



AUDIT AND MANAGEMENT SERVICES DEPARTMENT
OVERTOWN TRANSIT VILLAGE
701 NW 1ST COURT – SUITE 8-175
MIAMI, FLORIDA 33136
TELEPHONE: 786-469-5900
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October 7, 2020

Mr. William Alonso
City Manager/Finance Director
City of Miami Springs
201 Westward Drive
Miami Springs, FL 33166

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

Dear Mr. Alonso:

Attached is the above-referenced Final Audit Report that was discussed with you, together with your Response. Overall, we are pleased with the corrective actions planned, and thus the audit has been closed. However, the Office of Citizens' Independent Transportation Trust (OCITT) will be contacting you to resolve any action items meriting your attention.

We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact G. Nancy McKee, Assistant Director, 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: October 7, 2020

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 –
City of Miami Springs (Miami Springs)

PURPOSE AND SCOPE

We performed a review of Miami Springs' use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2019. The primary objective was to ensure that Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County (Interlocal Agreement)* executed July 10, 2007. Additionally, we assessed resolution of prior audit findings referenced in our Audit Report dated October 16, 2017 (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*, Miami Springs 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 \$218,678 (Table I). Surtax Proceeds 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, Miami Springs must apply at least 20% of the Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure. *CITT Resolution No. 09-055*, adopted July 30, 2009, allows for the rollover of unspent Surtax funds for up to five years, provided the municipality's Five-Year Transportation Plan demonstrates how the funds will be used. Additionally, *CITT Resolution No. 15-027*, adopted May 20, 2015, allows for carryover

credits in the event amounts expended are in excess of annual Surtax allocations. See Schedule I for summary financial information.

SUMMARY RESULTS

For the three years ended September 30, 2019, Miami Springs received \$1.8 million in Surtax Proceeds, an additional \$180,094 in grant funding and circulator fees, and claimed Transit and Transportation-related expenditures of \$3.2 million (Table I). After adjusting claimed expenditures for reimbursements and ineligible amounts, Miami Springs had \$148,139 in unspent Transit-related Surtax Proceeds as of September 30, 2019. However, Audited Financial Statements reflect no available Cash or Investments within the *Road and Transportation Fund*. Within 30 days, Miami Springs should fund the Cash deficiency.

Table I
Surtax Statistics

Description	Fiscal Year Ended September 30,			All Years
	2017	2018	2019	
Maintenance of Effort (MOE)	\$ 218,678	\$ 218,678	\$ 218,678	\$ 656,034
Revenues (Schedule I):				
Surtax Proceeds ¹	\$ 567,519	\$ 597,011	\$ 595,221	\$ 1,759,751
State of Florida Grant Funding	-	-	119,600	119,600
Charges for Circulator Services to Virginia Gardens	19,247	19,381	21,866	60,494
	<u>\$ 586,766</u>	<u>\$ 616,392</u>	<u>\$ 736,687</u>	<u>\$ 1,939,845</u>
Claimed Expenditures (Schedule II):				
Transit	\$ 128,166	\$ 151,872	\$ 151,866	\$ 431,904
Transportation	839,351	809,893	1,102,358	2,751,602
	<u>\$ 967,517</u>	<u>\$ 961,765</u>	<u>\$ 1,254,224</u>	<u>\$ 3,183,506</u>
Unspent (Credit Carryforward) Balances as of September 30 (Schedule III):				
Transit	\$ 172,184	\$ 159,095	\$ 148,139	
Transportation	\$ (312,003)	\$ (374,467)	\$ (588,419)	
Key <i>Road and Transportation Fund</i> Balances as of September 30 (Schedule I):				
Restricted Cash and Equity in Pooled Cash and Investments	\$ -	\$ 29,118	\$ -	
Surtax Proceeds Receivable	\$ 190,568	\$ 199,242	\$ 142,647	
Fund Balance	\$ 107,998	\$ 134,869	\$ 24,583	

¹ Amount in FY 2017 differs from that reported by Miami Springs due to timing differences.

Further, pursuant to *CITT Resolution No. 15-027*, municipalities may carryforward Transportation-related expenditures that exceed their annual Surtax appropriation. As a result, Miami Springs had \$588,419 in Transportation-related expenditures as of September 30, 2019 that may be applied against Surtax Proceeds received in future years (Schedule III).

These and other findings are more fully discussed in the remainder of this document. Miami Springs' Response is incorporated herein, and presented in its entirety as Attachment I. Overall, we are pleased with the corrective actions planned, and thus the audit has been closed. We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact G. Nancy McKee, Assistant Director, at (786) 469-5900, if you have any questions.

