million were allocated, with 78% to *PTP* (\$1.4 million annually) and 22% (\$400,000) to Non-Ad Valorem revenues, as agreed by the City and OCITT. Although a definitive rationale for the 78/22 split was not provided by the City, the percentage of spaces reserved for Transit patrons in the Multimodal Transit Center garage was likely a key component. In FY 2018, \$1.75 million was transferred from the *PTP Fund* to pay the annual debt service obligation, inclusive of the allocated portion of a \$446,648 debt service reserve

to the *Taxable Transportation System Revenue Bonds Fund*. Since only actual expenditures are eligible for Surtax uses, the unallowed *PTP* portion of the debt service reserve of \$347,892 (78%) has been adjusted (Table VI). As noted in the prior finding, in its current state, although approved via Resolution as a long-term investment for Transit, the eligibility of the garage as a Surtax-funded project, including the long-term debt service payment allocation, should be reevaluated.

Table VI
Summary of Debt Service Requirements
Taxable Transportation System Revenue Bonds Series 2017

Description	Fiscal Year Ended September 30,						All Years
	2017	2018	2019	2020	2021	2022	
Outstanding Principal	\$ 31,440,000	\$ 31,440,000	\$ 30,575,000	\$ 29,930,000	\$ 29,275,000	\$ 28,605,000	
Less Principal Payment	-	865,000	645,000	655,000	670,000	685,000	
Outstanding Balance	<u>\$ 31,440,000</u>	<u>\$ 30,575,000</u>	<u>\$ 29,930,000</u>	<u>\$ 29,275,000</u>	<u>\$ 28,605,000</u>	<u>\$ 27,920,000</u>	
<i>Debt Service Requirements:</i>							
Principal	\$ -	\$ 865,000	\$ 645,000	\$ 655,000	\$ 670,000	\$ 685,000	\$ 3,520,000
Interest	-	931,807	1,154,363	1,142,566	1,128,562	1,112,984	5,470,282
	<u>\$ -</u>	<u>\$ 1,796,807</u>	<u>\$ 1,799,363</u>	<u>\$ 1,797,566</u>	<u>\$ 1,798,562</u>	<u>\$ 1,797,984</u>	<u>\$ 8,990,282</u>
PTP Debt Service Payment Claimed	\$ -	\$ 1,747,892	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 7,347,892
Less: PTP Actual Debt Service Payment ¹	-	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(7,000,000)
Disallowable Cost	<u>\$ -</u>	<u>\$ 347,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,892</u>

Source: Bond Official Statements and City of Homestead Audited Financial Records

¹ The \$1.4 million annual debt service payments to be repaid from Surtax revenues were allocated based on the funded *PTP* portion of the project.

Recommendation

Prospectively, the City should ensure that only actual expenditures are claimed as uses for Surtax Proceeds.

Reporting Requirements

During the review period, certain required annual certification and other compliance reports were submitted to the OCITT after applicable due dates. The sum of the individual Quarterly Report amounts for Transportation expenditures did not agree to the year-to-date totals reported on the Q4 reports for FYs 2020 and 2022, yet no revised reports were submitted. Total amounts reported also differed with amounts claimed as Surtax-related expenditures. Data was unavailable to determine the difference for FY 2018 as the Q4 report was not provided (Table VII).

Table VII
Quarterly Reports Expenditures

Description	Year Ended September 30,				
	2018	2019	2020	2021	2022
Quarterly Reports - Transit					
Q1	\$ 580,709	\$ 483,486	\$ 533,109	\$ 259,483	\$ 402,802
Q2	620,773	465,406	546,491	386,193	398,431
Q3	616,667	505,589	330,406	449,433	400,923
Q4	-	928,251	621,135	880,842	413,884
	1,818,149	2,382,732	2,031,141	1,975,951	1,616,040
Quarterly Reports - Transportation					
Q1	140,846	113,629	690,854	58,353	-
Q2	88,171	162,928	73,796	106,051	58,302
Q3	61,137	659,951	66,317	53,146	134,987
Q4	-	125,554	48,277	166,355	178,199
	290,154	1,062,062	879,244	383,905	371,488
Total Expenditures Reported	2,108,303	3,444,794	2,910,385	2,359,856	1,987,528
Total per General Ledgers	2,966,562	3,330,983	2,731,314	2,381,963	2,106,505
Variance	Unknown	\$ (113,811)	\$ (179,071)	\$ 22,107	\$ 118,977
Percentage Variance		(3%)	(7%)	1%	6%

Source: OCITT Reports, City of Homestead General Ledgers

Recommendation

- Prospectively, the City should ensure that OCITT reporting deadlines are met.
- The City's Finance Department should review Quarterly Reports for accuracy and completeness prior to filing with OCITT and consider submitting revised reports when necessary.
- OCITT should review Quarterly Reports for accuracy.

OT:bm

Attachments

c: Geri Bonzon-Keenan, County Attorney
 Carladenise Edwards, Chief Administrative Officer
 Jimmy Morales, Chief Operations Officer
 David L. Clodfelter, Director, Office of Management and Budget
 Josiel Ferrer-Diaz, Interim Director, Department of Transportation and Public Works
 Nzeribe Ihekwa, City Manager, City of Homestead

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

Balance Sheets					
Description	As of September 30,				
	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	\$ 33,418	\$ 66,740	\$ 152,277	\$ 248,603	\$ 92,865
Investments	683,080	706,248	722,144	722,556	703,478
Interest Receivable on Investments	2,538	2,751	1,845	1,855	1,515
Accounts Receivable, Net	992,935	817,446	642,091	913,251	725,260
Due from Other Funds	800,000	-	-	-	2,500,000
Prepaid Costs	9,018	-	-	-	-
Total Assets	\$ 2,520,989	\$ 1,593,185	\$ 1,518,357	\$ 1,886,265	\$ 4,023,118
Liabilities and Fund Balance:					
Accounts Payable and Accrued Liabilities	\$ 69,104	\$ 209,688	\$ 83,422	\$ 72,207	\$ 35,206
Due to Other Funds	-	-	700,000	-	-
Unearned Revenue	488,958	297,895	288,326	386,355	438,999
Total Liabilities	558,062	507,583	1,071,748	458,562	474,205
Nonspendable Fund Balance - Prepaid Costs	9,018	-	-	-	-
Restricted Fund Balance - Transit and Transportation	1,953,909	1,085,602	446,609	1,427,703	3,548,913
Total Fund Balance	1,962,927	1,085,602	446,609	1,427,703	3,548,913
Total Liabilities and Fund Balance	\$ 2,520,989	\$ 1,593,185	\$ 1,518,357	\$ 1,886,265	\$ 4,023,118
Statements of Revenues, Expenditures, and Changes in Fund Balance					
Description	For the Fiscal Year Ended September 30,				
	2018	2019	2020	2021	2022
Revenues:					
Surtax Proceeds	\$ 2,928,991	\$ 3,343,085	\$ 2,771,584	\$ 3,362,619	\$ 4,246,513
Investment Income (Loss)	6,626	27,062	15,249	438	(19,170)
Rentals and Other Revenues	286	511	5,488	-	372
Total Revenues	2,935,903	3,370,658	2,792,321	3,363,057	4,227,715
Expenditures:					
Public Works	1,104,648	1,033,049	1,204,692	801,414	515,791
Capital Outlay	114,022	897,934	126,622	180,549	190,714
Total Expenditures	1,218,670	1,930,983	1,331,314	981,963	706,505
Excess of Revenues over Expenditures	1,717,233	1,439,675	1,461,007	2,381,094	3,521,210
Transfer In ¹	954,008	83,000	-	-	-
Transfer Out - Debt Service Fund ²	(1,747,892)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
Transfer Out - Multimodal Fund ³	-	(1,000,000)	(700,000)	-	-
	(793,884)	(2,317,000)	(2,100,000)	(1,400,000)	(1,400,000)
Net Change in Fund Balance	923,349	(877,325)	(638,993)	981,094	2,121,210
Fund Balance, Beginning	1,039,578	1,962,927	1,085,602	446,609	1,427,703
Fund Balance, Ending	\$ 1,962,927	\$ 1,085,602	\$ 446,609	\$ 1,427,703	\$ 3,548,913

Source: City of Homestead Annual Comprehensive Financial Reports and General Ledgers

¹ The City transferred this amount to cover legal fees and other expenditures paid with *PTP* Cash-on-Hand.

² On September 24, 2017, the City issued \$31,440,000 *Taxable Transportation System Revenue Bonds Series 2017*.

³ The City transferred this amount to the Multimodal Transit Center Fund. Amount was reimbursed in February 2024.

**Charter County Transportation System Surtax Review - City of Homestead
Multimodal Transit Center Fund Financial Statements**

Balance Sheets							
Description	As of September 30,						
	2017	2018	2019	2020	2021	2022	2023 ²
Assets:							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 329,946	\$ 175,347	\$ 128,296
Accounts Receivable, Net	-	-	-	-	-	-	5,700,000
Due from Other Funds	-	4,714,367	-	-	-	-	-
Restricted Assets:							
Cash and Cash Equivalents	972,967	313,256	2,103,044	478,165	-	-	-
Investments	30,888,570	21,173,850	1,145,519	-	-	-	-
Total Assets	<u>\$ 31,861,537</u>	<u>\$ 26,201,473</u>	<u>\$ 3,248,563</u>	<u>\$ 478,165</u>	<u>\$ 329,946</u>	<u>\$ 175,347</u>	<u>\$ 5,828,296</u>
Liabilities and Fund Balance:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,577,814	\$ 3,150,694	\$ 380,141	\$ 231,922	\$ 231,922	\$ -
Due to Other Funds	3,513,723	668,801	-	-	-	-	1,000,000
Total Liabilities	<u>3,513,723</u>	<u>2,246,615</u>	<u>3,150,694</u>	<u>380,141</u>	<u>231,922</u>	<u>231,922</u>	<u>1,000,000</u>
Restricted - Multimodal Transit Center Construction	28,347,814	23,954,858	97,869	98,024	-	-	-
Assigned - Capital Projects	-	-	-	-	98,024	(56,575)	4,828,296
Total Fund Balance	<u>28,347,814</u>	<u>23,954,858</u>	<u>97,869</u>	<u>98,024</u>	<u>98,024</u>	<u>(56,575)</u>	<u>4,828,296</u>
Total Liabilities and Fund Balance	<u>\$ 31,861,537</u>	<u>\$ 26,201,473</u>	<u>\$ 3,248,563</u>	<u>\$ 478,165</u>	<u>\$ 329,946</u>	<u>\$ 175,347</u>	<u>\$ 5,828,296</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance							
Description	For the Fiscal Year Ended September 30,						
	2017	2018	2019	2020	2021	2022	2023
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,700,000
Interest Income	12,204	347,613	36,217	154	-	-	-
Total Revenues	<u>12,204</u>	<u>347,613</u>	<u>36,217</u>	<u>154</u>	<u>-</u>	<u>-</u>	<u>5,700,000</u>
Expenditures:							
Public Works and Services	-	669,286	109,597	-	-	-	-
Capital Outlay	3,513,723	436,401	-	-	-	-	-
Debt Service - Interest and Fiscal Charges	544,675	1,100	-	-	-	-	-
Total Expenditures	<u>4,058,398</u>	<u>1,106,787</u>	<u>109,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(Deficiency) of Revenues over Expenditures	(4,046,194)	(759,174)	(73,380)	154	-	-	5,700,000
Other Financing Sources (Uses):							
Taxable Transportation System Revenue Bonds Issued ¹	31,440,000	-	-	-	-	-	-
Transfer In	954,008	287,834	2,567,800	2,229,738	42,735	-	-
Transfer Out	-	(3,921,616)	(26,351,409)	(2,229,737)	(42,735)	(154,599)	(815,129)
	<u>32,394,008</u>	<u>(3,633,782)</u>	<u>(23,783,609)</u>	<u>1</u>	<u>-</u>	<u>(154,599)</u>	<u>(815,129)</u>
Net Change in Fund Balance	<u>28,347,814</u>	<u>(4,392,956)</u>	<u>(23,856,989)</u>	<u>155</u>	<u>-</u>	<u>(154,599)</u>	<u>4,884,871</u>
Fund Balance, Beginning	-	28,347,814	23,954,858	97,869	98,024	98,024	(56,575)
Fund Balance, Ending	<u>\$ 28,347,814</u>	<u>\$ 23,954,858</u>	<u>\$ 97,869</u>	<u>\$ 98,024</u>	<u>\$ 98,024</u>	<u>\$ (56,575)</u>	<u>\$ 4,828,296</u>

Source: City of Homestead Annual Comprehensive Financial Reports and General Ledgers

¹ On September 24, 2017, the City issued \$31,440,000 *Taxable Transportation System Revenue Bonds Series 2017*.

