



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

February 7, 2023

Mr. Steven C. Williamson  
Village Manager  
Village of Key Biscayne  
88 West McIntyre Street  
Key Biscayne, FL 33149

**Re: Final Audit Report – Charter County Transportation System Surtax Review –  
Village of Key Biscayne**

Dear Mr. Williamson:

Enclosed is the above-captioned Audit Report that was previously reviewed with your staff. The Office of the Citizens' Independent Transportation Trust (OCITT) may be contacting you to resolve the audit findings.

We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact Gerardo (Jerry) Suarez, Audit Manager, at (786) 469-5900, should you have any questions.

Sincerely,

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

Cathy Jackson  
Director

CJ:bm

Attachment

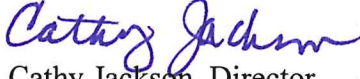
c: Javier A. Betancourt, Executive Director, OCITT

# Memorandum



**Date:** January 11, 2023

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

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

**Subject:** Final Audit Report – Charter County Transportation System Surtax Review –  
Village of Key Biscayne

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## PURPOSE AND SCOPE

We performed a review of the Village of Key Biscayne's (Village) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2021. The primary objective was to ensure Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County (Interlocal Agreement)* executed on July 10, 2007. Additionally, we assessed the resolution of prior audit findings referenced in our Report dated October 30, 2019 (Exhibit I).

## BACKGROUND

*County Ordinance No. 02-116*, enacted on July 9, 2002, imposed a one-half of one percent Surtax on eligible sales transactions for Transportation-related projects. However, at least 20% of the Surtax Proceeds received by the County must be distributed to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics (Schedule IV). The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of 15 members appointed by the Board of County Commissioners, County Mayor, and Miami-Dade League of Cities.

Pursuant to the *Interlocal Agreement*, the Village must annually continue the same level of General Fund support for Transportation projects appropriated in its Fiscal Year (FY) 2002 Budget (Maintenance of Effort), which totaled \$85,725 (Table I). Surtax monies may be used to develop, construct, equip, maintain, operate, or expand County-wide bus systems, fixed guideway rapid transit systems, roads, and bridges, as well as secure such bonds or pay debt service. Further, the Village must apply at least 20% of the Surtax Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure. *CITT Resolution No. 09-055*, adopted July 30, 2009, allows for the rollover of unspent Surtax funds for up to five years, provided the Village's Five-Year Transportation Plan demonstrates how the funds will be used. Additionally, *CITT Resolution No. 15-027*, adopted May 20, 2015, allows for carryover credits in the event amounts expended are in excess of annual Surtax allocations.

**SUMMARY RESULTS**

For the three years ended September 30, 2021, the Village received \$1.6 million in Surtax Proceeds and claimed Transit and Transportation-related expenditures of \$1.1 million and \$2.4 million, respectively (Table I). Approximately \$922,000 of Transportation expenditures were disallowed, as they were mostly associated with projects funded by State Grants. (Table IV). After adjusting claimed expenditures for the Maintenance of Effort (MOE) and ineligible amounts, the Village had carryforward credits totaling \$3.3 million to offset future Surtax Proceeds earmarked for Transportation activities.

**Table I  
 Surtax Statistics**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
Maintenance of Effort	\$ 85,725	\$ 85,725	\$ 85,725	\$ 257,175
Surtax Proceeds (Schedule I)	\$ 550,288	\$ 481,895	\$ 586,580	\$ 1,618,763
<b>Claimed Expenditures:</b>				
Transit (Table II)	\$ 303,701	\$ 358,285	\$ 423,332	\$ 1,085,318
Transportation (Table IV)	828,640	324,091	1,231,966	2,384,697
	\$ 1,132,341	\$ 682,376	\$ 1,655,298	\$ 3,470,015
<b>Unspent Surtax Proceeds (Credit Carryforward) (Schedule III):</b>				
Transit	\$ 566,945	\$ 305,039	\$ (977)	
Transportation	\$ (3,554,832)	\$ (3,223,290)	\$ (3,309,940)	
<b>Key Account Balances as of September 30th (Schedule I)</b>				
<i>Transportation Special Revenue Fund:</i>				
Restricted Cash and Cash Equivalents	\$ 972,332	\$ 1,633,056	\$ 1,550,411	
Fund Balance	\$ 2,036,456	\$ 1,695,812	\$ 1,759,093	

The Village agreed with all of our findings and recommendations, and thus, the audit has been closed. We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact Gerardo (Jerry) Suarez, Audit Manager, at (786) 469-5900, if you have any questions.

