

Lee County, Florida

Single Audit Reports

For the Year Ended September 30, 2013

(With Independent Auditors' Report Thereon)



LEE COUNTY, FLORIDA

TABLE OF CONTENTS

	PAGE
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report of Independent Auditor on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General.....	3
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	6
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	10
Schedule of Findings and Questioned Costs- Federal Awards Programs and State Financial Assistance Projects.....	12
Schedule of Findings and Questioned Costs- Federal Awards Programs and State Financial Assistance Projects-Prior Year Findings.....	15
Report of Independent Auditor on Compliance with Requirements Applicable to the Passenger Facility Charge Program and Internal Control over Compliance in Accordance with the Passenger Facility Charge Audit Guide.....	16
Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As Reported to FAA).....	19
Notes to Schedule of Passenger Facility Charges Collected and Expended.....	20
Schedule of Findings and Questioned Costs- Passenger Facility Charge Program.....	21
Summary Schedule of Prior Audit Findings and Corrective Action Plan- Passenger Facility Charge Program.....	23

**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Board of County
Commissioners of Lee County, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida ("the County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 5, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated March 5, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
March 5, 2014

**Report of Independent Auditor on Compliance for Each Major Program and on Internal Control
Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor
General**

To the Honorable Board of County
Commissioners of Lee County, Florida:

Report on Compliance for Each Major Federal Program

We have audited Lee County, Florida's ("the County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal awards programs and state financial assistance projects for the year ended September 30, 2013. The County's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal awards programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2013.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2013, and the related notes to the financial statements which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 5, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Cherry Bekant LLP

Tampa, Florida
March 5, 2014

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2013

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant Number	Federal/State award amount	Expenditures
U.S. Department of Agriculture:				
Natural Resources Conservation Service:				
WHIP-Alva Scrub Preserve	10.914	72-4209-0-81-5P	\$ 14,684	\$ 4,208
Total U.S. Department of Agriculture			<u>14,684</u>	<u>4,208</u>
U.S. Department of Commerce				
Economic Development Cluster				
EDA Grant - Extend Main Along Alico Road	11.307	04-79-0661	551,257	136,447
Total Economic Development Cluster			<u>551,257</u>	<u>136,447</u>
Galt Preserve Restoration				
Passed through the Florida Environmental Protection:	11.463	11-02	103,000	6,541
FL DEP/NOAA Coastal Zone Management	11.419	CM243	15,000	3,789
Total U.S. Department of Commerce			<u>669,257</u>	<u>146,777</u>