² In FY 2023, the City received \$5.7 million pursuant to BCC Resolution No. R-368-23, increasing the fund balance to \$4.8 million. In FY 2024, \$1.7 million was returned to the PTP Fund, \$2.9 million was transferred to the Capital Improvement Fund to cover capital projects, and \$273,204 was transferred back to the General Fund.

**Charter County Transportation System Surtax Review - City of Homestead
Taxable Transportation System Revenue Bonds Fund Financial Statements**

Balance Sheets					
Description	As of September 30,				
	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:					
Cash and Cash Equivalents	449,841	450,478	452,912	454,350	456,366
Total Assets	<u>\$ 449,841</u>	<u>\$ 450,478</u>	<u>\$ 452,912</u>	<u>\$ 454,350</u>	<u>\$ 456,366</u>
Fund Balance:					
Restricted:					
Debt Service	\$ 449,841	450,478	452,912	454,350	456,366
Total Fund Balance	<u>449,841</u>	<u>450,478</u>	<u>452,912</u>	<u>454,350</u>	<u>456,366</u>
Total Liabilities and Fund Balance	<u>\$ 449,841</u>	<u>\$ 450,478</u>	<u>\$ 452,912</u>	<u>\$ 454,350</u>	<u>\$ 456,366</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance					
Description	For the Fiscal Year Ended September 30,				
	2018	2019	2020	2021	2022
Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Debt Service:					
Principal	865,000	645,000	655,000	670,000	685,000
Interest and Fiscal Charges	931,807	1,154,363	1,142,566	1,128,562	1,112,984
Total Expenditures	<u>1,796,807</u>	<u>1,799,363</u>	<u>1,797,566</u>	<u>1,798,562</u>	<u>1,797,984</u>
(Deficiency) of Revenues over Expenditures	<u>(1,796,807)</u>	<u>(1,799,363)</u>	<u>(1,797,566)</u>	<u>(1,798,562)</u>	<u>(1,797,984)</u>
Other Financing Sources:					
Transfer In	2,246,648	1,800,000	1,800,000	1,800,000	1,800,000
Total Other Financing Sources	<u>2,246,648</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>
Change in Fund Balance	449,841	637	2,434	1,438	2,016
Fund Balance, Beginning	<u>-</u>	<u>449,841</u>	<u>450,478</u>	<u>452,912</u>	<u>454,350</u>
Fund Balance, Ending	<u>\$ 449,841</u>	<u>\$ 450,478</u>	<u>\$ 452,912</u>	<u>\$ 454,350</u>	<u>\$ 456,366</u>

Source: City of Homestead Annual Comprehensive Financial Reports

Charter County Transportation System Surtax Review - City of Homestead
Surtax Proceeds Usage Analysis

Description	Fiscal Year Ended September 30,					All Years
	2018	2019	2020	2021	2022	
Revenues: (Schedule I)						
Surtax Proceeds	\$ 2,928,991	\$ 3,343,085	\$ 2,771,584	\$ 3,362,619	\$ 4,246,513	\$ 16,652,792
Investment Income	6,626	27,062	15,249	438	(19,170)	30,205
Trolley Rentals	286	511	5,488	-	372	6,657
Total Revenues	<u>\$ 2,935,903</u>	<u>\$ 3,370,658</u>	<u>\$ 2,792,321</u>	<u>\$ 3,363,057</u>	<u>\$ 4,227,715</u>	<u>\$ 16,689,654</u>
Surtax Uses:						
Eligible Transit Expenditures (Table II)	<u>\$ 2,121,884</u>	<u>\$ 2,180,806</u>	<u>\$ 2,044,210</u>	<u>\$ 1,991,947</u>	<u>\$ 1,734,004</u>	<u>\$ 10,072,851</u>
Eligible Transportation Expenditures (Table IV)	\$ 1,839,323	\$ 2,812,297	\$ 1,990,407	\$ 1,564,288	\$ 1,648,228	\$ 9,854,543
Less Maintenance of Effort (Table I)	(1,219,161)	(1,219,161)	(1,219,161)	(1,219,161)	(1,219,161)	(6,095,805)
Expenditures Available for Surtax Use	<u>\$ 620,162</u>	<u>\$ 1,593,136</u>	<u>\$ 771,246</u>	<u>\$ 345,127</u>	<u>\$ 429,067</u>	<u>\$ 3,758,738</u>
ICD Analysis:						
Transit-Related Expenditures:						
Expenditures Available for Surtax Use	\$ 2,121,884	\$ 2,180,806	\$ 2,044,210	\$ 1,991,947	\$ 1,734,004	\$ 10,072,851
Less 20% Minimum Amount ¹	(585,798)	(668,617)	(554,317)	(672,524)	(849,303)	(3,330,559)
Less Trolley Rentals	(286)	(511)	(5,488)	-	(372)	(6,657)
Decrease in Unspent Amounts	<u>\$ 1,535,800</u>	<u>\$ 1,511,678</u>	<u>\$ 1,484,405</u>	<u>\$ 1,319,423</u>	<u>\$ 884,329</u>	<u>\$ 6,735,635</u>
Analysis of Unspent Rollover:						
Beginning Balance ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in Unspent Amounts	(1,535,800)	(1,511,678)	(1,484,405)	(1,319,423)	(884,329)	(6,735,635)
Excess Amount Applied to Transportation	1,535,800	1,511,678	1,484,405	1,319,423	884,329	6,735,635
Remaining Unspent Amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transportation-Related Expenditures:						
Expenditures Available for Surtax Use	\$ 620,162	\$ 1,593,136	\$ 771,246	\$ 345,127	\$ 429,067	\$ 3,758,738
Excess Transit Expenditures Applied	1,535,800	1,511,678	1,484,405	1,319,423	884,329	6,735,635
Less Remaining 80% Amount ¹	(2,343,193)	(2,674,468)	(2,217,267)	(2,690,095)	(3,397,210)	(13,322,233)
Less Interest Income	(6,626)	(27,062)	(15,249)	(438)	19,170	(30,205)
(Increase) Decrease in Unspent Amounts	<u>\$ (193,857)</u>	<u>\$ 403,284</u>	<u>\$ 23,135</u>	<u>\$ (1,025,983)</u>	<u>\$ (2,064,644)</u>	<u>\$ (2,858,065)</u>
Analysis of Unspent Rollover:						
Beginning Balance ²	\$ 1,737,671	\$ 1,931,528	\$ 1,528,244	\$ 1,505,109	\$ 2,531,092	\$ 1,737,671
Increase (Decrease) in Unspent Amounts	193,857	(403,284)	(23,135)	1,025,983	2,064,644	2,858,065
Remaining Unspent Amount	<u>\$ 1,931,528</u>	<u>\$ 1,528,244</u>	<u>\$ 1,505,109</u>	<u>\$ 2,531,092</u>	<u>\$ 4,595,736</u>	<u>\$ 4,595,736</u>

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 Schedule II-A

Charter County Transportation System Surtax Review - City of Homestead
Surtax Proceeds Usage Analysis, Restated

Description	Fiscal Year Ended September 30,				All Years
	2014	2015	2016	2017	
Revenues:					
Surtax Proceeds ¹	\$ 2,354,015	\$ 2,519,902	\$ 2,669,792	\$ 2,340,603	\$ 9,884,312
Investment Income ¹	89,100	67,928	29,617	1,684	188,329
Trolley Rentals ¹	-	-	2,075	985	3,060
Total Revenues	<u>\$ 2,443,115</u>	<u>\$ 2,587,830</u>	<u>\$ 2,701,484</u>	<u>\$ 2,343,272</u>	<u>\$ 10,075,701</u>
Surtax Uses:					
Transit Expenditures ¹	\$ 447,554	\$ 465,345	\$ 564,935	\$ 680,454	\$ 2,158,288
Reinstated Transit Expenditures ¹	-	81,398	3,464,061	1,039,420	4,584,879
Eligible Transit Expenditures	<u>\$ 447,554</u>	<u>\$ 546,743</u>	<u>\$ 4,028,996</u>	<u>\$ 1,719,874</u>	<u>\$ 6,743,167</u>
Eligible Transportation Expenditures	\$ 2,366,952	\$ 3,384,993	\$ 2,234,622	\$ 1,947,707	\$ 9,934,274
Less Maintenance of Effort (Table I)	<u>(1,219,161)</u>	<u>(1,219,161)</u>	<u>(1,219,161)</u>	<u>(1,219,161)</u>	<u>(4,876,644)</u>
Expenditures Available For Surtax Use	<u>\$ 1,147,791</u>	<u>\$ 2,165,832</u>	<u>\$ 1,015,461</u>	<u>\$ 728,546</u>	<u>\$ 5,057,630</u>
ICD Analysis:					
Transit-Related Expenditures:					
Expenditures Available for Surtax Use	\$ 447,554	\$ 546,743	\$ 4,028,996	\$ 1,719,874	\$ 6,743,167
Less 20% Minimum Amount ²	(470,803)	(503,980)	(533,958)	(468,121)	(1,976,862)
Less Trolley Rentals	-	-	(2,075)	(985)	(3,060)
(Increase) Decrease in Rollover Amounts	<u>\$ (23,249)</u>	<u>\$ 42,763</u>	<u>\$ 3,492,963</u>	<u>\$ 1,250,768</u>	<u>\$ 4,763,245</u>
Analysis of Unspent Rollover:					
Beginning Balance ³	\$ 854,058	\$ 877,307	\$ 834,544	\$ -	\$ 854,058
Increase (Decrease) in Unspent Amounts	23,249	(42,763)	(3,492,963)	(1,250,768)	(4,763,245)
Excess Amount Applied to Transportation	-	-	2,658,419	1,250,768	3,909,187
Remaining Unspent Amount	<u>\$ 877,307</u>	<u>\$ 834,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transportation-Related Expenditures:					
Expenditures Available for Surtax Use	\$ 1,147,791	\$ 2,165,832	\$ 1,015,461	\$ 728,546	\$ 5,057,630
Excess Transit Expenditures Applied	-	-	2,658,419	1,250,768	3,909,187
Less Remaining 80% Amount ²	(1,883,212)	(2,015,922)	(2,135,834)	(1,872,482)	(7,907,450)
Less Interest Income	(89,100)	(67,928)	(29,617)	(1,684)	(188,329)
(Increase) Decrease in Rollover Amounts	<u>\$ (824,521)</u>	<u>\$ 81,982</u>	<u>\$ 1,508,429</u>	<u>\$ 105,148</u>	<u>\$ 871,038</u>
Analysis of Unspent Rollover:					
Beginning Balance ³	\$ 2,608,709	\$ 3,433,230	\$ 3,351,248	\$ 1,842,819	\$ 2,608,709
Increase (Decrease) in Unspent Amounts	824,521	(81,982)	(1,508,429)	(105,148)	(871,038)
Remaining Unspent Amount	<u>\$ 3,433,230</u>	<u>\$ 3,351,248</u>	<u>\$ 1,842,819</u>	<u>\$ 1,737,671</u>	<u>\$ 1,737,671</u>

¹ Per the April 30, 2019 Report.

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 September 30, 2014 Report.

**Charter County Transportation System Surtax Review – City of Homestead
Status of Prior Audit Report Findings¹**

Finding	Recommendation	Auditee Response	Current Status
Multimodal Transit Center			
<p>Based on the November 15, 2017 Homestead Station Parking Garage – Parking Study, 850 of parking spaces will be designated for Transit patrons, however, procedures to ensure that spaces funded with Surtax Proceeds are exclusively available for Transit Patrons have not been established. Thus, use of Surtax monies for this Project should be revisited.</p> <p>On September 24, 2017, the City issued \$31.44 million Taxable Transportation System Revenue Bonds to finance the construction. Beginning in FY 2018, the City plans to use Surtax monies to fund \$1.4 million (78%) of the annual debt service totaling \$1.8 million. We are concerned that the City issued the Bonds prior to OCITT formally accepting the allocation methodology proposed for designating the Transit parking spaces.</p>	<p>Based on the foregoing, the CITT Board and the BCC should assess the merits of allocating Surtax monies to the Multimodal Center.</p>	<p><u>City Response</u></p> <p><i>The CITT Board authorized former Executive Director Scurr to determine the percentage of Development Costs that may be paid for with Surtax Funds through its adoption of the CITT Resolution. Former Executive Director Scurr and the City established the 85% Allocation Methodology, and the City has acted on the Methodology.</i></p> <p><u>OCITT's Response</u></p> <p><i>The representations made by the City in its response reflect an accurate portrayal of the agreements and commitments made by the OCITT to the City, with respect to the City's use of its municipal surtax funds for costs associated with the Homestead Multimodal Station and Parking Facility.</i></p> <p><i>Pursuant to these findings, the OCITT agrees with the City that the use of their municipal surtax funds for development of the Multimodal Station is appropriate, and not subject to withholding or recapture of said funds.</i></p> <p><u>ICD Rejoinder</u></p> <p><i>We reaffirm that the 85% Surtax allocation is excessive, and merits review by both the CITT Board and the BCC. Additionally, the OCITT Executive Director should not approve an expenditure in excess of \$30 million that obligates Surtax monies without ratification by the CITT and the BCC.</i></p>	<p><u>Partially Resolved:</u></p> <p>While the County Mayor, BCC, CITT Trust and OCITT have approved the Multimodal project, we reaffirm our concerns regarding the eligibility and fulfillment of intended uses. See pages 6-7 of the Report.</p>

¹ See Report dated April 30, 2019 for full content.