**FINDINGS AND RECOMMENDATIONS**

**Use of Transit Proceeds**

At least 20% of Surtax Proceeds (\$323,753) must be used for Transit-related projects, for which the Village claimed \$1.1 million (Table II). On February 1, 2018, the Village launched its *Key Biscayne Loop (KB Loop)* and On-Demand services (*FreeBee*), pursuant to a contract between the vendor (BEEFREE, LLC) and the Key Biscayne Community Foundation, Inc. (Foundation).

Although the Village contracted directly with BEEFREE effective March 9, 2020, the vendor continued billing through the Foundation until July 2020. BEEFREE would operate one electric

vehicle on a fixed loop and four electric vehicles for on-demand service. In August 2021, the Village terminated the *KB Loop* service and increased the number of vehicles dedicated for on-demand service from four to five, pursuant to *Section 29-124 of the Code of Miami-Dade County, Florida (Code)*.

*Ordinance No. 18-46* amended the *Code* limiting such services to five miles within city boundaries and, when the trip origination or destination is the nearest Metrorail Station, South Dade Transitway bus shelter or a public transit park-and-ride facility. Effective July 2019, the *Code* was again amended, requiring an *Interlocal Agreement*, prior to the use of Surtax Proceeds for on-demand services. On March 12, 2021, the *Code* was further modified, allowing cities to expand travel boundaries from any destination point when the trip is no more than five miles. The Village has been working with the Miami-Dade County Department of Transportation and Public Works (DTPW) for more than two years to finalize the required *Interlocal Agreement*, which is pending additional information from the Village as of the date of this Report.

**Table II**  
**Claimed Transit Expenditures**

Description	Fiscal Year Ended September 30,			
	2019	2020	2021	All Years
On-Demand Service	\$122,375	\$211,832	\$321,136	\$ 655,343
Circulator Operations ( <i>KB Loop</i> )	177,136	141,634	98,490	417,260
Administrative 5% Allocation	4,190	4,819	3,706	12,715
<b>Total (Schedule I)</b>	<b>\$303,701</b>	<b>\$358,285</b>	<b>\$423,332</b>	<b>\$1,085,318</b>

Source: Village of Key Biscayne General Ledgers and Invoices

After applying eligible Transit expenditures to Transit Proceeds a \$977 carryforward credit resulted as of September 30, 2021 (Table I and Schedule III). Ridership improved significantly in FY 2021, after declining in FY 2020 due to the *Coronavirus Disease 2019 (COVID 19)* pandemic (Table III).

**Table III**  
**Summary of *KB Loop* and *FreeBee* Ridership**

Description	Fiscal Year Ended September 30,					
	2019		2020		2021	
	<i>KB Loop</i>	<i>FreeBee</i> On-Demand	<i>KB Loop</i>	<i>FreeBee</i> On-Demand	<i>KB Loop</i>	<i>FreeBee</i> On-Demand
Oct-Dec	6,976	16,433	9,744	17,876	3,037	13,420
Jan-Mar	10,418	23,543	8,656	20,614	2,511	17,284
Apr-June	11,107	17,715	3,665	5,000	2,037	21,099
July-Sept	9,193	18,024	5,166	10,334	1,081	21,524
<b>Total Ridership</b>	<b>37,694</b>	<b>75,715</b>	<b>27,231</b>	<b>53,824</b>	<b>8,666</b>	<b>73,327</b>

Source: FreeBee Reports

**Recommendation**

OCITT should work with the Village and DTPW to assure timely execution of the *Interlocal Agreement*.