FINDINGS AND RECOMMENDATIONS

Uses of Surtax Proceeds for Transit Projects

As mentioned previously, at least 20% of Surtax Proceeds, or \$351,950, must be used for Transit-related projects, of which Miami Springs claimed expenditures of \$431,904. The monies were used primarily for its *Miami Springs Free-Bee Shuttle* service and debt service on the Transit-related portion of its Capital Improvement Revenue Note, Series 2017 (Schedule II). The Note, together with a State grant of \$681,000, funded the Westward Bicycle Path, with a total project cost of \$1.13 million. The Note’s debt service amounts related to bus stop connectivity (22%) were claimed as Transit-related costs, with the remainder (78%) claimed as Transportation expenditures. The interest rate is 2.13% and maturity is April 1, 2024.

The *Miami Springs Free-Bee Shuttle* operates on a fixed-route schedule, Monday through Friday, from 7:00 a.m. to 6:00 p.m., except for City-observed holidays, with annual ridership averaging 22,000 annually (Table II). Miami Springs provides shuttle service to the Village of Virginia Gardens (Virginia Gardens) for an annual fee of approximately \$20,000.

Table II
 Summary Circulator Ridership

Description	Fiscal Year Ended September 30,			
	2017	2018	2019	Total
October	1,758	1,852	2,421	6,031
November	1,883	1,747	2,291	5,921
December	1,709	944	1,806	4,459
January	1,705	1,984	1,610	5,299
February	1,714	1,664	2,092	5,470
March	2,177	1,988	1,689	5,854
April	1,713	2,213	1,678	5,604
May	2,311	2,405	1,664	6,380
June	1,583	2,020	1,361	4,964
July	1,317	1,561	1,405	4,283
August	1,957	2,234	1,251	5,442
September	1,569	2,017	1,406	4,992
	<u>21,396</u>	<u>22,629</u>	<u>20,674</u>	<u>64,699</u>

Source: Circulator Vendor's Ridership Reports

After adjusting claimed expenditures for amounts received from Virginia Gardens, Miami Springs had \$148,139 in unspent Transit-related monies as of September 30, 2019 (Schedule III).

Recommendation

Miami Springs should submit an updated Five-Year Transportation Plan reflecting how the unspent Surtax Proceeds restricted to Transit projects will be used, as required by *CITT Resolution No. 09-055*. Further, the unspent Proceeds should be funded and reflected in Cash or Investments within 30 days.

Auditee Response

We have revised the Five Year Plan to reflect both the Transportation expenses applied to future years and the projected uses of the unspent Transit funds (see attached Revised Five Year Plan). As to the Cash, usually at fiscal year end there are about four months of Surtax proceeds that are set up as a receivable pending receipt. Since we used more of the Transportation funds than received during this three year period, this caused the non-available cash balance at the end of fiscal year 2019. We will ensure that the City fund the cash account at year end in order to have available cash to cover the unspent funds.

Uses of Surtax Proceeds for Transportation-Related Projects

For the remaining 80%, or \$1.4 million, Miami Springs claimed expenditures totaling \$2.8 million primarily for street lighting improvement projects and utilities, as well as citywide sidewalk repairs and installations, and debt service (Schedule II). After adjusting claimed costs for Grant receipts of \$119,600 and ineligible charges totaling \$237,931, Miami Springs fully expended its Transportation-related Surtax Proceeds (Schedules II and III).

Recommendation

Prospectively, greater diligence should be exercised in assuring that only eligible expenditures are paid with Surtax Proceeds.

Auditee Response

The City will exercise greater diligence prospectively to ensure that only eligible and supported expenses are paid with surtax funds. In the past there have been expenses that we interpreted to be eligible at the time they were incurred. We will ensure that going forward if there are any questions as to eligibility, we will check with OCITT before proceeding.

Certification and Reporting Requirements

Annual Certification Letters and other Compliance Reports were submitted as required. However, Quarterly Reports did not always agree to the General Ledger.

Recommendation

Prospectively, Compliance Reports should be submitted accurately to OCITT.

Auditee Response

The City will ensure that compliance reports are filed timely and accurately. We have been working with OCITT during FY 2020 to accurately complete the new quarterly reports we submit.