**Charter County Transportation System Surtax Review – City of Homestead
Status of Prior Audit Report Findings ¹**

Finding	Recommendation	Auditee Response	Current Status
Use of Surtax Proceeds			
<p>The City recorded Surtax-related revenue of \$10.1 million, including investment income and Trolley rentals, for Surtax use, and claimed \$6.7 million and \$9.9 million in Transit and Transportation expenditures, respectively. At least 20% of the Surtax Proceeds, or \$2 million, must be used for Transit-related projects, including the operation of the City's Trolley system. The 80% Transportation funds were used primarily for Citywide street improvement, paving, and street lighting.</p> <p>Multimodal costs of \$4.6 million were disallowed, because the costs allocated for land acquisition and other related costs appear disproportionately high. After adjusting claimed expenditures for disallowed and MOE costs, the <i>PTP Fund</i> had only \$741,000 in Cash and Investments as of September 30, 2017, a shortfall of \$5.6 million.</p>	<p>The City must address the resulting \$5.6 million cash shortfall in the <i>PTP Fund</i> within 90 days.</p>	<p><u>City's Response</u></p> <p><i>The City is utilizing Surtax Funds for the payment of the Total Development Costs, in accordance with the directives of former Executive Director Scurr, and the 85% Allocation Methodology. Expenditures made in accordance with these authorizations should not be disallowed. The City has taken irreversible actions in direct reliance on the approvals and instructions of the CITT and Former Executive Director Scurr, including the issuance of bonds and execution of a contract for the construction of the Multimodal Station.</i></p> <p><u>ICD Rejoinder</u></p> <p><i>It appears that the parking structure will primarily benefit the retail portion of the Homestead Station Project rather than Transit patrons. Therefore, absent of the ratification of the OCITT Executive Director's decisions by the CITT Board and the BCC, we cannot permit use of Surtax monies for the Multimodal Center.</i></p>	<p><u>Unresolved:</u></p> <p>After adjusting claimed expenditures for the MOE and ineligible expenses, the City had unspent Transportation funds of \$4.6 million as of September 30, 2022 but reported only \$796,343 in Cash and Investments, a shortfall of \$3.8 million. See pages 3-5 of the Report.</p>
Reporting Requirements			
<p>The City submitted required compliance reports, but expenditures presented in Quarterly Reports did not always agree with the General Ledger.</p>	<p>The City should endeavor to submit accurate reports.</p>	<p><u>City's Response</u></p> <p><i>The City endeavors to provide timely and accurate reports and has addressed those issues.</i></p> <p><u>ICD Rejoinder</u></p> <p><i>The City did address the timeliness of report submission, and that portion of the finding was removed. However, the City's Quarterly Reports differed significantly from its General Ledgers, and we reaffirm that finding.</i></p>	<p><u>Unresolved:</u></p> <p>Certain required annual certification and other compliance reports were submitted to the OCITT after applicable due dates and expenditures per the Quarterly Reports differed from reported amounts per the General Ledger. See pages 8-9 of the Report.</p>

¹ See Report dated April 30, 2019 for full content.



CITY OF HOMESTEAD

March 10, 2025

CITY COUNCIL

Steven D. Losner
Mayor

Sean L. Fletcher
Vice Mayor
Seat 2

Tom Davis
Councilman
Seat 1

Larry Roth
Councilman
Seat 3

Jenifer N. Bailey
Councilwoman
Seat 4

Erica G. Ávila
Councilwoman
Seat 5

Clemente Canabal
Councilman
Seat 6

CITY OFFICERS

Zerry Ihekweba, PhD, PE
City Manager

Elizabeth Sewell, MMC
City Clerk

Weiss Serota Helfman
Cole + Bierman
City Attorney

Ms. Ofelia Tamayo, Director
Internal Compliance Department
Overtown Transit Village
701 NW 15T Court- Suite 8-175
Miami, Florida 33136

Re: City of Homestead Response to Draft Audit Report - County
Transportation System
Surtax Review

Dear Ms. Tamayo:

The City of Homestead (the "City") is in receipt of the February 7, 2025, Internal Compliance Department's ("ICD") draft report (the "Report") presented to Javier Betancourt, Executive Director of the Office of the Citizens' Independent Transportation Trust ("OCITT"), regarding the City expenditure of its allocation of Charter County Transportation System Surtax Proceeds ("Surtax Funds"). The Report covers a five-year period concluding September 30, 2022, and finds that there is a shortfall of \$3.8 million in the People's Transportation Plan ("PTP") Fund as of September 30, 2022. This letter serves as the City's response to the Report's findings and recommendations, as well as to the status of findings identified in the February 13, 2019, Audit Report ("the Prior Report").

Responses to Findings and Recommendations:

- I. Finding 1: \$3.8 million cash shortfall
 - a. ICD Finding

The City had \$4.6 million in unspent Surtax Proceeds as of September 30, 2022 (Schedule II) after adjusting claimed expenditures for the MOE and other ineligible amounts, including reimbursed transfers of \$1.7 million related to the Multimodal Transit Center (Table II). Additionally, \$4.6 million disallowed in the Prior Report for land acquisition and other costs prior to the construction of the Multimodal Transit Center were reinstated (Schedule II-A and Table V). However, the People's Transportation Plan

(PTP) Fund had only \$796,343 in Cash and Investments as of September 30, 2022 (Schedule I), a shortfall of \$3.8 million.

b. City's Response

The available balance in the PTP fund on September 30, 2022, should be reported as \$3,582,604, not \$796,343, since assets other than cash and investments available for spending were not considered. These other assets include: \$286,261 in accounts receivable for the August Surtax Proceeds not received until November 2022 but accrued as a revenue and receivable at year end; and \$2,500,00 in due from other funds used exclusively to eliminate negative pooled cash balances of individual funds for purposes of financial reporting. Further evidence of this is the fund balance of the PTP Fund at September 30, 2022 per the City's ACFR is reported at \$3,548,913. The small difference of \$33,691 represents the net difference of two other balance sheet items: an accounts payable liability of \$35,206 and interest receivable asset of \$1,515. Please refer to the Reconciliation (Exhibit B) and supporting documents (Exhibits C-E) attached to this response as support for this response.

II. Finding 2: Ineligible Expenses

a. ICD Findings

- i. \$1.7 million incurred for the Multimodal Transit Center that were subsequently reimbursed upon receipt of County funds from the Transportation Infrastructure Improvement District (TIID) Trust Fund.
- ii. \$347,892 intended as a debt service obligation reserve in FY 2018 for the Taxable Transportation System Revenue Bonds Fund ("PTP Bonds") (Table VI).
- iii. \$5,501 in costs associated with the Homestead Station Transit Center that are not Transit-related based on the approximate number of spaces dedicated to Transit patrons (See finding Homestead Station - Multimodal Transit Center).

b. City's Responses

- i. *The City had approved the construction of the MTC, with funding from PTP funds on hand, proceeds from a PTP bond, and \$5.7 million in repurposed County PTP funds. The \$5.7 million became a point of contention between the County and the City, and when the construction project reached the point where the \$5.7 million was needed, the City had no choice but to temporarily fund the \$5.7 million gap with other sources of funding. Among these was \$1.7 million in PTP funds. The City had every intent to repay the PTP fund upon the receipt of the \$5.7 million. Eventually the City and the County reached an agreement whereby \$5.7 million became available for the project through TIID funds. However, these funds were not received until October 11, 2023. Shortly afterwards the \$1.7 million was reimbursed to the PTP Fund. Since this happened after September 30, 2022, the City recognizes why the ICD has deemed \$1.7 million in temporary gap funding by the PTP Fund as an ineligible expenses, and a contributing factor to the reported shortfall at 09/30/22.*
- ii. *After issuance of the "PTP Bonds", the PTP Fund transferred monies to the "PTP Debt Service Fund" that represented needed funds for the first annual debt service payment, as well as \$347,892 representing a debt service reserve obligation. ICD is stating that this is not an eligible expenditure since the funds are sitting in the PTP Debt Service Fund as a reserve for debt service, and therefore not available to be currently "expended". While the City agrees that these funds have not been "expended", one could*

argue that the funds should be deemed a reconciling item, and that while not reported in the PTP fund, they are available for a future eligible expenditure (the annual debt service payment). However, we will respect the ICD's and OCITT's recommendation on this matter, and if needed the General Fund will make the PTP fund whole for the \$347,892.

- iii. *The ICD identified \$5,501 in costs associated with MTC that are being deemed ineligible as non-transit-related based on the number of spaces dedicated to Transit Patrons. Due to the immaterial amount of the costs in question, the City will not contest these, and we will have the General Fund reimburse the PTP fund for these costs at a later date.*

III. Recommendation 1: Alignment of allocations

a. ICD Recommendation

- i. In alignment with existing debt service allocations, claimed expenditures related to the Homestead Station Transit Center should also be limited to 78% of the costs incurred, based on parking spaces reserved for Transit patrons.
- ii. Prospectively, the City should endeavor to ensure that only eligible expenditures are paid with Surtax Proceeds

b. City's Response

- i. *OCITT had agreed to the 85/15 cost share which is different from the 78% debt service allocation. They even end their statement with "based on parking spaces reserved for Transit patrons", which have always remained the same number as agreed with the County. The 85/15 cost share is based on an agreed number of allocated spaces (850) not a percentage of spaces.*
- ii. *The City will endeavor to ensure that only eligible expenditures are paid with Surtax Proceeds*

IV. Recommendation 2: Ensuring only eligible costs are paid with Surtax Proceeds

a. ICD Recommendation

- i. Prospectively, the City should endeavor to segregate costs that are non-transportation-related from claimed MOE and ensure only eligible expenditures are paid with Surtax Proceeds.
- ii. The City must address the resulting \$3 .8 million cash shortfall in the PTP Fund.

b. City's Response

- i. *The City recognizes that in the General Fund, the Public Works Street Department has both transportation-related costs and administrative costs. Unfortunately, during the review the entire Street Department's expenditures were provided to ICD staff as support for the MOE This resulted in the ICD identifying numerous of these transactions as ineligible costs, are rightfully so. The City concurs with the ineligible MOE costs identified. For the future (starting with fiscal year ending September 30, 2026) the City will create a separate division withing the PW-Streets Department so we can separate transportation-related expenditures form administrative costs. Only the transportation-related division will be provided as support for the MOE during the next review. The City will need to manually separate these costs for the FY2023, FY2024 and FY2025 for the next review, as the new division didn't exist for these years.*
- ii. *The City has provided a response to the \$3.8 million shortfall under Finding 1 and the attached reconciliation (Exhibit B).*

- V. Recommendation 5: Confirm long-term support of Surtax-funded project (Multimodal Transit Center, aka "MTC") and applicability to nearby BRT Transit services planned
- a. ICD Recommendation
 - i. Confirm long-term support of Surtax-funded project and applicability to nearby BRT Transit services planned
 - b. City's Response
 - i. ***The Homestead Station is ready to fully support the BRT Transit service once the Krome BRT station becomes operational. The BRT station has experienced considerable construction delays, which are outside the purview and control of the City of Homestead. Currently the BRT near the Homestead Station is serviced by the parking spaces allocated at the Homestead City Hall and surrounding street parking. Upon the Krome BRT station becoming operational, the Homestead Station will begin to function as the local parking garage transit hub it was intended to be.***
- VI. Recommendation 6: Parking fees at the MTC should be reevaluated to be consistent with South Dade Transit Way parking facilities
- a. ICD Recommendation
 - i. Other current Transit parking facilities, exclusive of Metrorail, offer parking at no charge. Parking fees at the Surtax-funded garage should be reevaluated to be consistent with South Dade Transit Way parking facilities.
 - b. City's Response
 - i. ***Transit patrons with an EASY Card monthly pass with parking can park at the garage at no cost.***
- VII. Recommendation 7: Ensuring only eligible costs are paid with Surtax Proceeds (see response under Recommendation 2)
- VIII. Recommendation 8: Ensure that OCITT reporting deadlines are met
- a. ICD Recommendation
 - i. Prospectively, the City should ensure that OCITT reporting deadlines are met.
 - b. City's Response
 - i. ***The City will ensure that the OCITT reporting deadlines are met. During the years analyzed under this review there were changes in the PTP administration staff that may have led to the delayed submissions.***
- IX. Recommendation 9: The City's Finance Department should review Quarterly Reports
- a. ICD Recommendation
 - i. The City's Finance Department should review Quarterly Reports for accuracy and completeness prior to filing with OCITT and consider submitting revised reports when necessary.
 - b. City's Response
 - i. ***The City recognizes the value of having the Finance Department review the OCITT submissions for accuracy and completeness. Currently the Finance and Budget department is short-staffed. Upon having a fully-staffed department, the Finance & Budget Department will identify one person who will be responsible for this review. Furthermore, they will also work with PTP staff to recognize when a revised submission will be needed following the City's year end closing process, that many times leads to accruals not identified in the quarterly submission for the quarter ended September 30. The City recommends to the OCITT that the deadline for***

municipalities' September 30 submissions be extended to allow for these year-end accruals and adjustments.