**Village’s Response**

*We concur.*

**Use of Transportation Proceeds**

The Village claimed \$2.4 million in transportation-related costs to satisfy usage of the remaining \$1.3 million in Surtax Proceeds. AMS disallowed expenditures totaling \$922,017 that were funded by State Grants received for Safe Routes to School and Traffic Calming projects, as well as ineligible utility and maintenance charges (Table IV and Schedule II). After adjusting claimed expenditures for the MOE and disallowed costs, the Village had carryover credits of \$3.3 million as of September 30, 2021, that may be used to offset future Surtax revenues designated for Transportation activities (Schedule III).

**Table IV  
 Claimed Transportation Expenditures, as Adjusted**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<b>Claimed Costs (Schedule II)</b>	\$ 828,640	\$ 324,091	\$ 1,231,966	\$ 2,384,697
<b>Disallowed Costs:</b>				
Capital Improvement Fund - Safe Routes to School Grant <sup>1</sup>	(78,185)	-	(530,465)	(608,650)
Capital Improvement Fund- Traffic Calming Project Grant <sup>2</sup>	-	(126,889)	-	(126,889)
General Fund Expenditures <sup>3</sup>	(69,113)	(57,503)	(59,862)	(186,478)
<b>Total Disallowed Costs</b>	<b>(147,298)</b>	<b>(184,392)</b>	<b>(590,327)</b>	<b>(922,017)</b>
<b>Total Eligible Expenditures, as Adjusted (Schedule II &amp; III)</b>	<b>\$ 681,342</b>	<b>\$ 139,699</b>	<b>\$ 641,639</b>	<b>\$ 1,462,680</b>

Source: Village of Key Biscayne General Ledgers and Invoices

<sup>1</sup> Claimed expenditures of \$1.03 million were partially funded by State Grants received totaling \$608,650. Of the \$608,650, \$349,516 was received in FY 2022.

<sup>2</sup> Traffic Calming expenditures of \$126,889 in FY 2018 were paid by State Grant monies received in FY 2020.

<sup>3</sup> Comprised of non-Streetlighting Utilities \$139,618, non-Surtax related repairs & maintenance \$42,296, signs \$3,114, and pavers \$1,450.

**Recommendation**

Prospectively, the Village should endeavor to ensure that all claimed Surtax costs are allowable.

**Village’s Response**

*We concur.*

### **Accounting for Surtax Funds**

The Village does not record its Surtax Proceeds or related expenditures in a discrete sub-fund or fund. The *Interlocal Agreement* with OCITT requires that the Village maintain separate accounts for Surtax-related revenues and expenditures, as well as any unspent cash balances.

#### **Recommendation**

The Village should account for all Surtax-related revenues and expenditures in a sub-fund within its *Transportation Special Revenue Fund* as required by the *Interlocal Agreement*.

#### **Village's Response**

*We concur.*

### **Reporting Requirements**

The Village did not submit Quarterly Reports for the first, second, and third quarters of FY 2019 and other required reports were submitted after the due dates. Moreover, use of Surtax Proceeds reported to OCITT varied significantly from expenditures claimed during the audit period.

#### **Recommendation**

Prospectively, the Village should submit accurate and timely reports to OCITT.

#### **Village's Response**

*We concur.*

CJ:bm

Attachments

c: Luis G. Montaldo, Clerk Ad Interim  
Geri Bonzon-Keenan, County Attorney  
Edward Marquez, Chief Financial Officer  
Jimmy Morales, Chief Operations Officer  
Eulois Cleckley, Director, Transportation and Public Works Department  
David L. Clodfelter, Director, Office of Management and Budget  
Steven C. Williamson, Manager, Village of Key Biscayne

**Charter County Transportation System Surtax Review - Village of Key Biscayne  
Transportation Special Revenue Fund Financial Statements**