U.S. Department of Energy:				
ARRA - Energy Efficiency and Conservation Block Grant				
Passed through Florida Department of Economic Opportunity:	81.128	DE-EE0000787	3,046,600	276,704
Weatherization Assistance Program - FY13	81.042	13WX-0G-09-46-01-015	95,241	39,081
Total U.S. Department of Energy			<u>3,141,841</u>	<u>315,785</u>
U.S. Department of Health & Human Services:				
Passed through Florida Department of Revenue:				
Child Support Enforcement Program (Federal Initiative)	93.563	CD336	1,355,595	1,355,595
Passed through Florida Department of Economic Opportunity:				
Low Income Home Energy Assistance Program (LIHEAP) - FY12	93.568	12EA-0F-09-46-01-015	1,814,919	918,061
Low Income Home Energy Assistance Program (LIHEAP) - FY13	93.568	13EA-0F-09-46-01-015	1,749,542	963,248
LIHEAP-WAP - FY12	93.568	12LH-9Z-09-46-01-015	230,109	162,499
Total program			<u>3,794,570</u>	<u>2,043,808</u>
Community Services Block Grant Cluster:				
Community Services Block Grant FY13	93.569	13SB-FZ-09-46-01-014	371,848	230,184
Total Community Services Block Grant Cluster			<u>371,848</u>	<u>230,184</u>
Total U.S. Department of Health & Human Services			<u>5,522,013</u>	<u>3,629,587</u>
U.S. Department of Homeland Security:				
Transportation Security Administration:				
RSW-TSA National Explosives Detection Canine Team Program	97.072	HSTS0208HCAN446	873,943	181,500
RSW-TSA Law Enforcement Officer Program	97.090	HSTS0208HSLR204	394,200	131,400
Passed through Florida Department of Economic Opportunity:				
County Emergency Operations Center	97.039	07-EC-33-06-46-01-490	3,150,606	358,683
Emergency Management Performance Grant (EMPG) FY13	97.042	13-FG-86-09-46-01-103	134,341	114,986
Emergency Management Performance Grant	97.042	14-FG-1M-09-46-01-103	134,959	31,703
Total program			<u>269,300</u>	<u>146,689</u>
Homeland Security Cluster:				
State Homeland Security Grant Program Region 6-Issues 32 & 38	97.067	12-DS-9Z-09-46-01-155	350,000	82,404
State Homeland Security Grant Program Region 6-Issues 2,11&20	97.067	12-DS-20-09-46-23-457	199,658	103,315
State Homeland Security Grant Program -Operation Stone Garden	97.067	13-DS-B8-09-46-23-407	90,000	59,916
State Homeland Security Grant Program -FY10 -Issue 2	97.067	11-DS-9Z-09-46-01-441	30,000	8,744
State Homeland Security Grant Program -FY11-Issue 7	97.067	12-DS-20-09-46-01-380	12,500	700
Citizens Corps Council -FY10 -Issue 44	97.067	11-CC-A6-09-46-01-489	10,125	8,677
Citizens Corps Council -FY11 -Issue 36	97.067	12-CC-24-09-46-01-393	9,600	2,715
Community Emergency Response Team -FY11 -Issue 36	97.067	12-CI-24-09-46-01-391	9,600	1,820
Passed through Florida Department of Financial Services:				
USAR & Regional Domestic Security Hazardous Team	97.067	10-DS-39-13-00-16-414	201,936	2,200
USAR & Regional Domestic Security Hazardous Team	97.067	11-DS-9Z-13-00-16-436	201,542	125,823
USAR & Regional Domestic Security Hazardous Team	97.067	12-DS-20-13-00-16-501	84,130	20,482
USAR & Regional Domestic Security Hazardous Team	97.067	13-DS-97-13-00-16-409	42,621	2,951
Total Homeland Security Cluster			<u>1,241,712</u>	<u>419,747</u>
Subrecipient of United Way of Lee County:				
Emergency Food & Shelter Program	97.024	None	47,610	47,060
Total U.S. Department of Homeland Security			<u>\$ 5,977,371</u>	<u>\$ 1,285,079</u>