- X. Prior Report Finding 1: MTC eligibility and fulfillment of intended uses (**see response under Recommendation 5**)
- XI. Prior Report Finding 2: \$3.8 million cash shortfall still remains, after reinstating \$4.6 million in previously disallowed costs. (**see response under Finding 1**)
- XII. Prior Report Finding 3: Certifications and compliance reports submitted to OCITT were after applicable due dates, and reported amounts differed from the General Ledger. (**see response under Recommendations 8 and 9**)

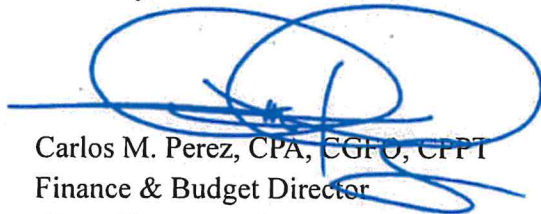
Conclusion:

City staff has responded to the findings and recommendations, and as noted, we plan to adhere to the recommendations with a goal to minimize or eliminate findings in future reports. The most significant finding with respect to the claimed shortfall has been properly addressed. While there may be a difference in the manner of presentation, the City has provided a clear reconciliation accounting for all the funding reported as a shortfall.

With respect to the concern over the eligibility and fulfillment of the MTC to meet its intended uses, the City reaffirms its position that the garage serves as a transit hub, which will be supported once the new BRT station adjacent to the MTC is completed and opened for use.

Finally, City staff would like to thank you and your staff at the ICD that was assigned to the City for your professionalism, courtesy and patience during the review of the City's records.

Sincerely,



Carlos M. Perez, CPA, CGFO, CPPT
Finance & Budget Director
City of Homestead

cc: Javier Betancourt, CITT Executive Director
Nzeribe "Zerry" Ihekweba, City Manager, City of Homestead
Matthew J Pearl, Weiss Serota Helfman Cole & Bierman P.L.
Cairo Cangas, Director of Public Works & Engineering, City of Homestead

Attachments:

Exhibit A-ICD Report dated February 7, 2025
Exhibit B-COH Finance Director's Reconciliation of reported shortfall
Exhibit C-Support for reconciliation; Due from other funds and accounts receivable
Exhibit D-Support for reconciliation; \$1.7 million MTC gap funding from PTP
Exhibit E-Support for reconciliation; Debt service reserve obligation

EXHIBIT A

INFORMAL MEMO

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

FROM: Ofelia Tamayo, Director
Internal Compliance Department

DATE: February 7, 2025

SUBJECT: Draft Report – Charter County Transportation System Surtax Review –
City of Homestead

Attached for your review is the above-captioned Draft Report. Please provide comments, if any, no later than Tuesday, March 11, 2025.

OT:bm

Attachment

c: Nzeribe Ihekwa, City Manager, City of Homestead
Carlos M. Perez, Finance Director, City of Homestead



INTERNAL COMPLIANCE DEPARTMENT
OVERTOWN TRANSIT VILLAGE
701 NW 1ST COURT – SUITE 8-175
MIAMI, FLORIDA 33136
TELEPHONE: 786-469-5900
FAX: 786-469-5933

February 7, 2025

Mr. Nzeribe Ihekwa
City Manager
City of Homestead
100 Civic Court
Homestead, FL 33030

DRAFT

**Re: Report – Charter County Transportation System Surtax Review –
City of Homestead**

Dear Mr. Ihekwa:

Attached is the above-referenced Draft Report that was discussed with your Finance staff. Although the Office of the Citizen's Independent Transportation Trust will be contacting you to resolve the review findings, a reply is requested within 30 days.

We appreciate the courtesies and assistance extended to our staff during the review process. Please contact Yvette M. Cardona, Internal Compliance Manager, at (786) 469-5900, should you have any questions.

Sincerely,

Ofelia Tamayo
Director

OT:bm

Attachment

c: Javier A. Betancourt, Executive Director, Office of the Citizens' Independent Transportation Trust
Carlos M. Perez, Finance Director, City of Homestead

Memorandum



Date: February 7, 2025

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

From: Ofelia Tamayo, Director
Internal Compliance Department

Subject: Report – Charter County Transportation System Surtax Review –
City of Homestead

DRAFT

PURPOSE AND SCOPE

We performed a review of the City of Homestead's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the five years ended September 30, 2022. 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 on July 10, 2007. Additionally, we assessed actions taken to resolve findings referenced in our Report (Prior Report) dated April 30, 2019 (Exhibit I).

BACKGROUND

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 annually to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics. The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of 15 members appointed by the County's Board of County Commissioners (BCC), County Mayor, and Miami-Dade League of Cities.

Pursuant to the *Interlocal Agreement*, the City of Homestead (City) must annually continue the same level of General Fund support for Transportation projects appropriated in its Fiscal Year (FY) 2002 Budget, also referred to as Maintenance of Effort (MOE), which totaled \$1.2 million (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 City must apply at least 20% of the Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other Transit-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, 2022, the City received \$16.7 million in Surtax Proceeds and earned investment, as well as Trolley rental income of \$36,862. Claimed Transit and Transportation-related expenditures totaled \$22.3 million (Table I).

The City had \$4.6 million in unspent Surtax Proceeds as of September 30, 2022 (Schedule II) after adjusting claimed expenditures for the MOE and other ineligible amounts, including reimbursed transfers of \$1.7 million related to the Multimodal Transit Center (Table II). Additionally, \$4.6 million disallowed in the Prior Report for land acquisition and other costs prior to the construction of the Multimodal Transit Center were reinstated (Schedule II-A and Table V). However, the *People's Transportation Plan (PTP) Fund* had only \$796,343 in Cash and Investments as of September 30, 2022 (Schedule I), a shortfall of \$3.8 million.

Table I
Surtax Statistics

Description	Fiscal Year Ended September 30,					All Years
	2018	2019	2020	2021	2022	
Maintenance of Effort	\$ 1,219,161	\$ 1,219,161	\$ 1,219,161	\$ 1,219,161	\$ 1,219,161	\$ 6,095,805
Revenue:						
Surtax Proceeds (Schedule I)	\$ 2,928,991	\$ 3,343,085	\$ 2,771,584	\$ 3,362,619	\$ 4,246,513	\$ 16,652,792
Investment Income (Loss)	6,626	27,062	15,249	438	(19,170)	30,205
Trolley Rentals and Other Revenue	286	511	5,488	-	372	6,657
	<u>\$ 2,935,903</u>	<u>\$ 3,370,658</u>	<u>\$ 2,792,321</u>	<u>\$ 3,363,057</u>	<u>\$ 4,227,715</u>	<u>\$ 16,689,654</u>
Claimed Expenditures:						
Transit (Table II)	\$ 2,469,776	\$ 3,180,806	\$ 2,744,210	\$ 1,995,329	\$ 1,736,123	\$ 12,126,244
Transportation (Table IV)	2,028,281	2,817,754	2,040,580	1,602,552	1,725,829	10,214,996
	<u>\$ 4,498,057</u>	<u>\$ 5,998,560</u>	<u>\$ 4,784,790</u>	<u>\$ 3,597,881</u>	<u>\$ 3,461,952</u>	<u>\$ 22,341,240</u>
Unspent Surtax Proceeds (Schedule II):						
Transit	\$ -	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 1,931,528	\$ 1,528,244	\$ 1,505,109	\$ 2,531,092	\$ 4,595,736	
Key Account Balances as of September 30 (Schedule I):						
Transit Surtax Special Revenue Fund:						
Cash and Investments	\$ 716,498	\$ 772,988	\$ 874,421	\$ 971,159	\$ 796,343	
Fund Balance	<u>\$ 1,962,927</u>	<u>\$ 1,085,602</u>	<u>\$ 446,609</u>	<u>\$ 1,427,703</u>	<u>\$ 3,548,913</u>	

These and other findings and recommendations are further discussed in the remainder of this Report. A copy of this Report has been submitted to the City, with a written response requested within 30 days in accordance with Administrative Order No 3-7. We appreciate the courtesies and assistance extended to our staff during the review. Please contact Yvette M. Cardona, Internal Compliance Manager, at (786) 469-5900, if you have any questions.

FINDINGS AND RECOMMENDATIONS

Use of Transit Surtax Proceeds

The City claimed \$12.1 million in Transit-related expenditures primarily for its debt service obligations and *Homestead Trolley* operations (Table II).

Table II
Summary of Claimed Transit Expenditures, As Adjusted

Description	For the Fiscal Year Ended September 30,					Total
	2018	2019	2020	2021	2022	
Debt Service Payments - Bonds Series 2017	\$ 1,747,892	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 7,347,892
Trolley Operations - Contracted Services	484,868	465,709	465,211	463,150	94,018	1,972,956
Transfer for Multimodal Transit Center Cost	-	1,000,000	700,000	-	-	1,700,000
Trolley Operations - Fuel Cost	54,105	54,364	50,774	48,994	74,398	282,635
Multimodal Transit Center Professional Services	138,189	86,398	10,109	-	-	234,696
Bus Shelter Improvements	-	96,021	67,693	-	-	163,714
Traffic Signalization Study and Services	-	65,450	-	23,550	72,221	161,221
Other Trolley Related Cost	5,037	9,787	12,495	36,157	31,778	95,254
Design for Bus Shelters and Bus Route Signage	-	-	7,228	7,007	52,126	66,361
Homestead Station Transit Center Sign and Installation	-	-	28,895	-	-	28,895
Bus Shelters Maintenance	18,726	2,400	1,728	1,100	1,950	25,904
Homestead Station Transit Center Exit Lights, Fences and Other Cost	-	-	-	15,371	9,632	25,003
Multimodal Transit Center Demolition Cost	20,889	-	-	-	-	20,889
Miscellaneous	70	677	77	-	-	824
Total Claimed Transit Expenditures (Table I)	2,469,776	3,180,806	2,744,210	1,995,329	1,736,123	12,126,244
<i>Internal Compliance Department (ICD) Adjustments:</i>						
Reimbursement for Transfer for Multimodal Transit Center Cost	-	(1,000,000)	(700,000)	-	-	(1,700,000)
Transfer for Debt Service Obligations Reserve	(347,892)	-	-	-	-	(347,892)
Allocate 22% of Homestead Station Exit Lights, Fences and Other Cost	-	-	-	(3,382)	(2,119)	(5,501)
Total Eligible Transit Expenditures (Schedule II)	\$ 2,121,884	\$ 2,180,806	\$ 2,044,210	\$ 1,991,947	\$ 1,734,004	\$ 10,072,851

Source: City of Homestead Audited Financials, General Ledgers, and Vendor Invoices

After adjusting for ineligible costs, Transit expenditures totaled \$10.1 million, satisfying the *Ordinance* requirement that at least 20% of the Surtax Proceeds, or \$3.3 million, be used for Transit activities. Ineligible claimed Transit-related expenditures included:

- \$1.7 million incurred for the Multimodal Transit Center that were subsequently reimbursed upon receipt of County funds from the Transportation Infrastructure Improvement District (TIID) Trust Fund.
- \$347,892 intended as a debt service obligation reserve in FY 2018 for the *Taxable Transportation System Revenue Bonds Fund* (Table VI).
- \$5,501 in costs associated with the Homestead Station Transit Center that are not Transit-related based on the approximate number of spaces dedicated to Transit patrons (See finding *Homestead Station – Multimodal Transit Center*).

On September 20, 2019, the City was awarded a U.S. Department of Transportation Grant (FL-2019-094-00) to support the *Homestead Trolley* component of the Multimodal project and its interface with the County Busway. The Grant funds 80% of the contracted *Homestead Trolley* operations, with the remaining 20% of the cost funded with Surtax monies. Federal funds will also be used for the design and construction of 20 trolley shelters and signage and other improvements to the project. In total, the Grant will contribute federal funds of \$7.6 million for the various approved projects with an expected end date of May 28, 2025. In FY 2022, the City commenced requesting reimbursements for its trolley service. According to City Management, as of September 30, 2022, no other expenditures under the terms of the Grant were incurred.