<b>Balance Sheets</b>			
<b>Description</b>	<b>As of September 30,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Assets:</b>			
Restricted Cash and Cash Equivalents	\$ 972,332	\$ 1,633,056	\$ 1,550,411
Due from Other Governments:			
Miami-Dade County	-	111,897	154,796
State of Florida	-	29,845	33,908
	-	141,742	188,704
Due from Other Funds	1,101,985	62,252	-
Prepaid	52,083	53,355	54,658
Total Assets	<u>\$ 2,126,400</u>	<u>\$ 1,890,405</u>	<u>\$ 1,793,773</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 87,344	\$ 34,680	\$ 34,680
Due to Other Funds	2,600	159,913	-
Total Liabilities	<u>89,944</u>	<u>194,593</u>	<u>34,680</u>
<b>Fund Balance:</b>			
Restricted	1,053,098	764,463	1,704,435
Non-spendable	-	53,355	54,658
Assigned	983,358	877,994	-
Total Fund Balance	<u>2,036,456</u>	<u>1,695,812</u>	<u>1,759,093</u>
Total Liabilities and Fund Balance	<u>\$ 2,126,400</u>	<u>\$ 1,890,405</u>	<u>\$ 1,793,773</u>
<b>Statements of Revenues, Expenditures and Changes in Fund Balance</b>			
<b>Description</b>	<b>Fiscal Year Ended September 30,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues:</b>			
Miami-Dade County Surtax (Table I)	\$ 550,288	\$ 481,895	\$ 586,580
County Toll Bridge Revenue	365,000	365,000	365,000
Local Option Gas Tax	215,981	186,644	193,896
Interest Income	230	17	-
Total Revenues	<u>1,131,499</u>	<u>1,033,556</u>	<u>1,145,476</u>
<b>Expenditures:</b>			
General Government:			
Transit Surtax-Related (Table I)	303,701	358,285	423,332
Transportation Surtax-Related (Schedule II)	16,760	19,276	62,256
	<u>320,461</u>	<u>377,561</u>	<u>485,588</u>
Debt Service:			
Principal	517,134	535,343	556,777
Interest and Fiscal Charges	88,889	61,296	39,830
	<u>606,023</u>	<u>596,639</u>	<u>596,607</u>
Total Expenditures	<u>926,484</u>	<u>974,200</u>	<u>1,082,195</u>
Excess of Revenues over Expenditures	205,015	59,356	63,281
<b>Other Financing Sources (Uses):</b>			
Transfers Out (Schedule I-A)	-	(400,000)	-
Net Change in Fund Balance	205,015	(340,644)	63,281
<b>Fund Balance, Beginning of Year</b>	<u>1,831,441</u>	<u>2,036,456</u>	<u>1,695,812</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,036,456</u>	<u>\$ 1,695,812</u>	<u>\$ 1,759,093</u>

Source: Village of Key Biscayne Audited Financial Statements and General Ledgers

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

**Charter County Transportation System Surtax Review - Village of Key Biscayne  
Capital Improvement Fund Financial Statements**

<b>Balance Sheets</b>			
<b>Description</b>	<b>As of September 30,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,890,961	\$ 2,423,579	\$ 2,424,228
Restricted Cash and Cash Equivalents	987	987	987
Due from State of Florida Grant	-	830,985	-
Due from Other Funds	-	38,893	-
Prepaid	-	-	85,000
<b>Total Assets</b>	<b>\$ 2,891,948</b>	<b>\$ 3,294,444</b>	<b>\$ 2,510,215</b>
<b>Liabilities:</b>			
Accounts Payable and Accrued Liabilities	372,200	77,859	512,585
Due to Other Funds	228,307	32,718	-
<b>Total Liabilities</b>	<b>600,507</b>	<b>110,577</b>	<b>512,585</b>
<b>Fund Balance</b>	<b>2,291,441</b>	<b>3,183,867</b>	<b>1,997,630</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,891,948</b>	<b>\$ 3,294,444</b>	<b>\$ 2,510,215</b>
<b>Statements of Revenues, Expenditures and Changes in Fund Balance</b>			
<b>Description</b>	<b>Fiscal Year Ended September 30,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues:</b>			
FEMA - Hurricane Irma	\$ -	\$ -	\$ 1,300,752
State of Florida Grant - Beach Nourishment	-	849,877	8,801
State of Florida Grant - Adaptive Signalization	-	126,889	-
State of Florida Grant - Safe Routes to School	-	78,069	180,949
Other	-	23,034	-
	-	1,077,869	1,490,502
<b>Expenditures:</b>			
Capital Outlay - Transportation (Schedule II)	603,887	81,876	965,728
Capital Outlay - Other	1,397,053	712,538	3,880,829
Debt Service Interest and Fiscal Charges	-	-	5,182
	<b>2,000,940</b>	<b>794,414</b>	<b>4,851,739</b>
Excess (Deficiency) of Revenues over Expenditures	(2,000,940)	283,455	(3,361,237)
<b>Other Financing Sources:</b>			
Issuance of Refunding Bond	-	-	750,000
Transfers In:			
General Fund	4,292,381	208,971	1,125,000
Transportation Fund (Schedule I)	-	400,000	-
Stormwater Fund	-	-	300,000
	<b>4,292,381</b>	<b>608,971</b>	<b>2,175,000</b>
Net Change in Fund Balance	2,291,441	892,426	(1,186,237)
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>2,291,441</b>	<b>3,183,867</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,291,441</b>	<b>\$ 3,183,867</b>	<b>\$ 1,997,630</b>