CJ:bm

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Abigail Price-Williams, County Attorney
- Edward Marquez, Deputy Mayor
- Jennifer Moon, Deputy Mayor/Director, Office of Management and Budget
- William Alonso, City Manager/Finance Director, City of Miami Springs

**Charter County Transportation System Surtax Review - City of Miami Springs
Road and Transportation Fund**

Balance Sheets			
Description	As of September 30,		
	2017	2018	2019
Assets:			
Surtax Proceeds Receivable	\$ 190,568	\$ 199,242	\$ 142,647
Other Receivables	1,573	1,573	1,715
Restricted Cash and Equity in Pooled Cash and Investments	-	29,118	-
Total Assets	<u>\$ 192,141</u>	<u>\$ 229,933</u>	<u>\$ 144,362</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 35,117	\$ 95,064	\$ 15,830
Due to Other Funds	49,026	-	103,949
	84,143	95,064	119,779
Fund Balance, Restricted	<u>107,998</u>	<u>134,869</u>	<u>24,583</u>
Total Liabilities and Fund Balance	<u>\$ 192,141</u>	<u>\$ 229,933</u>	<u>\$ 144,362</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance			
Description	Year Ended September 30,		
	2017	2018	2019
Revenues (Schedule III):			
Intergovernmental:			
Surtax Proceeds	\$ 570,629	\$ 597,011	\$ 595,221
State of Florida Grant Funding	-	-	119,600
Charges for Circulator Services Provided to Virginia Gardens	19,247	19,381	21,866
	<u>589,876</u>	<u>616,392</u>	<u>736,687</u>
Expenditures:			
Current - Public Works	498,283	493,155	775,566
Capital Outlay - Public Works	137	23,594	-
	<u>498,420</u>	<u>516,749</u>	<u>775,566</u>
Excess (Deficiency) of Revenues over Expenditures	91,456	99,643	(38,879)
Other Financing Sources:			
Transfers Out - Debt Service	(17,690)	(72,772)	(71,407)
Net Change in Fund Balance	73,766	26,871	(110,286)
Fund Balance, Beginning	<u>34,232</u>	<u>107,998</u>	<u>134,869</u>
Fund Balance, Ending	<u>\$ 107,998</u>	<u>\$ 134,869</u>	<u>\$ 24,583</u>

Source: City of Miami Springs Comprehensive Annual Financial Reports and General Ledgers

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

**Charter County Transportation System Surtax Review - City of Miami Springs
Claimed Transit and Transportation-Related Expenditures, as Adjusted**

Description	Fiscal Year Ended September 30,			Total
	2017	2018	2019	
Transit-Related:				
<i>Road and Transportation Fund:</i>				
Miami Springs Free-Bee Shuttle Operator Costs	\$ 123,437	\$ 134,581	\$ 136,156	\$ 394,174
Debt Service	3,892	16,010	15,710	35,612
Repairs and Supplies	837	1,281	-	2,118
Total Eligible Transit Costs (Schedule III)	<u>\$ 128,166</u>	<u>\$ 151,872</u>	<u>\$ 151,866</u>	<u>\$ 431,904</u>
Transportation-Related:				
<i>Road and Transportation Fund:</i>				
Streets and Sidewalks Repairs and Maintenance	\$ 227,894	\$ 60,190	\$ 182,472	\$ 470,556
Streetlights Repairs and Replacement	25,388	147,310	196,094	368,792
Personnel Cost	82,527	84,079	86,550	253,156
Professional Services:				
Citywide Bicycle and Pedestrian Study	-	-	149,662	149,662
Traffic Study	-	19,187	1,881	21,068
Bicycle Path Design	6,974	-	-	6,974
Debt Service	13,798	56,762	55,697	126,257
Street Sweeping	20,160	25,650	20,790	66,600
Parts and Supplies	9,570	19,385	108	29,063
Purchase of Ford F-150 Truck	-	23,594	-	23,594
Liability Insurance	1,308	1,284	1,236	3,828
Telecommunications	325	208	617	1,150
Total Road and Transportation Fund Amounts Claimed	<u>387,944</u>	<u>437,649</u>	<u>695,107</u>	<u>1,520,700</u>
<i>General Fund - Streets and Streetlights Division:</i>				
Personnel Cost	172,727	155,183	164,012	491,922
Streetlighting Utilities	149,651	152,162	147,416	449,229
New Trees	49,535	23,295	42,040	114,870
Fleet Maintenance	16,053	12,127	16,262	44,442
Tornado Damage - Removal of Downed Trees	33,382	-	-	33,382
Operating Supplies	7,819	11,116	10,405	29,340
Fuel	5,971	6,273	8,267	20,511
Repairs and Maintenance	5,195	1,956	12,540	19,691
Inventory Adjustments	7,928	5,133	64	13,125
Liability Insurance	2,974	2,304	2,710	7,988
Fleet Supplies	172	2,183	603	2,958
Curtiss Parkway Civil Engineering Charges	-	-	2,875	2,875
Heavy Equipment Driver Training	-	500	-	500
Bank Charges	-	12	57	69
Total General Fund Amounts Claimed	<u>451,407</u>	<u>372,244</u>	<u>407,251</u>	<u>1,230,902</u>
Total Transportation-Related Amounts Claimed	<u>839,351</u>	<u>809,893</u>	<u>1,102,358</u>	<u>2,751,602</u>
Less: Ineligible Items:				
New Trees	(49,535)	(23,295)	(42,040)	(114,870)
Tornado Damage - Removal of Downed Trees	(33,382)	-	-	(33,382)
Operating Supplies (Christmas Lights, Utility Locator Service)	(7,819)	(11,116)	(10,405)	(29,340)
Non-Streetlighting Costs	(8,979)	(9,130)	(8,845)	(26,954)
Repairs and Maintenance (Chain Link Fence, Parking Lot)	(5,195)	(1,956)	(12,540)	(19,691)
Inventory Adjustments	(7,928)	(5,133)	(64)	(13,125)
Heavy Equipment Driver Training	-	(500)	-	(500)
Bank Charges	-	(12)	(57)	(69)
Total Ineligible Amounts	<u>(112,838)</u>	<u>(51,142)</u>	<u>(73,951)</u>	<u>(237,931)</u>
Total Eligible Transportation Costs (Schedule III)	<u>\$ 726,513</u>	<u>\$ 758,751</u>	<u>\$ 1,028,407</u>	<u>\$ 2,513,671</u>