Continued

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2013

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant Number	Federal/State award amount	Expenditures
U.S. Department of Housing & Urban Development:				
Community Development Block Grant Entitlement Grants Cluster:				
CDBG Urban County Entitlement - Year 19	14.218	B-08-UC-12-0013	\$ 2,122,575	\$ 19,123
CDBG Urban County Entitlement - Year 20	14.218	B-09-UC-12-0013	2,162,573	138,222
CDBG Urban County Entitlement - Year 21	14.218	B-10-UC-12-0013	2,335,601	403,457
CDBG Urban County Entitlement - Year 22	14.218	B-11-UC-12-0013	1,936,459	1,213,185
CDBG Urban County Entitlement - Year 23	14.218	B-12-UC-12-0013	2,074,186	577,922
Neighborhood Stabilization Program	14.218	B-08-UN-12-0009	18,243,867	1,157,219
Neighborhood Stabilization Program 3	14.218	B-11-UN-12-0009	6,639,174	1,576,043
Total Community Development Block Grant Entitlement Grants Cluster:			<u>35,514,435</u>	<u>5,085,171</u>
Emergency Shelter Grant -Year 9 (FY12)	14.231	E-11-UC-12-0023	147,852	53,227
Emergency Shelter Grant -Year 10 (FY13)	14.231	E-12-UC-12-0023	167,692	152,085
Total program			<u>315,544</u>	<u>205,312</u>
Supportive Housing Program (FY11)	14.235	Various	1,777,868	14,020
Supportive Housing Program (FY12)	14.235	Various	1,813,379	1,238,047
SHP LIFT Program (FY12)	14.235	FL0264B4D031104	119,722	54,340
Total program			<u>3,710,969</u>	<u>1,306,407</u>
SHP Shelter Plus Care (FY12)	14.238	Various	243,444	125,800
HOME - Year 19 (FY11)	14.239	M-10-UC-12-0210	770,760	112,609
HOME - Year 20 (FY12)	14.239	M-11-UC-12-0210	681,871	540,546
HOME - Year 21 (FY13)	14.239	M-12-UC-12-0210	576,631	201,893
Total program			<u>2,029,262</u>	<u>855,048</u>
Continuum of Care Program (FY13)	14.267	Various	2,044,655	624,869
Continuum of Care Program (FY13) - LIFT	14.267	FL0264L4D031205	119,722	18,600
Total program			<u>2,164,377</u>	<u>643,469</u>
Passed through Florida Department of Health/Health Planning Council of SW FL:				
HOPWA Renewal (7/1/12-6/30/13)	14.241	CODGN-7	80,541	66,504
HOPWA	93.917	CODIL	103,000	24,118
Total U.S. Department of Housing & Urban Development			<u>44,161,572</u>	<u>8,311,829</u>
U.S. Department of Justice:				
State Criminal Alien Assistance (SCAAP)				
State Criminal Alien Assistance (SCAAP)	16.606	2011-H2368-FL-AP	200,764	33,275
State Criminal Alien Assistance (SCAAP)	16.606	2012-H3697-FL-AP	151,775	145,484
Total program			<u>352,539</u>	<u>178,759</u>
Bullet Proof Vest Program	16.607	BOBX10262757	6,809	4,527
Justice Assistance Grant Program Cluster:				
Justice Assistance Grant Program (FY10)	16.738	2010-DJ-BX-0120	175,920	33,948
Justice Assistance Grant Program (FY11) - Disaster Recover Project	16.738	2011-DJ-BX-0007	135,536	135,525
Justice Assistance Grant Program (FY12)-IT Disaster Recovery Project	16.738	2012-DJ-BX-0006	99,488	99,488
Justice Assistance Grant Program - License Plate	16.738	2013-DJ-BX-0080	89,341	87,000
Passed through Florida Department of Law Enforcement:				
Pharmaceutical Investigations Law Enforcement Strategy	16.738	2013-JAGC-LEE-1-D7-104	87,553	82,672
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGC-LEE-3-D7-167	47,647	47,339
Total Justice Assistance Grant Program Cluster:			<u>635,485</u>	<u>485,972</u>
Passed through Florida Office of the Attorney General:				
Victims of Crime Act (FY12-13)	16.575	V11265	58,983	57,849
Passed through Florida Department of Children & Families:				
STOP Violence Against Women (FY12/13)	16.588	13-8018-LE	167,831	128,059
STOP Violence Against Women (FY13/14)	16.588	14-8018-LE	150,000	34,625
Total program			<u>317,831</u>	<u>162,684</u>
Passed through Florida Department of Law Enforcement:				
Paul Coverdell Forensic Sciences Improvement Grant (FY12)	16.742	2012-CD-BX-0018	2,011	2,011
Equitable Sharing Program	16.922	None	79,373	79,373
Total U.S. Department of Justice			<u>\$ 1,453,031</u>	<u>\$ 971,175</u>