Source: Village of Key Biscayne Audited Financial Statements and General Ledgers

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



**Charter County Transportation System Surtax Review - Village of Key Biscayne  
Claimed Transportation-Related Expenditures, As Adjusted**

Description	Fiscal Year (FY) Ended September 30,			
	2019	2020	2021	Total
<b>Transportation Special Revenue Fund:</b>				
5% Administrative Allocation	\$ 16,760	\$ 19,276	\$ 14,823	\$ 50,859
Personnel Costs	-	-	47,433	47,433
Total <i>Transportation Special Revenue Fund</i> (Schedule I)	16,760	19,276	62,256	98,292
<b>Capital Improvement Fund:</b>				
Safe Routes to School Design - Design & Construction	147,744	58,842	821,347	1,027,933
Street Lighting- Phase 5 Fernwood Road	329,725	-	-	329,725
<i>Crandon Boulevard</i> - Power Receptacles	-	-	101,207	101,207
<i>Mashta Bridge</i> - Maintenance	27,104	-	43,174	70,278
Traffic Calming Project	33,819	23,034	-	56,853
Master Plan Initiatives	34,913	-	-	34,913
Street Signs	30,582	-	-	30,582
Total <i>Capital Improvement Fund</i> (Schedule I-A)	603,887	81,876	965,728	1,651,491
<b>General Fund:</b>				
Street Lighting Utilities	64,391	61,202	57,245	182,838
General Repairs and Maintenance	17,899	22,165	53,194	93,258
Personnel Costs - 35% of Public Works Employee	35,407	38,022	-	73,429
Sidewalk and Paver Repairs	14,090	18,820	36,445	69,355
ADA Improvements Sidewalks	-	54,717	992	55,709
Roadway Improvements	27,049	-	10,582	37,631
Traffic Calming - Speed Bumps and Traffic Circles	18,278	-	11,725	30,003
Outfall Harbor Point - Street Drain	3,326	13,804	10,802	27,932
Street Signs	7,025	6,914	10,821	24,760
Traffic Study	18,164	-	-	18,164
Street Light Poles	-	4,998	8,836	13,834
Parking Curbs Repairs	2,364	-	3,340	5,704
Equipment	-	2,297	-	2,297
Total <i>General Fund</i>	207,993	222,939	203,982	634,914
Total Transportation Expenditures, as Claimed (Table I and Table IV)	828,640	324,091	1,231,966	2,384,697
<b>AMS Adjustments:</b>				
Capital Improvement Fund - Safe Routes to School paid by Grant	(78,185)	-	(530,465)	(608,650)
Capital Improvement Fund - Traffic Calming paid by Grant <sup>1</sup>	-	(126,889)	-	(126,889)
General Fund Expenditures:				
Streetlighting Utilities - non-street related	(50,799)	(46,343)	(42,476)	(139,618)
Repairs and Maintenance for Council Chambers, Lift & Pump Stations	(17,899)	(9,710)	(14,687)	(42,296)
Street Signs - Beach access and park	(415)	-	(2,699)	(3,114)
Sidewalk and Paver Repairs - Pavers for Beach Access	-	(1,450)	-	(1,450)
Total Adjustments (Table IV)	(147,298)	(184,392)	(590,327)	(922,017)
Total Eligible Transportation Expenditures, As Adjusted (Schedule III)	\$ 681,342	\$ 139,699	\$ 641,639	\$ 1,462,680