The *Homestead Trolley* is operated and maintained by Limousines of South Florida, Inc.; however, the City owns the vehicles and provides fuel and storage. The *Homestead Trolley* runs along two fixed routes Monday through Friday from 6:00 AM to 6:00 PM, and Saturday and Sunday from 10:00 AM to 2:00 PM. The City also operates the *Homestead National Parks Trolley* providing seasonal trolley service to Everglades and Biscayne National Parks, from approximately December through April. The number of trolley riders has substantially declined since FY 2018, despite a slight increase in FY 2022 (Table III).

Table III
Homestead Trolley Ridership

Months of Service	Fiscal Year Ended September 30,				
	2018	2019	2020	2021	2022
October - December	38,093	27,573	16,984	6,448	6,400
January - March	34,570	28,415	16,084	7,674	7,473
April - June	29,461	16,978	5,927	5,383	5,931
July - September	31,086	16,513	5,676	4,730	7,238
Total Ridership	133,210	89,479	44,671	24,235	27,042
Average Monthly Ridership	11,101	7,457	3,723	2,020	2,254

Source: City of Homestead Quarterly Reports

Recommendation

- In alignment with existing debt service allocations, claimed expenditures related to the Homestead Station Transit Center should also be limited to 78% of the costs incurred, based on parking spaces reserved for Transit patrons.
- Prospectively, the City should endeavor to ensure that only eligible expenditures are paid with Surtax Proceeds.

Use of Transportation Surtax Proceeds

The City claimed \$10.2 million in Transportation-related expenditures that were primarily used to fund street lighting, citywide roadway and sidewalk maintenance and improvement projects (Table IV).

Table IV
Summary of Claimed Transportation-Related Expenditures, As Adjusted

Description	For the Fiscal Year Ended September 30,					Total
	2018	2019	2020	2021	2022	
<i>People's Transportation Plan Fund</i>						
Personnel Cost - Street Maintenance	\$ 245,749	\$ 227,265	\$ 193,292	\$ 179,940	\$ 209,143	\$ 1,055,389
Citywide Streets Resurfacing	-	563,699	-	107,000	60,993	731,692
SW 328th Street Widening Project	91,156	114,864	371,528	-	-	577,548
Sidewalks Installations and Repairs	39,200	139,449	55,117	49,998	57,498	341,262
Street Maintenance and Repairs	77,582	67,674	19,147	-	-	164,403
Administrative Costs	43,099	37,226	48,020	49,696	42,748	220,789
	<u>496,786</u>	<u>1,150,177</u>	<u>687,104</u>	<u>386,634</u>	<u>370,382</u>	<u>3,091,083</u>
<i>General Fund (Maintenance of Effort)</i>						
Street Lighting Utilities	681,902	683,884	677,786	628,528	648,281	3,320,381
Roads and Sidewalks Improvements	328,626	521,383	214,491	147,197	84,230	1,295,927
Personnel Cost - Street Maintenance	246,363	210,152	241,455	248,311	286,407	1,232,688
Vehicle Repairs and Support Services	140,500	125,712	95,909	103,995	202,217	668,333
Roads Maintenance and Repairs	86,264	85,624	34,262	16,977	24,130	247,257
Administrative Costs	34,998	27,484	31,225	33,120	39,949	166,776
Professional Services	(125)	8,475	46,522	25,035	53,229	133,136
Building Maintenance and Other Costs	12,967	4,863	11,826	12,755	17,004	59,415
	<u>1,531,495</u>	<u>1,667,577</u>	<u>1,353,476</u>	<u>1,215,918</u>	<u>1,355,447</u>	<u>7,123,913</u>
Total Claimed Transportation Expenditures (Table I)	<u>2,028,281</u>	<u>2,817,754</u>	<u>2,040,580</u>	<u>1,602,552</u>	<u>1,725,829</u>	<u>10,214,996</u>
<i>ICD Adjustments:</i>						
Cybrary Site Expense (PTP Fund)	-	-	(2,700)	-	-	(2,700)
Professional Services	-	-	(35,647)	(25,035)	(52,022)	(112,704)
Building Maintenance and Other Costs	(12,967)	(4,863)	(11,826)	(12,755)	(17,004)	(59,415)
Landscaping Costs	(175,741)	-	-	-	(5,875)	(181,616)
Purchases: Microwave, Refrigerator, Watch and Others	(250)	(594)	-	(474)	(2,700)	(4,018)
	<u>(188,958)</u>	<u>(5,457)</u>	<u>(50,173)</u>	<u>(38,264)</u>	<u>(77,601)</u>	<u>(360,453)</u>
Total Transportation Eligible Expenditures (Schedule II)	<u>\$ 1,839,323</u>	<u>\$ 2,812,297</u>	<u>\$ 1,990,407</u>	<u>\$ 1,564,288</u>	<u>\$ 1,648,228</u>	<u>\$ 9,854,543</u>

Source: City of Homestead Audited Financials, General Ledgers and Vendor Invoices

It is noteworthy that claimed expenditures in FY 2021 did not meet the MOE threshold of \$1,219,161. Further, claimed expenditures for FYs 2020 and 2022 exceeded the threshold by less than 7% after adjusting for disallowances identified partially through sample testing. Our review was limited to a select number of transactions, therefore, we may not have identified all ineligible costs claimed. The City should endeavor to segregate non-transportation-related costs to avoid inadvertently failing to meet the MOE threshold. Overall, after adjusting claimed expenditures for the MOE and ineligible expenses identified, the City had unspent Transportation funds of \$4.6 million as of September 30, 2022 which may be rolled over for up to five years (Schedule II). In accordance with *CITT Resolution No. 09-055*, the City submitted its Five-Year Transportation Plan which demonstrates how the funds will be used. The \$796,343 reported as Cash and Investments in the *PTP Fund* (Schedule I) was approximately \$3.8 million less than the unspent balance as of September 30, 2022.

Recommendation

- Prospectively, the City should endeavor to segregate costs that are non-transportation-related from claimed MOE and ensure only eligible expenditures are paid with Surtax Proceeds.
- The City must address the resulting \$3.8 million cash shortfall in the *PTP Fund*.

Homestead Station - Multimodal Transit Center

As of May 2020, the City finalized the construction of its Multimodal Transit Center (Transit Center) with the completion of a seven-story parking garage. The Transit Center provides parking for the larger Homestead Station Project, which includes 30,500 square feet of street-level retail space and a 65,000-square-foot multilevel structure that houses an entertainment center with a 10-screen movie theater, 14 bowling lanes, video arcade, food service and restrooms. The City plans to link the Transit Center to the County's South Dade TransitWay Bus Rapid Transit (BRT) station, one of the Strategic Miami Area Rapid Transit (SMART) Plan projects currently under construction, allowing Transit users easy access to the BRT service, *Homestead Trolley*, and other modes of public transit services.

The \$42.3 million Transit Center (garage) was primarily funded with proceeds from *Taxable Transportation System Revenue Bonds Series 2017*. Surtax funds were used for land acquisition and other costs directly associated with the Transit Center, including 78% of the annual debt service for the *Revenue Bonds*, based on the approximate number of dedicated spaces intended for Transit patrons. Additionally, BCC Resolution No. R-368-23, adopted April 18, 2023, approved an *Interlocal Cooperation Agreement* whereby the City received \$5.7 million in November 2023 from the TIID to be used for eligible transit components of the construction costs incurred in association with the Multimodal Transit Center project (Table V and Schedule I-A).

Table V
Homestead Station – Multimodal Transit Center Funding

Description	Funding Source			
	Surtax (PTP)	Bonds Proceeds & Interest Income	TIID	Total
Construction Cost	\$ -	\$ 27,297,618	5,700,000	\$ 32,997,618
Land Acquisitions (FY 2016-2017) ¹	3,794,045	-	-	3,794,045
NAPA/DRYER Land Acquisitions (Public Facility)	-	3,225,890	-	3,225,890
Legal Fees	-	668,801	-	668,801
Bond Issuance Costs/Bank Charges	-	546,260	-	546,260
Professional Services (FY 2015-2017) ¹	513,847	-	-	513,847
Professional Services (FY 2018-2020)	234,696	-	-	234,696
Demolition Costs (FY 2017) ¹	276,987	-	-	276,987
Demolition Costs (FY 2018)	20,889	-	-	20,889
Contingency (Surplus Funds)	-	49,045	-	49,045
	<u>\$ 4,840,464</u>	<u>\$ 31,787,614</u>	<u>\$ 5,700,000</u>	<u>\$ 42,328,078</u>

Source: City of Homestead General Ledgers and other Financial Records

¹ These expenses, totaling \$4.6 million, were disallowed in the Prior Report and amounts have been reinstated (Schedule II-A).

The City agreed to reserve 850 (74%) of its 1,153 parking spaces for Transit patrons with the provision that the spaces not needed for Transit patrons may be released for general use in accordance with the *Interlocal Cooperation Agreement*. The City also agreed to accommodate the current County technology (*EASY Card/EASY Ticket*) in allowing Transit patrons access to parking spaces within the facility and to charge Transit patrons an amount not to exceed the greater of the parking fee as per County *Implementing Order No. 4-133* or applicable fees established by the County for parking along the South Corridor BRT parking facilities if any, but not less than \$4.50 per day.

In our Prior Report, we expressed concerns that the Transit Center would primarily benefit the retail portion of the Homestead Station Project rather than Transit patrons. Transit patrons with prepaid *EASY Card* monthly subscriptions with parking add on may park at the garage at no additional cost. However, *EASY Card* usage reports as of August 2024 confirm that no monthly pass Transit patrons have used the garage. As they are ineligible to receive free parking, Transit patrons without monthly subscriptions with parking add on, as well as daily patrons, are likely to find more affordable parking options nearby, such as free Park and Rides currently located along the South Dade Corridor BRT, including the nearby Homestead Park and Ride which is one stop away from the garage, rather than pay regular parking rates of \$3 to \$4 per hour with a maximum of \$24 per day. Without signage or other identification for a Transit patron, the City does not have observable control over the 850 spaces reserved for Transit.

Based on the adoption of BCC Resolution No. R-368-23 on April 18, 2023 in which the County approved the *Interlocal Cooperation Agreement* with the City and provided \$5.7 million for eligible construction costs and debt service payments for the Homestead Multimodal Center, the disallowed expenditures from the prior review (Schedule II-A) were acknowledged. Nevertheless, as currently implemented with parking fees and general use parking spaces, we reaffirm our concerns regarding the eligibility and fulfillment of intended uses as a Surtax-funded parking facility for BRT, as well as the potential precedent that may be established for future uses of Surtax funds.

Recommendation

- Confirm long-term support of Surtax-funded project and applicability to nearby BRT Transit services planned.
- Other current Transit parking facilities, exclusive of Metrorail, offer parking at no charge. Parking fees at the Surtax-funded garage should be reevaluated to be consistent with South Dade TransitWay parking facilities.

Taxable Transportation System Revenue Bonds Series 2017

On September 24, 2017, the City issued \$31,440,000 *Taxable Transportation System Revenue Bonds Series 2017* to partially finance the cost of land acquisitions and construction for the Multimodal Transit Center. The bonds are payable annually through July 1, 2047, and are being repaid from Surtax and Non-Ad Valorem revenues. The City claimed \$7.3 million in debt service payments as use of Surtax funds. (Tables II & VI).

Annual Debt Service payments of approximately \$1.8 million were allocated, with 78% to *PTP* (\$1.4 million annually) and 22% (\$400,000) to Non-Ad Valorem revenues, as agreed by the City and OCITT. Although a definitive rationale for the 78/22 split was not provided by the City, the percentage of spaces reserved for Transit patrons in the Multimodal Transit Center garage was likely a key component. In FY 2018, \$1.75 million was transferred from the *PTP Fund* to pay the annual debt service obligation, inclusive of the allocated portion of a \$446,648 debt service reserve

to the *Taxable Transportation System Revenue Bonds Fund*. Since only actual expenditures are eligible for Surtax uses, the unallowed *PTP* portion of the debt service reserve of \$347,892 (78%) has been adjusted (Table VI). As noted in the prior finding, in its current state, although approved via Resolution as a long-term investment for Transit, the eligibility of the garage as a Surtax-funded project, including the long-term debt service payment allocation, should be reevaluated.

