



# Florida Department of TRANSPORTATION

Office of Inspector General  
Kristofer B. Sullivan, Inspector General

DocuSigned by:

*Kristofer B. Sullivan*

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January 10, 2024

Audit Report No. 24C-003

Section 129 Financial Review – Florida's Turnpike Enterprise

## What We Did

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At the request of Florida's Turnpike Enterprise (FTE), the Office of Inspector General conducted an independent audit of FTE's toll facility records to verify financial compliance with requirements concerning the limitation on use of revenues as outlined in Title 23 United States Code (U.S.C.), Highways, Chapter 1, Federal-Aid Highways, Subsection 129, Toll Roads, Bridges, Tunnels, and Ferries, specifically subsection 129(a)(3)(A), Limitations on Use of Revenues.<sup>1</sup>

The scope of the audit included FTE's nine toll facilities for the period July 1, 2022, to June 30, 2023. For Fiscal Year 2023, the Section 129 requirement to verify adequate maintenance of the toll facilities was conducted by the HNTB Corporation and is outside the scope of this audit.

## What We Found

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**We determined** FTE's use of toll revenues complied in all material respects with limitations set forth in Title 23 U.S.C., Section 129(a)(3)(A). Of the 110,643 transactions reported for nine facilities, we reviewed all four transactions greater than \$250,000, their accounting system object code, description, vendor, and tested the supporting documentation. These transactions represented \$1,684,346 of the total \$100,662,210, or 1.67 percent. We also tested the supporting documentation for a statistical sample of 54 transactions whose amounts were between \$500 and \$250,000. These transactions represented \$1,276,894, or 1.27 percent of the total.

## What We Recommend

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This report does not contain any recommendations as the audit found the transactions were compliant with the applicable Section 129 requirements.

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<sup>1</sup> This is commonly referred to as Section 129.

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**BACKGROUND AND INTRODUCTION**

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At the request of Florida's Turnpike Enterprise (FTE), the Office of Inspector General conducted an independent audit of FTE's toll facility records to verify financial compliance with requirements concerning the limitation on use of revenues as outlined in Title 23 United States Code (U.S.C.), Highways, Chapter 1, Federal-Aid Highways, Subsection 129, Toll Roads, Bridges, Tunnels, and Ferries, specifically subsection 129(a)(3)(A), Limitations on Use of Revenues.

The scope of the audit included FTE's nine toll facilities for the period July 1, 2022, to June 30, 2023. For Fiscal Year 2023, Section 129 requirement to verify adequate maintenance of the toll facilities was conducted by the HNTB Corporation and is outside the scope of this audit.

The compliance requirements for FTE toll facilities are outlined in Section 129 (a)(3)(A), Limitations on Use of Revenues, and state:

A public authority with jurisdiction over a toll facility shall ensure that all toll revenues received from operation of the toll facility are used only for:

- (i) debt service with respect to the projects on or for which the tolls are authorized, including funding of reasonable reserves and debt service on refinancing.
- (ii) a reasonable return on investment of any private person financing the project, as determined by the State or interstate compact of States concerned.
- (iii) any costs necessary for the improvement and proper operation and maintenance of the toll facility, including reconstruction, resurfacing, restoration, and rehabilitation.
- (iv) if the toll facility is subject to a public-private partnership agreement, payments that the party holding the right to toll revenues owes to the other party under the public-private partnership agreement; and
- (v) if the public authority certifies annually that the tolled facility is being adequately maintained, any other purpose for which Federal funds may be obligated by a State under this title.

Additionally, Section 129 (a)(3)(B)(i), Annual Audit, states:

A public authority with jurisdiction over a toll facility shall conduct, or have an independent auditor conduct, an annual audit of toll facility records to verify adequate maintenance and compliance with subparagraph (A) and report the results of the audits to the Secretary.

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The following FTE owned toll facilities and associated records are subject to the audit and maintenance requirements in Section 129:

1. Homestead Extension of Florida's Turnpike (HEFT) (SR 821)
2. Southern Coin System (SR 91)
3. Northern Coin System (SR 91)
4. Beachline West Expressway (SR 528)
5. Sawgrass Expressway (SR 869)
6. Seminole Expressway (SR 417)
7. Polk Parkway (SR 570)
8. Suncoast Parkway (SR 589)
9. Western Beltway, Part C (SR 429)

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**RESULTS OF REVIEW**

The OIG reviewed FTE's toll facility expenditure records for the period July 1, 2022, to June 30, 2023, to ensure the use of toll facility revenues complied with Section 129(a)(3)(A), Limitations on Use of Revenues. The expenditure population for the nine FTE toll facilities was 110,643 transactions totaling \$100,662,210. See Figure 1.

Figure 1: Summary of Toll Facility Expenditures

<b>Section 129 Toll Facilities Summary of Expenditure Transactions July 1, 2022 to June 30, 2023</b>		
<b>Toll Facility</b>	<b>Transaction Count</b>	<b>Dollars</b>
Homestead Extension of Florida's Turnpike (HEFT) (SR 821)	12,203	\$ 24,845,034
Southern Coin System (SR 91)	11,856	20,126,616
Northern Coin System (SR 91)	11,928	16,620,605
Beachline West Expressway (SR 528)	12,985	5,399,487
Sawgrass Expressway (SR 869)	11,627	10,705,626
Seminole Expressway (SR 417)	13,175	7,147,312
Polk Parkway (SR 570)	12,441	6,445,755
Suncoast Parkway (SR 589)	11,473	5,911,156
Western Beltway, Part C (SR 429)	12,955	3,460,619
Totals	110,643	\$ 100,662,210

Source: OIG Prepared Schedule

We reviewed all four transactions greater than \$250,000, their accounting system object code, description, vendor, and tested the supporting documentation. These transactions represented \$1,684,346 of the total \$100,662,210, or 1.67 percent. We also tested the supporting documentation for a statistical sample of 54 transactions whose amounts were between \$500 and \$250,000. These transactions represented \$1,276,894, or 1.27 percent of the total.

**We determined** FTE's use of toll revenues complied in all material respects with limitations set forth in Title 23 U.S.C., Section 129(a)(3)(A).

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**APPENDIX A – Purpose, Scope, and Methodology**

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The **purpose** of this engagement was to determine if FTE complied with Title 23 United States Code (U.S.C.), Highways, Chapter 1, Federal-Aid Highways, Section 129(a)(3)(A), Toll Roads, Bridges, Tunnels, and Ferries, Limitations on Use of Revenue.

The **scope** of this audit included the expenditures subject to Section 129 for the period of July 1, 2022, to June 30, 2023.

The **methodology** included:

- verifying FTE toll facilities subject to subsection 129(a)(3)(A), Limitations on Use of Revenue;
- reviewing applicable laws and statutes; and
- examining and testing transactions for Section 129 compliance.

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**APPENDIX B – Management Response**

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On January 4, 2024, Florida’s Turnpike Enterprise sent an email stating they do not have any comments regarding the report.

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**DISTRIBUTION**

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Erin Katzman, CPA, Interim Chief Financial Officer, Florida's Turnpike Enterprise

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**PROJECT TEAM**

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Engagement was conducted by:  
Corbitt Lyons, Auditor in Charge  
Erica Liang, Staff Auditor

Under the supervision of:  
Luis Camejo, Senior Audit Supervisor  
Ryan Moore, Deputy Audit Director for Contracts  
Joseph W. Gilboy, Director of Audit

Approved by:  
Kristofer B. Sullivan, Inspector General

**STATEMENT OF ACCORDANCE**

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The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.