Source: Village of Key Biscayne General Ledgers, Vendor Invoices, and other supporting documentation

<sup>1</sup> Traffic Calming Expenditures of \$126,889 from FY 2018 paid by Grant in FY 2020.

**Charter County Transportation System Surtax Review - Village of Key Biscayne  
Surtax Proceeds Usage Analysis**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<b>Surtax Proceeds (Schedule I)</b>	\$ 550,288	\$ 481,895	\$ 586,580	\$ 1,618,763
<b>Surtax Uses:</b>				
<b>Eligible Transit Expenditures (Table II)</b>	\$ 303,701	\$ 358,285	\$ 423,332	\$ 1,085,318
<b>Eligible Transportation Expenditures (Table IV)</b>	\$ 681,342	\$ 139,699	\$ 641,639	\$ 1,462,680
Less Maintenance of Effort (MOE)	(85,725)	(85,725)	(85,725)	(257,175)
<b>Expenditures Available for Surtax Use</b>	\$ 595,617	\$ 53,974	\$ 555,914	\$ 1,205,505
<b>AMS Analysis:</b>				
<b>Transit-Related Expenditures:</b>				
Expenditures Available for Surtax Use	\$ 303,701	\$ 358,285	\$ 423,332	\$ 1,085,318
Less 20% Minimum Amount <sup>1</sup>	(110,058)	(96,379)	(117,316)	(323,753)
(Increase) Decrease in Rollover Amounts	193,643	261,906	306,016	761,565
<b>Analysis of Unspent Rollover:</b>				
Beginning Balance <sup>2</sup>	760,588	566,945	305,039	760,588
Increase (Decrease) in Unspent Amounts	(193,643)	(261,906)	(306,016)	(761,565)
<b>Remaining Unspent or Carryover Amount</b>	\$ 566,945	\$ 305,039	\$ (977)	\$ (977)
<b>Transportation-Related Expenditures:</b>				
Expenditures Available for Surtax Use	\$ 595,617	\$ 53,974	\$ 555,914	\$ 1,205,505
Less Remaining 80% Amount <sup>1</sup>	(440,230)	(385,516)	(469,264)	(1,295,010)
(Increase) Decrease in Rollover Amounts	155,387	(331,542)	86,650	(89,505)
<b>Analysis of Unspent or Carryover Amount:</b>				
Beginning Balance <sup>2</sup>	(3,399,445)	(3,554,832)	(3,223,290)	(3,399,445)
Increase (Decrease) in Rollover Amounts	(155,387)	331,542	(86,650)	89,505
<b>Remaining Carryover Amount <sup>3</sup></b>	\$ (3,554,832)	\$ (3,223,290)	\$ (3,309,940)	\$ (3,309,940)

<sup>1</sup> 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-related projects.

<sup>2</sup> Per the October 30, 2019 Audit Report.

<sup>3</sup> Credits may be applied to future Surtax Funding per *CITT Resolution No. 15-027*.