Table VI
Summary of Debt Service Requirements
Taxable Transportation System Revenue Bonds Series 2017

Description	Fiscal Year Ended September 30.						All Years
	2017	2018	2019	2020	2021	2022	
Outstanding Principal	\$ 31,440,000	\$ 31,440,000	\$ 30,575,000	\$ 29,930,000	\$ 29,275,000	\$ 28,605,000	
Less Principal Payment	-	865,000	645,000	655,000	670,000	685,000	
Outstanding Balance	\$ 31,440,000	\$ 30,575,000	\$ 29,930,000	\$ 29,275,000	\$ 28,605,000	\$ 27,920,000	
<i>Debt Service Requirements:</i>							
Principal	\$ -	\$ 865,000	\$ 645,000	\$ 655,000	\$ 670,000	\$ 685,000	\$ 3,520,000
Interest	-	931,807	1,154,363	1,142,566	1,128,562	1,112,984	5,470,282
	\$ -	\$ 1,796,807	\$ 1,799,363	\$ 1,797,566	\$ 1,798,562	\$ 1,797,984	\$ 8,990,282
PTP Debt Service Payment Claimed	\$ -	\$ 1,747,892	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 7,347,892
Less: PTP Actual Debt Service Payment ¹	-	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(7,000,000)
Disallowable Cost	\$ -	\$ 347,892	\$ -	\$ -	\$ -	\$ -	\$ 347,892

Source: Bond Official Statements and City of Homestead Audited Financial Records

¹The \$1.4 million annual debt service payments to be repaid from Surtax revenues were allocated based on the funded *PTP* portion of the project.

Recommendation

Prospectively, the City should ensure that only actual expenditures are claimed as uses for Surtax Proceeds.

Reporting Requirements

During the review period, certain required annual certification and other compliance reports were submitted to the OCITT after applicable due dates. The sum of the individual Quarterly Report amounts for Transportation expenditures did not agree to the year-to-date totals reported on the Q4 reports for FYs 2020 and 2022, yet no revised reports were submitted. Total amounts reported also differed with amounts claimed as Surtax-related expenditures. Data was unavailable to determine the difference for FY 2018 as the Q4 report was not provided (Table VII).

Table VII
Quarterly Reports Expenditures

Description	Year Ended September 30,				
	2018	2019	2020	2021	2022
Quarterly Reports - Transit					
Q1	\$ 580,709	\$ 483,486	\$ 533,109	\$ 259,483	\$ 402,802
Q2	620,773	465,406	546,491	386,193	398,431
Q3	616,667	505,589	330,406	449,433	400,923
Q4	-	928,251	621,135	880,842	413,884
	1,818,149	2,382,732	2,031,141	1,975,951	1,616,040
Quarterly Reports - Transportation					
Q1	140,846	113,629	690,854	58,353	-
Q2	88,171	162,928	73,796	106,051	58,302
Q3	61,137	659,951	66,317	53,146	134,987
Q4	-	125,554	48,277	166,355	178,199
	290,154	1,062,062	879,244	383,905	371,488
Total Expenditures Reported	2,108,303	3,444,794	2,910,385	2,359,856	1,987,528
Total per General Ledgers	2,966,562	3,330,983	2,731,314	2,381,963	2,106,505
Variance	Unknown	\$ (113,811)	\$ (179,071)	\$ 22,107	\$ 118,977
Percentage Variance		(3%)	(7%)	1%	6%

Source: OCITT Reports, City of Homestead General Ledgers

Recommendation

- Prospectively, the City should ensure that OCITT reporting deadlines are met.
- The City's Finance Department should review Quarterly Reports for accuracy and completeness prior to filing with OCITT and consider submitting revised reports when necessary.
- OCITT should review Quarterly Reports for accuracy.

OT:bm

Attachments

c: Geri Bonzon-Keenan, County Attorney
 Carladenise Edwards, Chief Administrative Officer
 Jimmy Morales, Chief Operations Officer
 David L. Clodfelter, Director, Office of Management and Budget
 Josiel Ferrer-Diaz, Interim Director, Department of Transportation and Public Works
 Nzeribe Ihekwa, City Manager, City of Homestead

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

Balance Sheets					
Description	As of September 30,				
	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	\$ 33,418	\$ 66,740	\$ 152,277	\$ 248,603	\$ 92,865
Investments	683,080	706,248	722,144	722,556	703,478
Interest Receivable on Investments	2,538	2,751	1,845	1,855	1,515
Accounts Receivable, Net	992,935	817,446	642,091	913,251	725,260
Due from Other Funds	800,000	-	-	-	2,500,000
Prepaid Costs	9,018	-	-	-	-
Total Assets	\$ 2,520,989	\$ 1,593,185	\$ 1,518,357	\$ 1,886,265	\$ 4,023,118
Liabilities and Fund Balance:					
Accounts Payable and Accrued Liabilities	\$ 69,104	\$ 209,688	\$ 83,422	\$ 72,207	\$ 35,206
Due to Other Funds	-	-	700,000	-	-
Unearned Revenue	488,958	297,895	288,326	386,355	438,999
Total Liabilities	558,062	507,583	1,071,748	458,562	474,205
Nonspendable Fund Balance - Prepaid Costs	9,018	-	-	-	-
Restricted Fund Balance - Transit and Transportation	1,953,909	1,085,602	446,609	1,427,703	3,548,913
Total Fund Balance	1,962,927	1,085,602	446,609	1,427,703	3,548,913
Total Liabilities and Fund Balance	\$ 2,520,989	\$ 1,593,185	\$ 1,518,357	\$ 1,886,265	\$ 4,023,118
Statements of Revenues, Expenditures, and Changes in Fund Balance					
Description	For the Fiscal Year Ended September 30,				
	2018	2019	2020	2021	2022
Revenues:					
Surtax Proceeds	\$ 2,928,991	\$ 3,343,085	\$ 2,771,584	\$ 3,362,619	\$ 4,246,513
Investment Income (Loss)	6,626	27,062	15,249	438	(19,170)
Rentals and Other Revenues	286	511	5,488	-	372
Total Revenues	2,935,903	3,370,658	2,792,321	3,363,057	4,227,715
Expenditures:					
Public Works	1,104,648	1,033,049	1,204,692	801,414	515,791
Capital Outlay	114,022	897,934	126,622	180,549	190,714
Total Expenditures	1,218,670	1,930,983	1,331,314	981,963	706,505
Excess of Revenues over Expenditures	1,717,233	1,439,675	1,461,007	2,381,094	3,521,210
Transfer In ¹	954,008	83,000	-	-	-
Transfer Out - Debt Service Fund ²	(1,747,892)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
Transfer Out - Multimodal Fund ³	-	(1,000,000)	(700,000)	-	-
	(793,884)	(2,317,000)	(2,100,000)	(1,400,000)	(1,400,000)
Net Change in Fund Balance	923,349	(877,325)	(638,993)	981,094	2,121,210
Fund Balance, Beginning	1,039,578	1,962,927	1,085,602	446,609	1,427,703
Fund Balance, Ending	\$ 1,962,927	\$ 1,085,602	\$ 446,609	\$ 1,427,703	\$ 3,548,913

Source: City of Homestead Annual Comprehensive Financial Reports and General Ledgers

¹ The City transferred this amount to cover legal fees and other expenditures paid with PTP Cash-on-Hand.

² On September 24, 2017, the City issued \$31,440,000 Taxable Transportation System Revenue Bonds Series 2017.

³ The City transferred this amount to the Multimodal Transit Center Fund. Amount was reimbursed in February 2024.

Charter County Transportation System Surtax Review - City of Homestead
Multimodal Transit Center Fund Financial Statements

Balance Sheets							
Description	As of September 30,						
	2017	2018	2019	2020	2021	2022	2023 ²
Assets:							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 329,946	\$ 175,347	\$ 128,296
Accounts Receivable, Net	-	-	-	-	-	-	5,700,000
Due from Other Funds	-	4,714,367	-	-	-	-	-
Restricted Assets:							
Cash and Cash Equivalents	972,967	313,256	2,103,044	478,165	-	-	-
Investments	30,888,570	21,173,850	1,145,519	-	-	-	-
Total Assets	\$ 31,861,537	\$ 26,201,473	\$ 3,248,563	\$ 478,165	\$ 329,946	\$ 175,347	\$ 5,828,296
Liabilities and Fund Balance:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,577,814	\$ 3,150,694	\$ 380,141	\$ 231,922	\$ 231,922	\$ -
Due to Other Funds	3,513,723	668,801	-	-	-	-	1,000,000
Total Liabilities	3,513,723	2,246,615	3,150,694	380,141	231,922	231,922	1,000,000
Restricted - Multimodal Transit Center Construction	28,347,814	23,954,858	97,869	98,024	-	-	-
Assigned - Capital Projects	-	-	-	-	98,024	(56,575)	4,828,296
Total Fund Balance	28,347,814	23,954,858	97,869	98,024	98,024	(56,575)	4,828,296
Total Liabilities and Fund Balance	\$ 31,861,537	\$ 26,201,473	\$ 3,248,563	\$ 478,165	\$ 329,946	\$ 175,347	\$ 5,828,296
Statements of Revenues, Expenditures, and Changes in Fund Balance							
Description	For the Fiscal Year Ended September 30,						
	2017	2018	2019	2020	2021	2022	2023
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,700,000
Interest Income	12,204	347,613	36,217	154	-	-	-
Total Revenues	12,204	347,613	36,217	154	-	-	5,700,000
Expenditures:							
Public Works and Services	-	669,286	109,597	-	-	-	-
Capital Outlay	3,513,723	436,401	-	-	-	-	-
Debt Service - Interest and Fiscal Charges	544,675	1,100	-	-	-	-	-
Total Expenditures	4,058,398	1,106,787	109,597	-	-	-	-
Excess(Deficiency) of Revenues over Expenditures	(4,046,194)	(759,174)	(73,380)	154	-	-	5,700,000
Other Financing Sources (Uses):							
Taxable Transportation System Revenue Bonds Issued ¹	31,440,000	-	-	-	-	-	-
Transfer In	954,008	287,834	2,567,800	2,229,738	42,735	-	-
Transfer Out	-	(3,921,616)	(26,351,409)	(2,229,737)	(42,735)	(154,599)	(815,129)
	32,394,008	(3,633,782)	(23,783,609)	1	-	(154,599)	(815,129)
Net Change in Fund Balance	28,347,814	(4,392,956)	(23,856,989)	155	-	(154,599)	4,884,871
Fund Balance, Beginning	-	28,347,814	23,954,858	97,869	98,024	98,024	(56,575)
Fund Balance, Ending	\$ 28,347,814	\$ 23,954,858	\$ 97,869	\$ 98,024	\$ 98,024	\$ (56,575)	\$ 4,828,296

Source: City of Homestead Annual Comprehensive Financial Reports and General Ledgers

¹ On September 24, 2017, the City issued \$31,440,000 Taxable Transportation System Revenue Bonds Series 2017.

² In FY 2023, the City received \$5.7 million pursuant to BCC Resolution No. R-368-23, increasing the fund balance to \$4.8 million. In FY 2024, \$1.7 million was returned to the PTP Fund, \$2.9 million was transferred to the Capital Improvement Fund to cover capital projects, and \$273,204 was transferred back to the General Fund.

**Charter County Transportation System Surtax Review - City of Homestead
Taxable Transportation System Revenue Bonds Fund Financial Statements**

Balance Sheets					
Description	As of September 30,				
	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:					
Cash and Cash Equivalents	449,841	450,478	452,912	454,350	456,366
Total Assets	\$ 449,841	\$ 450,478	\$ 452,912	\$ 454,350	\$ 456,366
Fund Balance:					
Restricted:					
Debt Service	\$ 449,841	450,478	452,912	454,350	456,366
Total Fund Balance	449,841	450,478	452,912	454,350	456,366
Total Liabilities and Fund Balance	\$ 449,841	\$ 450,478	\$ 452,912	\$ 454,350	\$ 456,366
Statements of Revenues, Expenditures, and Changes in Fund Balance					
Description	For the Fiscal Year Ended September 30,				
	2018	2019	2020	2021	2022
Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Debt Service:					
Principal	865,000	645,000	655,000	670,000	685,000
Interest and Fiscal Charges	931,807	1,154,363	1,142,566	1,128,562	1,112,984
Total Expenditures	1,796,807	1,799,363	1,797,566	1,798,562	1,797,984
(Deficiency) of Revenues over Expenditures	(1,796,807)	(1,799,363)	(1,797,566)	(1,798,562)	(1,797,984)
Other Financing Sources:					
Transfer In	2,246,648	1,800,000	1,800,000	1,800,000	1,800,000
Total Other Financing Sources	2,246,648	1,800,000	1,800,000	1,800,000	1,800,000
Change in Fund Balance	449,841	637	2,434	1,438	2,016
Fund Balance, Beginning	-	449,841	450,478	452,912	454,350
Fund Balance, Ending	\$ 449,841	\$ 450,478	\$ 452,912	\$ 454,350	\$ 456,366

Source: City of Homestead Annual Comprehensive Financial Reports

Charter County Transportation System Surtax Review - City of Homestead
Surtax Proceeds Usage Analysis

