



**KPMG LLP**  
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## **Management letter**

The Board of County Commissioners  
Lee County, Florida:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida, as of and for the year ended September 30, 2008, which collectively comprise Lee County, Florida's basic financial statements, and have issued our report thereon dated March 10, 2009.

We conducted our audit in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have also issued our report dated March 10, 2009 on our consideration of Lee County, Florida's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters as well as our report dated March 10, 2009 on the County's compliance and internal control over compliance applicable to each major federal program and state project, and the related schedule of findings and questioned costs. Disclosures in those reports and schedule, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The *Rules of the Auditor General* Section 10.554(1)(i)(1), require that we address in the management letter, if not already addressed in the auditors' report on internal control over financial reporting and compliance and other matters, whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

The *Rules of the Auditor General* Section 10.554(1)(i)(2), require that we determine whether or not Lee County, Florida complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that caused us to believe that Lee County, Florida had not complied with Section 218.415, *Florida Statutes*.

The *Rules of the Auditor General* Section 10.554(1)(i)(3) require that we address in the management letter any recommendations to improve Lee County, Florida's financial management. In connection with our audit, we did not have any such recommendations.

The Rules of the Auditor General, Section 10.554(1)(i)(4), require that we address in the management letter any violations of laws, regulations, contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

The *Rules of the Auditor General*, Section 10.554(1)(i)(5), provide for disclosure in the management letter based on the auditors' professional judgment of the following inconsequential matters, if not already addressed in the auditors' report on internal control over financial reporting and compliance and other matters:

- (1) Violations of laws, regulations, contract or grant agreements, or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements;
- (2) Control deficiencies in internal control that are not significant deficiencies, including, but not limited to:
  - (a) Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements);
  - (b) Failures to properly record financial transactions; and
  - (c) Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention, of the auditor.

The results of our audit disclosed no violations of laws, regulations, contracts or grant agreements or abuse, or other control deficiencies that are not significant deficiencies.

The *Rules of the Auditor General* Section 10.554(1)(i)(6), also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. In that regard, Lee County, Florida was established by the Constitution of the State of Florida, Article VIII, Section 1(d).

The *Rules of the Auditor General* Section 10.554(1)(i)(7)(a), require that a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, regarding financial emergencies. In connection with our audit, nothing came to our attention that caused us to believe that Lee County, Florida met any of the conditions described in Section 218.503(1), *Florida Statutes*.

As required by the *Rules of the Auditor General* Section 10.554(1)(i)(7)(b), we determined that the annual financial report for the fiscal year ended September 30, 2008 to be filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008.

The *Rules of the Auditor General* Sections 10.554(1)(i)(7)(c) and 10.556(7), require that we apply financial condition assessment procedures. It is management's responsibility to monitor Lee County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The assessment was done as of the end of the fiscal year.

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This management letter is intended solely for the information and use of the Lee County, Florida Board of County Commissioners, management of Lee County, Florida, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

March 10, 2009  
Certified Public Accountants