Source: Miami Springs General Ledgers, Vendor Invoices, and Other Supporting Documentation

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

Description	Fiscal Year Ended September 30,			All Years
	2017	2018	2019	
Revenues (Schedule I):				
Surtax Proceeds ¹	\$ 567,519	\$ 597,011	\$ 595,221	\$ 1,759,751
State of Florida Grant Funding	-	-	119,600	119,600
Charges for Circulator Services Provided to Virginia Gardens	19,247	19,381	21,866	60,494
	<u>\$ 586,766</u>	<u>\$ 616,392</u>	<u>\$ 736,687</u>	<u>\$ 1,939,845</u>
Surtax Uses:				
Eligible Transit Expenditures (Schedule II)	<u>\$ 128,166</u>	<u>\$ 151,872</u>	<u>\$ 151,866</u>	<u>\$ 431,904</u>
Eligible Transportation Expenditures (Schedule II)	\$ 726,513	\$ 758,751	\$ 1,028,407	\$ 2,513,671
Less Maintenance of Effort (MOE, Table I)	(218,678)	(218,678)	(218,678)	(656,034)
Expenditures Available For Surtax Use	<u>\$ 507,835</u>	<u>\$ 540,073</u>	<u>\$ 809,729</u>	<u>\$ 1,857,637</u>
AMS Analysis:				
Transit-Related Expenditures:				
Expenditures Available for Surtax Use	\$ 128,166	\$ 151,872	\$ 151,866	\$ 431,904
Less 20% Minimum Amount ²	(113,504)	(119,402)	(119,044)	(351,950)
Less Circulator Services Payments from Virginia Gardens	(19,247)	(19,381)	(21,866)	(60,494)
(Increase) Decrease in Unspent Amount	<u>\$ (4,585)</u>	<u>\$ 13,089</u>	<u>\$ 10,956</u>	<u>\$ 19,460</u>
Analysis of Unspent Balance:				
Beginning Balance ³	\$ 167,599	\$ 172,184	\$ 159,095	\$ 167,599
Increase (Decrease) in Unspent Amount	4,585	(13,089)	(10,956)	(19,460)
Remaining Unspent Balance	<u>\$ 172,184</u>	<u>\$ 159,095</u>	<u>\$ 148,139</u>	<u>\$ 148,139</u>
Transportation-Related Expenditures:				
Expenditures Available for Surtax Use	\$ 507,835	\$ 540,073	\$ 809,729	\$ 1,857,637
Less Remaining 80% Amount ²	(454,015)	(477,609)	(476,177)	(1,407,801)
Less State of Florida Grant Funding	-	-	(119,600)	(119,600)
Increase in Carryforward Credit Amount	<u>\$ 53,820</u>	<u>\$ 62,464</u>	<u>\$ 213,952</u>	<u>\$ 330,236</u>
Analysis of Carryforward Credit:				
Beginning Balance ³	\$ (258,183)	\$ (312,003)	\$ (374,467)	\$ (258,183)
Increase in Carryforward Credit Amount	(53,820)	(62,464)	(213,952)	(330,236)
Remaining Carryforward Credit	<u>\$ (312,003)</u>	<u>\$ (374,467)</u>	<u>\$ (588,419)</u>	<u>\$ (588,419)</u>

¹ Amount in FY 2017 does not agree with Schedule I due to timing differences.