Schedule II

Description	Fiscal Year Ended September 30,					All Years
	2018	2019	2020	2021	2022	
Revenues: (Schedule I)						
Surtax Proceeds	\$ 2,928,991	\$ 3,343,085	\$ 2,771,584	\$ 3,362,619	\$ 4,246,513	\$ 16,652,792
Investment Income	6,626	27,062	15,249	438	(19,170)	30,205
Trolley Rentals	286	511	5,488	-	372	6,657
Total Revenues	\$ 2,935,903	\$ 3,370,658	\$ 2,792,321	\$ 3,363,057	\$ 4,227,715	\$ 16,689,654
Surtax Uses:						
Eligible Transit Expenditures (Table II)	\$ 2,121,884	\$ 2,180,806	\$ 2,044,210	\$ 1,991,947	\$ 1,734,004	\$ 10,072,851
Eligible Transportation Expenditures (Table IV)	\$ 1,839,323	\$ 2,812,297	\$ 1,990,407	\$ 1,564,288	\$ 1,648,228	\$ 9,854,543
Less Maintenance of Effort (Table I)	(1,219,161)	(1,219,161)	(1,219,161)	(1,219,161)	(1,219,161)	(6,095,805)
Expenditures Available for Surtax Use	\$ 620,162	\$ 1,593,136	\$ 771,246	\$ 345,127	\$ 429,067	\$ 3,758,738
ICD Analysis:						
Transit-Related Expenditures:						
Expenditures Available for Surtax Use	\$ 2,121,884	\$ 2,180,806	\$ 2,044,210	\$ 1,991,947	\$ 1,734,004	\$ 10,072,851
Less 20% Minimum Amount ¹	(585,798)	(668,617)	(554,317)	(672,524)	(849,303)	(3,330,559)
Less Trolley Rentals	(286)	(511)	(5,488)	-	(372)	(6,657)
Decrease in Unspent Amounts	\$ 1,535,800	\$ 1,511,678	\$ 1,484,405	\$ 1,319,423	\$ 884,329	\$ 6,735,635
Analysis of Unspent Rollover:						
Beginning Balance ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in Unspent Amounts	(1,535,800)	(1,511,678)	(1,484,405)	(1,319,423)	(884,329)	(6,735,635)
Excess Amount Applied to Transportation	1,535,800	1,511,678	1,484,405	1,319,423	884,329	6,735,635
Remaining Unspent Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation-Related Expenditures:						
Expenditures Available for Surtax Use	\$ 620,162	\$ 1,593,136	\$ 771,246	\$ 345,127	\$ 429,067	\$ 3,758,738
Excess Transit Expenditures Applied	1,535,800	1,511,678	1,484,405	1,319,423	884,329	6,735,635
Less Remaining 80% Amount ¹	(2,343,193)	(2,674,468)	(2,217,267)	(2,690,095)	(3,397,210)	(13,322,233)
Less Interest Income	(6,626)	(27,062)	(15,249)	(438)	19,170	(30,205)
(Increase) Decrease in Unspent Amounts	\$ (193,857)	\$ 403,284	\$ 23,135	\$ (1,025,983)	\$ (2,064,644)	\$ (2,858,065)
Analysis of Unspent Rollover:						
Beginning Balance ²	\$ 1,737,671	\$ 1,931,528	\$ 1,528,244	\$ 1,505,109	\$ 2,531,092	\$ 1,737,671
Increase (Decrease) in Unspent Amounts	193,857	(403,284)	(23,135)	1,025,983	2,064,644	2,858,065
Remaining Unspent Amount	\$ 1,931,528	\$ 1,528,244	\$ 1,505,109	\$ 2,531,092	\$ 4,595,736	\$ 4,595,736

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 Schedule II-A

Charter County Transportation System Surtax Review - City of Homestead
Surtax Proceeds Usage Analysis, Restated

Description	Fiscal Year Ended September 30,				All Years
	2014	2015	2016	2017	
Revenues:					
Surtax Proceeds ¹	\$ 2,354,015	\$ 2,519,902	\$ 2,669,792	\$ 2,340,603	\$ 9,884,312
Investment Income ¹	89,100	67,928	29,617	1,684	188,329
Trolley Rentals ¹	-	-	2,075	985	3,060
Total Revenues	<u>\$ 2,443,115</u>	<u>\$ 2,587,830</u>	<u>\$ 2,701,484</u>	<u>\$ 2,343,272</u>	<u>\$ 10,075,701</u>
Surtax Uses:					
Transit Expenditures ¹	\$ 447,554	\$ 465,345	\$ 564,935	\$ 680,454	\$ 2,158,288
Reinstated Transit Expenditures ¹	-	81,398	3,464,061	1,039,420	4,584,879
Eligible Transit Expenditures	<u>\$ 447,554</u>	<u>\$ 546,743</u>	<u>\$ 4,028,996</u>	<u>\$ 1,719,874</u>	<u>\$ 6,743,167</u>
Eligible Transportation Expenditures	\$ 2,366,952	\$ 3,384,993	\$ 2,234,622	\$ 1,947,707	\$ 9,934,274
Less Maintenance of Effort (Table I)	<u>(1,219,161)</u>	<u>(1,219,161)</u>	<u>(1,219,161)</u>	<u>(1,219,161)</u>	<u>(4,876,644)</u>
Expenditures Available For Surtax Use	<u>\$ 1,147,791</u>	<u>\$ 2,165,832</u>	<u>\$ 1,015,461</u>	<u>\$ 728,546</u>	<u>\$ 5,057,630</u>
ICD Analysis:					
Transit-Related Expenditures:					
Expenditures Available for Surtax Use	\$ 447,554	\$ 546,743	\$ 4,028,996	\$ 1,719,874	\$ 6,743,167
Less 20% Minimum Amount ²	(470,803)	(503,980)	(533,958)	(468,121)	(1,976,862)
Less Trolley Rentals	-	-	(2,075)	(985)	(3,060)
(Increase) Decrease in Rollover Amounts	<u>\$ (23,249)</u>	<u>\$ 42,763</u>	<u>\$ 3,492,963</u>	<u>\$ 1,250,768</u>	<u>\$ 4,763,245</u>
Analysis of Unspent Rollover:					
Beginning Balance ³	\$ 854,058	\$ 877,307	\$ 834,544	\$ -	\$ 854,058
Increase (Decrease) in Unspent Amounts	23,249	(42,763)	(3,492,963)	(1,250,768)	(4,763,245)
Excess Amount Applied to Transportation	-	-	2,658,419	1,250,768	3,909,187
Remaining Unspent Amount	<u>\$ 877,307</u>	<u>\$ 834,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transportation-Related Expenditures:					
Expenditures Available for Surtax Use	\$ 1,147,791	\$ 2,165,832	\$ 1,015,461	\$ 728,546	\$ 5,057,630
Excess Transit Expenditures Applied	-	-	2,658,419	1,250,768	3,909,187
Less Remaining 80% Amount ²	(1,883,212)	(2,015,922)	(2,135,834)	(1,872,482)	(7,907,450)
Less Interest Income	<u>(89,100)</u>	<u>(67,928)</u>	<u>(29,617)</u>	<u>(1,684)</u>	<u>(188,329)</u>
(Increase) Decrease in Rollover Amounts	<u>\$ (824,521)</u>	<u>\$ 81,982</u>	<u>\$ 1,508,429</u>	<u>\$ 105,148</u>	<u>\$ 871,038</u>
Analysis of Unspent Rollover:					
Beginning Balance ³	\$ 2,608,709	\$ 3,433,230	\$ 3,351,248	\$ 1,842,819	\$ 2,608,709
Increase (Decrease) in Unspent Amounts	824,521	(81,982)	(1,508,429)	(105,148)	(871,038)
Remaining Unspent Amount	<u>\$ 3,433,230</u>	<u>\$ 3,351,248</u>	<u>\$ 1,842,819</u>	<u>\$ 1,737,671</u>	<u>\$ 1,737,671</u>

¹ Per the April 30, 2019 Report.

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 September 30, 2014 Report.

**Charter County Transportation System Surtax Review – City of Homestead
Status of Prior Audit Report Findings ¹**

Finding	Recommendation	Auditee Response	Current Status
Multimodal Transit Center			
<p>Based on the November 15, 2017 Homestead Station Parking Garage – Parking Study, 850 of parking spaces will be designated for Transit patrons, however, procedures to ensure that spaces funded with Surtax Proceeds are exclusively available for Transit Patrons have not been established. Thus, use of Surtax monies for this Project should be revisited.</p> <p>On September 24, 2017, the City issued \$31.44 million Taxable Transportation System Revenue Bonds to finance the construction. Beginning in FY 2018, the City plans to use Surtax monies to fund \$1.4 million (78%) of the annual debt service totaling \$1.8 million. We are concerned that the City issued the Bonds prior to OCITT formally accepting the allocation methodology proposed for designating the Transit parking spaces.</p>	<p>Based on the foregoing, the CITT Board and the BCC should assess the merits of allocating Surtax monies to the Multimodal Center.</p>	<p><u>City Response</u></p> <p><i>The CITT Board authorized former Executive Director Scurr to determine the percentage of Development Costs that may be paid for with Surtax Funds through its adoption of the CITT Resolution. Former Executive Director Scurr and the City established the 85% Allocation Methodology, and the City has acted on the Methodology.</i></p> <p><u>OCITT's Response</u></p> <p><i>The representations made by the City in its response reflect an accurate portrayal of the agreements and commitments made by the OCITT to the City, with respect to the City's use of its municipal surtax funds for costs associated with the Homestead Multimodal Station and Parking Facility.</i></p> <p><i>Pursuant to these findings, the OCITT agrees with the City that the use of their municipal surtax funds for development of the Multimodal Station is appropriate, and not subject to withholding or recapture of said funds.</i></p> <p><u>ICD Rejoinder</u></p> <p><i>We reaffirm that the 85% Surtax allocation is excessive, and merits review by both the CITT Board and the BCC. Additionally, the OCITT Executive Director should not approve an expenditure in excess of \$30 million that obligates Surtax monies without ratification by the CITT and the BCC.</i></p>	<p><u>Partially Resolved:</u></p> <p>While the County Mayor, BCC, CITT Trust and OCITT have approved the Multimodal project, we reaffirm our concerns regarding the eligibility and fulfillment of intended uses. See pages 6-7 of the Report.</p>

¹ See Report dated April 30, 2019 for full content.

**Charter County Transportation System Surtax Review – City of Homestead
Status of Prior Audit Report Findings¹**

Finding	Recommendation	Auditee Response	Current Status
Use of Surtax Proceeds			
<p>The City recorded Surtax-related revenue of \$10.1 million, including investment income and Trolley rentals, for Surtax use, and claimed \$6.7 million and \$9.9 million in Transit and Transportation expenditures, respectively. At least 20% of the Surtax Proceeds, or \$2 million, must be used for Transit-related projects, including the operation of the City's Trolley system. The 80% Transportation funds were used primarily for Citywide street improvement, paving, and street lighting.</p> <p>Multimodal costs of \$4.6 million were disallowed, because the costs allocated for land acquisition and other related costs appear disproportionately high. After adjusting claimed expenditures for disallowed and MOE costs, the <i>PTP Fund</i> had only \$741,000 in Cash and Investments as of September 30, 2017, a shortfall of \$5.6 million.</p>	<p>The City must address the resulting \$5.6 million cash shortfall in the <i>PTP Fund</i> within 90 days.</p>	<p><u><i>City's Response</i></u></p> <p><i>The City is utilizing Surtax Funds for the payment of the Total Development Costs, in accordance with the directives of former Executive Director Scurr, and the 85% Allocation Methodology. Expenditures made in accordance with these authorizations should not be disallowed. The City has taken irreversible actions in direct reliance on the approvals and instructions of the CITT and Former Executive Director Scurr, including the issuance of bonds and execution of a contract for the construction of the Multimodal Station.</i></p> <p><u><i>ICD Rejoinder</i></u></p> <p><i>It appears that the parking structure will primarily benefit the retail portion of the Homestead Station Project rather than Transit patrons. Therefore, absent of the ratification of the OCITT Executive Director's decisions by the CITT Board and the BCC, we cannot permit use of Surtax monies for the Multimodal Center.</i></p>	<p><u>Unresolved:</u></p> <p>After adjusting claimed expenditures for the MOE and ineligible expenses, the City had unspent Transportation funds of \$4.6 million as of September 30, 2022 but reported only \$796,343 in Cash and Investments, a shortfall of \$3.8 million. See pages 3-5 of the Report.</p>
Reporting Requirements			
<p>The City submitted required compliance reports, but expenditures presented in Quarterly Reports did not always agree with the General Ledger.</p>	<p>The City should endeavor to submit accurate reports.</p>	<p><u><i>City's Response</i></u></p> <p><i>The City endeavors to provide timely and accurate reports and has addressed those issues.</i></p> <p><u><i>ICD Rejoinder</i></u></p> <p><i>The City did address the timeliness of report submission, and that portion of the finding was removed. However, the City's Quarterly Reports differed significantly from its General Ledgers, and we reaffirm that finding.</i></p>	<p><u>Unresolved:</u></p> <p>Certain required annual certification and other compliance reports were submitted to the OCITT after applicable due dates and expenditures per the Quarterly Reports differed from reported amounts per the General Ledger. See pages 8-9 of the Report.</p>

¹ See Report dated April 30, 2019 for full content.