Continued

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2013

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant Number	Federal/State award amount	Expenditures
U.S. Department of Transportation/non-FAA:				
Federal Transit Administration:				
Federal Transit Cluster:				
USC 5307 Urbanized Area Formula Grant (FY13)	20.507	FL-90-X806	\$ 6,527,494	\$ 270,193
USC 5307 Urbanized Area Formula Grant (FY10)	20.507	FL-90-X712	4,584,746	155,825
USC 5307 Capital FY06 Urbanized Area Formula	20.507	FL-90-X596	3,508,619	902,176
USC 5307 Capital FY06 Urbanized Area Formula	20.507	FL-90-X597	3,672,140	2,719,690
USC 5307 Capital FY07 Urbanized Area Formula	20.507	FL-90-X623	4,102,233	2,534,059
USC 5307 Urbanized Area Formula	20.507	FL-90-X647	4,386,928	464,601
USC 5307 Urbanized Area Formula	20.507	FL-90-X682	4,676,781	256,274
USC 5307 Urbanized Area Formula	20.507	FL-90-X748	4,507,643	368,973
USC 5307 Urbanized Area Formula	20.507	FL-90-X777	4,583,483	474,215
USC 5309 Bus and Bus Facility Allocations	20.507	FL-04-X145	13,920,000	13,920,000
Total Federal Transit Cluster:			54,470,067	22,066,006
Transit Services Programs Cluster:				
USC 5316 Job Access Reverse Commute Grant	20.516	FL-37-X027	669,178	31,254
USC 5316 Job Access Reverse Commute Grant	20.516	FL-37-X045	377,800	11,732
USC 5317 New Freedom Grant	20.521	FL-57-X005	492,983	2,370
USC 5317 New Freedom Grant	20.521	FL-57-X019	287,456	42,451
Total Transit Services Programs Cluster:			1,827,417	87,807
USC 5303 Planning	20.505	AOZ59	973,133	142,304
Veterans Transportation & Community Living Initiative	20.514	FL-26-0022	50,000	8,786
Alternative Transportation in Parks & Public Lands-Ding Darling NWR	20.520	FL-20-X0001	1,600,000	229,557
ARRA - USC 5311 NonUrban Area -Public Transportation Services	20.509	APH17	210,000	2,327
USC 5311 Non Urban Program Multi Yr	20.509	AQR04	355,709	378,188
Rural Transit Assistance Program	20.509	AQT38	30,000	30,000
Total program			595,709	410,515
Federal Highway Administration:				
Highway Planning and Construction Cluster:				
Passed through Florida Department of Environmental Protection:				
Admiral Lehigh Trailhead	20.219	T1130	126,324	106,665
Passed through Florida Department of Transportation:				
LAP - Sunniland Blvd. & 25th St. Sidewalk	20.205	AQF60	400,805	37,182
Enhancements and Operations of Lee Traffic and Operations Center	20.205	429960-1-88-01	300,000	147,886
Total Highway Planning and Construction Cluster:			827,129	291,733
Highway Safety Cluster:				
Seniors Driving Safely	20.600	RS-13-15-06-AOY26	53,215	35,945
Impaired Driving Program	20.601	AQS83	49,000	48,964
Total Highway Safety Cluster:			102,215	84,909
Total U.S. Department of Transportation/non-FAA			60,445,670	23,321,617
U.S. Department of Transportation/FAA:				
Federal Aviation Administration:				
Aircraft Rescue & Firefighting Building - RSW	20.106	3-12-0135-048-2010	8,354,381	734,794
Wildlife Mgmt. Implementation Plan; Install Flight Tracker System - RSW	20.106	3-12-0135-049-2010	55,649	12,736
Runway Protection Zone & Perimeter Road Phase 1 - Land Purchase	20.106	3-12-0027-017-2011	268,455	42,190
Rehabilitate Terminal Passenger Information System (FIDS) Phase 1-Design	20.106	3-12-0135-050-2012	178,965	92,430
Airport Improvement Program Grant - RSW	20.106	3-12-0135-051-2013	3,891,689	47,988
Total U.S. Department of Transportation/FAA			12,749,139	930,138
U.S. Department of the Treasury:				
Federal Forfeiture - Treasury	21.000	None	16,637	16,637
Total U.S. Department of the Treasury			16,637	16,637
U.S. Department of Veterans Affairs				
VA Homeless Providers Supplement	64.024	VA248-12-C-0364	164,250	164,250
VA Homeless Providers Grant YR3	64.024	VA248-P-1603	91,250	85,125
Total U.S. Department of Veterans Affairs			255,500	249,375
Total expenditures of federal awards			\$ 134,406,715	\$ 39,182,207