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

Municipality	Fiscal Year Ended September 30,							All Years
	2003 to 2015	2016	2017	2018	2019	2020	2021	
City of Miami <sup>1</sup>	\$ 163,251,890	\$ 16,889,133	\$ 16,523,990	\$ 18,187,632	\$ 19,212,362	\$ 17,998,849	\$ 22,285,992	\$ 274,349,848
City of Hialeah	94,519,774	9,243,159	9,346,775	9,873,020	10,107,558	8,933,032	10,881,914	152,905,232
City of Miami Beach	37,554,491	3,670,335	3,678,499	3,925,123	3,963,754	3,458,999	4,266,480	60,517,681
City of Miami Gardens <sup>2</sup>	22,375,665	4,336,722	4,409,954	4,737,286	4,846,211	4,248,977	5,187,794	50,142,609
City of North Miami	24,592,952	2,454,241	2,473,804	2,665,998	2,700,412	2,348,890	2,955,552	40,191,849
City of Homestead	20,867,813	2,669,792	2,788,854	2,969,698	3,152,022	2,762,015	3,460,648	38,670,842
City of Coral Gables	18,755,177	1,955,854	1,981,236	2,091,593	2,132,315	1,893,283	2,298,517	31,107,975
City of North Miami Beach	17,154,830	1,733,203	1,746,039	1,882,765	1,945,188	1,705,603	2,164,880	28,332,508
City of Doral <sup>2</sup>	9,003,402	2,120,606	2,232,433	2,508,437	2,747,033	2,551,901	3,196,639	24,360,451
City of Aventura	12,992,928	1,494,036	1,502,980	1,590,870	1,613,705	1,413,111	1,726,374	22,334,004
Town of Cutler Bay <sup>2</sup>	8,525,502	1,721,858	1,769,140	1,899,220	1,935,984	1,696,665	2,061,382	19,609,751
Town of Miami Lakes <sup>1</sup>	11,086,213	1,209,319	1,211,635	1,288,227	1,309,407	1,163,617	1,430,953	18,699,371
Village of Palmetto Bay	10,074,295	952,951	956,304	1,013,542	1,033,365	902,837	1,104,932	16,038,226
City of Hialeah Gardens	8,635,855	904,713	922,372	986,599	1,007,122	882,753	1,072,793	14,412,207
City of Sunny Isles Beach	7,759,606	869,990	866,019	933,221	951,809	841,547	1,055,544	13,277,736
Village of Pinecrest	7,840,962	737,876	738,316	777,521	790,584	691,410	840,243	12,416,912
City of Miami Springs	5,682,283	562,418	565,087	601,223	608,639	530,692	646,273	9,196,615
City of Sweetwater <sup>1</sup>	5,070,356	273,778	133,332	466,662	166,116	1,850,267	1,013,554	8,974,065
City of Opa-locka <sup>1</sup>	6,329,004	90,323	195,000	210,000	165,000	1,112,782	469,710	8,571,819
City of South Miami	4,767,184	546,219	547,720	546,151	541,343	473,555	588,532	8,010,704
<b>Village of Key Biscayne</b>	<b>4,809,375</b>	<b>502,197</b>	<b>508,734</b>	<b>540,692</b>	<b>550,288</b>	<b>481,895</b>	<b>586,580</b>	<b>7,979,761</b>
City of Florida City	4,132,139	498,385	504,443	542,769	557,265	488,960	601,470	7,325,431
Miami Shores Village	4,308,419	419,557	420,697	443,831	447,113	391,399	490,481	6,921,497
North Bay Village	2,808,576	314,789	328,007	378,523	384,140	335,832	411,904	4,961,771
City of West Miami	2,445,250	241,053	241,373	279,166	307,465	291,897	355,342	4,161,546
Town of Surfside	2,314,098	229,428	228,739	234,500	248,902	221,896	273,043	3,750,606
Town of Bay Harbor Islands	2,209,631	231,953	222,682	234,375	249,414	220,923	274,132	3,643,110
Bal Harbour Village	1,262,745	114,472	111,421	114,881	125,178	109,190	132,732	1,970,619
Village of Biscayne Park <sup>1</sup>	1,342,176	125,900	126,220	135,905	135,965	10,084	-	1,876,250
Village of Virginia Gardens	973,380	96,229	96,903	102,910	103,132	90,977	110,807	1,574,338
Village of El Portal <sup>1,3</sup>	1,012,447	6,467	174,873	90,094	89,175	77,404	79,627	1,530,087
Town of Medley	429,285	34,442	33,529	35,277	35,617	31,486	38,448	638,084
Town of Golden Beach <sup>1</sup>	365,820	36,766	37,221	39,423	39,386	34,961	42,988	596,565
Indian Creek Village	3,604	-	-	-	-	-	-	3,604
	<b>\$ 525,257,127</b>	<b>\$ 57,288,164</b>	<b>\$ 57,624,331</b>	<b>\$ 62,327,134</b>	<b>\$ 64,202,969</b>	<b>\$ 60,247,689</b>	<b>\$ 72,106,260</b>	<b>\$ 899,053,674</b>

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

<sup>1</sup> Amounts are net of withholdings and/or recapture of \$76,553 from the Town of Miami Lakes, \$766,362 from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$2.2 million from the City of Opa-locka, \$3.3 million from the City of Miami, \$255,236 from the Village of Biscayne Park, and \$17,970 from the Village of El Portal due to specific instances of noncompliance.