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 See the October 16, 2017 Audit Report for beginning balances.

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	
City of Miami ¹	\$ 163,251,890	\$ 16,889,133	\$ 16,523,990	\$ 18,187,632	\$ 19,212,362	\$ 234,065,007
City of Hialeah	94,519,774	9,243,159	9,346,775	9,873,020	10,107,558	133,090,286
City of Miami Beach	37,554,491	3,670,335	3,678,499	3,925,123	3,963,754	52,792,202
City of Miami Gardens ²	22,375,665	4,336,722	4,409,954	4,737,286	4,846,211	40,705,838
City of North Miami	24,592,952	2,454,241	2,473,804	2,665,998	2,700,412	34,887,407
City of Homestead	20,867,813	2,669,792	2,788,854	2,969,698	3,152,022	32,448,179
City of Coral Gables	18,755,177	1,955,854	1,981,236	2,091,593	2,132,315	26,916,175
City of North Miami Beach	17,154,830	1,733,203	1,746,039	1,882,765	1,945,188	24,462,025
City of Aventura	12,992,928	1,494,036	1,502,980	1,590,870	1,613,705	19,194,519
City of Doral ²	9,003,402	2,120,606	2,232,433	2,508,437	2,747,033	18,611,911
Town of Miami Lakes ¹	11,086,213	1,209,319	1,211,635	1,288,227	1,309,407	16,104,801
Town of Cutler Bay ²	8,525,502	1,721,858	1,769,140	1,899,220	1,935,984	15,851,704
Village of Palmetto Bay	10,074,295	952,951	956,304	1,013,542	1,033,365	14,030,457
City of Hialeah Gardens	8,635,855	904,713	922,372	986,599	1,007,122	12,456,661
City of Sunny Isles Beach	7,759,606	869,990	866,019	933,221	951,809	11,380,645
Village of Pinecrest	7,840,962	737,876	738,316	777,521	790,584	10,885,259
City of Miami Springs	5,682,283	562,418	565,087	601,223	608,639	8,019,650
City of Opa-locka ¹	6,329,004	90,323	195,000	210,000	165,000	6,989,327
City of South Miami	4,767,184	546,219	547,720	546,151	541,343	6,948,617
Village of Key Biscayne	4,809,375	502,197	508,734	540,692	550,288	6,911,286
City of Florida City	4,132,139	498,385	504,443	542,769	557,265	6,235,001
City of Sweetwater ¹	5,070,356	273,778	133,332	466,662	166,116	6,110,244
Miami Shores Village	4,308,419	419,557	420,697	443,831	447,113	6,039,617
North Bay Village	2,808,576	314,789	328,007	378,523	384,140	4,214,035
City of West Miami	2,445,250	241,053	241,373	279,166	307,465	3,514,307
Town of Surfside	2,314,098	229,428	228,739	234,500	248,902	3,255,667
Town of Bay Harbor Islands	2,209,631	231,953	222,682	234,375	249,414	3,148,055
Village of Biscayne Park	1,342,176	125,900	126,220	135,905	135,965	1,866,166
Bal Harbour Village	1,262,745	114,472	111,421	114,881	125,178	1,728,697
Village of El Portal ³	1,012,447	6,467	174,873	90,094	89,175	1,373,056
Village of Virginia Gardens	973,380	96,229	96,903	102,910	103,132	1,372,554
Town of Medley	429,285	34,442	33,529	35,277	35,617	568,150
Town of Golden Beach ¹	365,820	36,766	37,221	39,423	39,386	518,616
Indian Creek Village	3,604	-	-	-	-	3,604
	\$ 525,257,127	\$ 57,288,164	\$ 57,624,331	\$ 62,327,134	\$ 64,202,969	\$ 766,699,725

Source: Office of the Citizens' Independent Transportation Trust (OCITT) and the County's Financial Accounting Management Information System

¹ Amounts are net of withholdings of \$76,553 from the Town of Miami Lakes, \$2.1 million from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$2.3 million from the City of Opa-locka, and \$3.3 million from the City of Miami, due to specific instances of noncompliance. Partial amounts were released as follows: \$1.3 million to Sweetwater on 11/27/2019, and \$901,927 to Opa-locka on 3/9/2020.