EXHIBIT B**City of Homestead, Florida****Reconciliation of \$3.8M reported shortfall at 09/30/22 per 2-7-25 ICD Report**

prepared by Carlos M. Perez, CPA, CGFO, CPPT, Finance & Budget Director

Reconciliation Version 1		
Description	Amount	Source/Support
Unspent Surtax Proceeds at 09/30/22 per the ICD Report	\$ 4,595,736.00	Table 1 and Schedule II per the Report
Cash & Investments ¹	\$ 796,343.00	Table 1 and Schedule I per the Report; 09/30/22 City ACFR
ICD reported shortfall	\$ 3,799,393.00	Finding 1 per page 2 of the Report
ICD reported shortfall	\$ 3,799,393.00	Finding 1 per page 2 of the Report
Less ineligible PTP expenses per report:		
PTP-funded Debt Service Reserve ²	\$ (347,892.00)	Table II per the Report; 09/30/22 City ACFR Exhibit E
MTC non-transit related expenses ³	\$ (5,501.00)	Table II per the Report
PTP-funded MTC construction costs (temp funding) ⁴	\$ (1,700,000.00)	Table II per the Report; Exhibit D
Remaining shortfall requiring explanation	\$ 1,746,000.00	
PTP Fund assets available but not included in the Report:		09/30/22 City's ACFR: Note 7 Interfund Transactions (p 64), and PTP Fund Balance
Due from Other Funds ⁵	\$ (2,500,000.00)	sheet (p 153); Exhibit C
Accounts Receivable ⁶	\$ (286,261.00)	09/30/22 City's ACFR: PTP Fund Balance sheet (p 153); Exhibit C
Resulting (surplus)	\$ (1,040,261.00)	

Reconciliation Version 2		
Description	Amount	Source/Support/Comments
PTP Funds available at 09/30/22:		
Cash & Investments ¹	\$ 796,343.00	09/30/22 City's ACFR
Due from Other Funds ⁵	\$ 2,500,000.00	09/30/22 City's ACFR and Exhibit C
Accounts Receivable ⁶	\$ 286,261.00	09/30/22 City's ACFR and Exhibit C
Available PTP Funds at 09/30/22 ⁷	\$ 3,582,604.00	compared to reported fund balance on 09/30/22 City's ACFR of \$3,548,913
Unspent Surtax Proceeds at 09/30/22 per the ICD Report	\$ 4,595,736.00	Table 1 and Schedule II per the Report
"Revised" Shortfall per ICD Report to be accounted for	\$ (1,013,132.00)	
Shortfall Elements:		
PTP-funded MTC construction costs (temp funding) ⁴	\$ 1,700,000.00	Returned to PTP fund in FY2024 after receipt of \$5.7M County TIID funds
PTP-funded Debt Service Reserve ²	\$ 347,892.00	City would need to have General Fund reimburse this to PTP before next review
MTC non-transit related expenses ³	\$ 5,501.00	City would need to have General Fund reimburse this to PTP before next review
Total of elements to be revised far exceed the revised shortfall	\$ 2,053,393.00	
Resulting surplus after addressing shortfall elements	\$ 1,040,261.00	

EXHIBIT B

Notes:

¹For consistency with prior years' report presentations, ICD picked up Cash & Investments per the City's ACFR, but unfortunately these are not the only assets available in the PTP Fund

²After issuance of the "PTP Bonds", the PTP Fund transferred monies to the "PTP Debt Service Fund" that represented needed funds for the first annual debt service payment, as well as \$347,892 representing a debt service reserve obligation. ICD is stating that this is not an eligible expenditure since the funds are sitting in the PTP Debt Service Fund as a reserve for debt service, and therefore not available to be currently "expended". While the City agrees that these funds have not been "expended", one could argue that the funds should be deemed a reconciling item, and that while not reported in the PTP fund, they are available for a future eligible expenditure (the annual debt service payment). However, we will respect the ICD's and OCITT's recommendation on this matter, and if needed the General Fund will make the PTP fund whole for the \$347,892.

³The ICD identified \$5,501 in costs associated with MTC that are being deemed ineligible as non-transit-related based on the number of spaces dedicated to Transit Patrons. Due to the immaterial amount of the costs in question, the City will not contest these, and we will have the General Fund reimburse the PTP fund at a later date for these costs.

⁴The City had approved the construction of the MTC, with funding from PTP funds on hand, proceeds from a PTP bond, and \$5.7 million in repurposed County PTP funds. The \$5.7 million became a point of contention between the County and the City, and when the construction project reached the point where the \$5.7 million was needed, the City had no choice but to temporarily fund the \$5.7 million gap with other sources of funding. Among these was \$1.7 million in PTP funds. The City had every intent to repay the PTP fund upon the receipt of the \$5.7 million. Eventually the City and the County reached an agreement whereby \$5.7 million became available for the project through TILD funds. However, these funds were not received until October 11, 2023. Shortly afterwards the \$1.7 million was reimbursed to the PTP Fund. Since this happened after 09/30/22, the City recognizes why the ICD has deemed \$1.7 million in temporary gap funding by the PTP Fund as an ineligible expenses, and a contributing factor to the reported shortfall at 09/30/22.

⁵On the City's ACFR FYE 09/30/22, the City reported \$2,500,000 in the PTP Fund as Due from Other Funds. This is further documented in Note 7 of the ACFR as Interfund Transactions which are used exclusively to eliminate negative pooled cash balances of individual funds for purposes of financial reporting. This is an asset of the PTP fund and the funds are readily available for use. However, it appears that the ICD has followed a presentation format that is only recognizing Cash & Investments and no other assets, and as such this is a contributing factor to the reported shortfall. These funds were available for spending in the PTP at 09/30/22.

⁶On 11/8/22, The City received \$286,261 representing the surtax proceeds allocation for August 2022. Because these were received within 60 days of the fiscal year end, accounting rules allows the City to accrue these as a revenue (reported as surtax proceeds in our ACFR and in the Report) and a receivable. The City strongly believes the ICD should consider this as available funds at 09/30/22, since the Report includes it as a revenue, and these are deemed available unspent proceeds. The balance of the accounts receivable (\$438,999) should not be considered, because this represents the September 2022 surtax proceeds that were not received until December. These were recoded as a receivable and a deferred revenue. Therefore, unlike the \$286,251, these were not included in surtax proceeds and therefore are not available at 09/30/22.

⁷The available balance in the PTP fund at 09/30/22 should be reported as \$3,582,604, not \$796,343, since assets other than cash and investments available for spending were not considered. Further evidence of this is the fund balance of the PTP Fund at 09/30/22 per the City's ACFR of \$3,548,913. The small difference of \$33,691 represents the net difference of two other balance sheet items: an accounts payable liability of \$35,206 and interest receivable asset of \$1,515.

EXHIBIT C

CITY OF HOMESTEAD, FLORIDA COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS (Continued)

SEPTEMBER 30, 2022

Includes \$286,261
for August Surtax Revenues
not received until November
but accrued as revenue

	Capital Projects Funds					Total Other Governmental Funds
	People's Transportation Plan	Multimodal Transit Center Fund	Capital Improvement	Cybrarium	Total	
ASSETS						
Cash and cash equivalents	\$ 92,865	\$ 175,347	\$ 77,839	\$ 790,249	\$ 1,136,300	\$ 2,199,367
Investments	703,478	-	-	68,187	771,665	4,782,086
Interest receivable on investments	1,515	-	-	163	1,678	17,311
Account receivables, net	725,260	-	-	-	725,260	5,000,604
Due from other funds	2,500,000	-	450,000	-	2,950,000	3,500,000
Prepaid costs	-	-	-	-	-	16,250
Restricted assets:						
Cash and cash equivalents	-	-	65,026	-	65,026	1,942,578
Investments	-	-	-	7,266	7,266	255,198
Asset available for sale	-	-	-	-	-	807,346
Total Assets	\$ 4,023,118	\$ 175,347	\$ 592,865	\$ 865,865	\$ 5,657,195	\$ 18,520,740
LIABILITIES						
Accounts payable and accrued liabilities	35,206	231,922	29,048	492	296,668	1,283,459
Due to other funds	-	-	-	-	-	1,500,000
Unearned revenue	438,999	-	-	-	438,999	2,649,545
Total Liabilities	474,205	231,922	29,048	492	735,667	5,433,004

NOTE 7. INTERFUND TRANSACTIONS (Continued)

Interfund Payables and Receivables

Interfund payables and receivables are used exclusively to eliminate negative pooled cash balances of individual funds for purposes of financial statement reporting. For government-wide financial statement presentation, the interfund payables and receivables are eliminated as part of interfund activity.

Individual interfund receivable and payable balances at September 30, 2022 are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 650,000	\$ -
Other Governmental Funds:		
Impact fees	550,000	-
Sundries Grant	-	1,500,000
Peoples' Transportation Plan	2,500,000	-
Capital Improvement	450,000	-
Total Other Governmental Funds	3,500,000	1,500,000
Total Governmental Funds	4,150,000	1,500,000

EXHIBIT C

Copy Paste Printer Output Display... Color Remap Record macro... Group macro... Play macro... Pause macro Scratch Pad Information Center Print

GM201I01 CITY OF HOMESTEAD 3/08/25
Adjusting Journal Transaction 11:30:05

Group number : 5884 RECLASS NEGATIVE CASH
Accounting period : 13/2022 mm/yyyy
Posting date : 12/15/2022 mm/dd/yyyy

Transaction information:
Transaction date : 12/02/2022 mm/dd/yyyy
Document number : 5884
Account number : 345-0000-131.40-10 ELECTRIC OPERATING
Project number :
Debit amount : 2,500,000.00
Credit amount : .00
Description 1 : RECLASS NEGATIVE CASH
Description 2 : USING DUE TO-DUE FROM
Transaction type code . . :
Bank code : 0

EXHIBIT D

General Ledger support for the \$1,700,00 returned to PTP Fund after the City received the \$5.7M in TIID funds from the County. This will be reported in the City's ACFR FYE 09/30/24

```
GM200I04                                CITY OF HOMESTEAD                3/08/25
Fiscal Year 2024                        Account Balance Inquiry          12:35:24

Account number . . . : 345-0000-382.35-00

Fund . . . . . : 345  PEOPLES TRANSPORTATION PL
Department . . . : 00
Division . . . . : 00
Activity basic . . : 38  OPERATING TRANSFERS
Sub activity . . . : 2   TRANSFER IN
Element . . . . . : 35  TRANSFER IN FRM MULTIMODL
Object . . . . . : 00

Estimated revenue . . . . . : 1,700,000

Actual receipts - current . . . : .00
Actual receipts - ytd . . . . : 1,700,000.00
Unposted receipts . . . . . : .00
Total receipts . . . . . : 1,700,000.00  100.0 %
Unrealized revenue . . . . . : .00      0.0 %

F7=Project data      F8=Misc inquiry    F9=Misc update      F10=Detail trans
F11=Acct activity list  F12=Cancel      F13=Misc Budget     F24=More keys
```

```
GM201I01                                CITY OF HOMESTEAD                3/08/25
Adjusting Journal Transaction          12:36:00

Group number . . . . . : 1881  MULTIMODAL TRANSFER FEES
Accounting period . . . : 04/2024      mm/yyyy
Posting date . . . . . : 02/20/2024    mm/dd/yyyy

Transaction information:
Transaction date . . . . : 02/20/2024      mm/dd/yyyy
Document number . . . . : 1881
Account number . . . . . : 345-0000-382.35-00  TRANSFER IN FRM MULTIMODL
Project number . . . . . :
Debit amount . . . . . : .00
Credit amount . . . . . : 1,700,000.00
Description 1 . . . . . : MULTIMODAL TRANSFER FEES
Description 2 . . . . . : TO PTP
Transaction type code . . :
Bank code . . . . . : 0
```

EXHIBIT E

CITY OF HOMESTEAD, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SEPTEMBER 30, 2022

	Debt Service Funds			<u>Total</u>
	<u>Taxable Transportation System Revenue Bonds</u>	<u>HERO/Tax Increment Financing</u>	<u>General Obligation Bonds</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ 134,941	\$ -	\$ 134,941
Account receivables, net	-	-	3,401	3,401
Restricted assets:				
Cash and cash equivalents	456,366	-	91,094	547,460
Total Assets	<u>\$ 456,366</u>	<u>\$ 134,941</u>	<u>\$ 94,495</u>	<u>\$ 685,802</u>
FUND BALANCES				
<u>Restricted:</u>				
Debt service	456,366	134,941	94,495	685,802
Total fund balances	<u>456,366</u>	<u>134,941</u>	<u>94,495</u>	<u>685,802</u>
Total liabilities and fund balances	<u>\$ 456,366</u>	<u>\$ 134,941</u>	<u>\$ 94,495</u>	<u>\$ 685,802</u>

(Continued)