<sup>2</sup> Pursuant to the respective Interlocal and/or Settlement Agreements, these Municipalities, which were incorporated after November 2002, are receiving a share of the County's Surtax Proceeds consistent with the other Municipal distributions.

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

Charter County Transportation System Surtax Review – Village of Key Biscayne  
 Status of Prior Audit Findings <sup>1</sup>

Finding	Recommendation	Auditee Response	Current Status
<b>Use of Transit Proceeds</b>			
<p>The Village had:</p> <ul style="list-style-type: none"> <li>• unspent Transit Proceeds of \$760,588 as of September 30, 2018.</li> <li>• ineligible expenses of \$236,408 for on-demand services.</li> <li>• an agreement with the Key Biscayne Community Foundation, a party to the <i>KB Loop</i> contract, which was not competitively sourced.</li> </ul>	<ul style="list-style-type: none"> <li>• Use of Surtax Proceeds for on-demand transit services must be authorized by the County, pursuant to an <i>Interlocal Agreement</i>.</li> <li>• Prospectively, Transit services should be competitively sourced, and all contracts approved by the Village Council.</li> </ul>	<p>The Village:</p> <ul style="list-style-type: none"> <li>• expects the unspent proceeds to be spent down by FY 2022.</li> <li>• compared on-demand transit contracts with other Municipalities for reasonableness when awarding the current contract.</li> <li>• is awaiting the <i>Interlocal Agreement</i> from the County Attorney’s Office to become available for signature.</li> </ul>	<p><b><u>Mostly Resolved</u></b></p> <p>The Village has no unspent proceeds as of September 30, 2021. (See pages 2 - 4 of the Audit Report regarding <i>On-Demand Services</i>).</p>
<b>Use of Transportation Proceeds</b>			
<p>The Village claimed \$7.7 million of which \$6.1 million was disallowed as of September 30, 2018.</p>	<p>Prospectively, the Village should ensure that all claimed Surtax costs are allowable.</p>	<p>Finance staff is aware of what qualifies as Transportation expenditures and will only claim qualified costs in future filings.</p>	<p><b><u>Partially Resolved</u></b></p> <p>The Village had a carryover credit balance of \$3.3 million as of September 30, 2021. Disallowances as a percentage of claimed costs are significantly lower. (See page 4 of the Audit Report).</p>
<b>Accounting for Surtax Funds</b>			
<p>The Village commingles Transportation Surtax Revenue with Local Option Gas Tax (LOGT) and County Bridge Tolls in the <i>Transportation Special Revenue Fund</i>.</p>	<p>The Village should account for all Surtax-related revenue and expenditures in a sub-fund within its <i>Transportation Special Revenue Fund</i>.</p>	<p>The Village will separate accounts for surtax-related revenues and expenditures.</p>	<p><b><u>Unresolved</u></b></p> <p>(See page 5 of the Audit Report).</p>
<b>Reporting Requirements</b>			
<p>The FY 2018 Certification Letter and Five-Year Transportation Plan were not submitted timely. The Village could not substantiate submission of all other required reports.</p>	<p>The Village should submit delinquent reports within 90 days or request a formal waiver from OCITT.</p>	<p>The Village has already submitted the FY 2020 Certification Letter, Five-Year Transportation Plan, Annual Budget, and Annual Report.</p>	<p><b><u>Partially Resolved</u></b></p> <p>(See page 5 of the Audit Report).</p>

<sup>1</sup> See the Audit Report dated October 30, 2019 for the full text.