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

³ 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 - City of Miami Springs (Miami Springs)
 Status of Prior Audit Findings ¹

Finding	Recommendation	Auditee Response	Current Status
<p>Use of Surtax Proceeds for Transit Projects</p> <p>Miami Springs claimed \$1.1 million in Transit-related expenditures, of which \$16,352 was determined ineligible. The City had \$167,599 in unspent Proceeds as of September 30, 2016.</p>	<p>Miami Springs should submit an updated Five-Year Transportation Plan reflecting how the unspent Surtax Proceeds will be used, as required by <i>CITT Resolution No. 09-055</i>. Further, unspent Proceeds should be funded and reflected in <i>Cash or Investments</i> within 30 days.</p>	<p>Miami Springs revised its Five-Year Transportation Plan. As to unfunded <i>Cash</i>, there are about four months of Surtax Proceeds receivable as of year-end, and a carryover credit in Transportation-related funds. We will work with OCITT to address the cash issue.</p>	<p><u>Unresolved</u></p> <p>Miami Springs had \$148,139 in unspent Transit-related Proceeds, with no available <i>Cash or Investments</i> as of September 30, 2019. See Pages 3 to 4 of the <i>Audit Report</i>.</p>
<p>Use of Surtax Proceeds for Transportation Projects</p> <p>Miami Springs claimed \$6.7 million in Transportation-related expenditures, of which \$940,772 was ineligible. However, the City fully expended its Transportation-related Surtax Proceeds.</p>	<p>Prospectively, greater diligence should be exercised in assuring that only eligible and supported expenses are paid with Surtax Proceeds.</p>	<p>The City concurs and will check with OCITT if there are any questions regarding eligibility.</p>	<p><u>Unresolved</u></p> <p>Ineligible costs totaled \$237,931 during the audit period. See Page 4 of the <i>Audit Report</i>.</p>
<p>Certification and Reporting Requirements</p> <p>Several required reports were submitted late, and Quarterly Reports did not always agree with the General Ledger.</p>	<p>Prospectively, Compliance Reports should be submitted timely and accurately to OCITT.</p>	<p>The City concurs.</p>	<p><u>Unresolved</u></p> <p>Reports were submitted timely but did not agree with the General Ledger. See Pages 4 to 5 of the <i>Audit Report</i>.</p>

¹ For the full text, see the October 16, 2017 Audit Report.

CITY OF MIAMI SPRINGS



City Manager
201 Westward Drive
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October 7, 2020

Ms. Cathy Jackson
Director
Audit and Management Services Department
701 NW 1st Court-Suite 8-175
Miami, Fla. 33136

Re; Charter County Transit System Surtax Audit-City of Miami Springs

Dear Ms. Jackson:

We have received and reviewed the draft copy of the Audit report we discussed with you and your staff a few weeks ago. The following are the city's responses to the three findings noted:

1. Submit an updated Five-Year Transportation Plan reflecting how unspent Surtax Proceeds restricted to Transit projects will be used and Unspent proceeds should be funded and reflected in Cash or Investments within the Road and Transportation Fund within 30 days- We have revised the five year plan to reflect both the Transportation expenses applied to future years and the projected uses of the unspent Transit funds (see attached Revised Five Year Plan). As to the Cash, usually at fiscal year end there are about four months of Surtax proceeds that are set up as a receivable pending receipt. Since we used more of the Transportation funds than received during this three year period, this caused the non-available cash balance at the end of fiscal year 2019. We will ensure that the city fund the cash account at year end in order to have available cash to cover the unspent funds.
2. Ineligible expenses- The City will exercise greater diligence prospectively to ensure that only eligible and supported expenses are paid with surtax funds. In the past there have been expenses that we interpreted to be eligible at the time they were incurred. We will ensure that going forward if there are any questions as to eligibility, we will check with OCITT before proceeding.
3. Compliance reports- The City will ensure that compliance reports are filed timely and accurately. We have been working with OCITT during FY2020 to accurately complete the new quarterly reports we submit.

Charter County Transit System Surtax Audit-City of Miami Springs
Page 2

We thank you for your assistance and professionalism during this process. Please feel free to contact me if you have any questions.

Sincerely,


William Alonso
City Manager