Continued

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2013

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant Number	Federal/State award amount	Expenditures
Florida Department of Children and Families:				
Criminal Justice Mental Health & Substance Abuse Reinvestment Grt FY11-14	60.115	LHZ28	\$ 750,000	\$ 290,083
Total Florida Department of Children and Families			<u>750,000</u>	<u>290,083</u>
Florida Department of Economic Opportunity:				
Florida Housing Finance Corporation:				
SHIP YR16 (State FY10-11)	51.901	LB018	40,230	1,358
SHIP YR17 (State FY11-12)	52.901	LB019	382,207	135,877
SHIP YR18 (State FY12-13)	52.901	LB020	159,265	2,934
SHIP YR18 (State FY13-14)	52.901	LB021	628,062	2,002
Total Program			<u>1,209,764</u>	<u>142,171</u>
Spring Training Baseball Franchise Program	73.016	SB13-235	15,000,000	125,000
Total Florida Department of Economic Opportunity			<u>16,209,764</u>	<u>267,171</u>
Florida Department of the Executive Office:				
Florida Division of Emergency Management:				
EMPA Base Grant FY12-13	31.063	13-BG-83-09-46-01-036	105,806	70,987
EMPA Base Grant FY13-14	31.063	14-BG-83-09-46-01-036	105,806	19,184
Total Program			<u>211,612</u>	<u>90,171</u>
Hazardous Material Emergency Response Plan	31.067	13-CP-11-09-46-01-199	12,369	12,369
Total Florida Department of the Executive Office			<u>223,981</u>	<u>102,540</u>
Florida Department of Environmental Protection:				
Blind Pass Ecozone Restoration	37.003	13LE1	193,992	95,365
Gasparilla Island Monitoring	37.003	09LE1	44,977	10,626
Estero Island Beach Restoration	37.003	09LE2	2,022,500	8,991
Lovers Key Beach Renourishment Project	37.003	10LE1	3,273,455	18,682
Total program			<u>5,534,924</u>	<u>133,664</u>
Lakes Park Water Quality Restoration	37.039	S0604	510,000	61,769
Total Florida Department of Environmental Protection			<u>6,044,924</u>	<u>195,433</u>
Florida Department of Health:				
2012 EMS County Award	64.005	C1036	103,269	87,327
Total Florida Department of Health			<u>103,269</u>	<u>87,327</u>
Florida Department of State:				
Division of Library & Information Services:				
State Aid to Libraries Grant (FY12)	45.030	12-ST-24	615,003	486,760
State Aid to Libraries Grant (FY13)	45.030	13-ST-24	642,423	166,488
Total Florida Department of State			<u>1,257,426</u>	<u>653,248</u>
Florida Department of Transportation/non-FAA:				
State Transit Block Grant	55.010	AQQ17	1,748,413	1,748,413
Beach Park & Ride Summerlin Square	55.011	AOK93	2,325,000	7,325
Lee-Collier Transit Connector	55.012	APO75	1,031,688	363,792
State Transit Service Development Program-Downtown Fort Myers Circulator	55.012	AQM19	180,000	110,540
Total program			<u>1,211,688</u>	<u>474,332</u>
State Corridor Program	55.013	AQQ24	1,869,398	1,400,001
Edison Mall Transfer Station	55.014	AOW00	1,000,000	63,299
LAP-Six Mile Cypress Parkway Four Laning	55.026	APR16	1,000,000	228,516
Halfway Creek Filter Marsh	55.031	AQW95	100,000	32,317
Total Florida Department of Transportation/non-FAA			<u>9,254,499</u>	<u>3,954,203</u>
Florida Department of Transportation/FAA:				
Terminal Expansion Airside Design & Construction-RSW	55.004	AOD19	27,096,000	6,343,439
Design & Construct South Entrance & Perimeter Roads	55.004	AQD61	1,760,000	1,280,925
North Property Utilities & Road Safety Project	55.004	AQE17	415,601	207,245
Land Acquisition for Perimeter Road	55.004	AQE25	11,164	1,751
Expand Midfield Entrance Road	55.004	AQH04	2,917,000	40,218
RSW Design & Construct ATCT & TRACON	55.004	AQR25	1,500,000	90,670
Preliminary Design 6R/24L Phase I Parallel Runway - RSW	55.004	AOK54	31,452,872	1,578,695
Flight Tracking System - RSW	55.004	AQ177	3,980	1,592
Total Florida Department of Transportation/FAA			<u>65,156,617</u>	<u>9,544,535</u>
Total expenditures of state financial assistance			\$ 99,000,480	\$ 15,094,540

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

LEE COUNTY, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2013

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) summarizes the expenditures incurred under all federal programs and state projects by Lee County, Florida for the fiscal year ended September 30, 2013, which are recognized on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, Section 215.97, Florida Statutes, and *Rules of the Auditor General*, Chapter 10.550. For purposes of this Schedule, federal programs and state projects include all grants and contracts entered into directly between Lee County, Florida and agencies and departments of the federal or state government. Federal programs or state projects passed through other government agencies, if any, are also included in the Schedule.

(2) Indirect Costs

Lee County provides certain services and facilities to federal and state programs such as disbursing, banking, general data processing, office space, and furnishings. Costs for these services are allocated based on certain pre-approved allocation criteria. Lee County, Florida allocated costs for these indirect services to the Department of Housing and Urban Development's CDBG Grant (CFDA #14.218) in the amount of \$26,311.

(Continued)

LEE COUNTY, FLORIDA

Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance

Year Ended September 30, 2013

(3) Subrecipients

Of the federal and state expenditures presented in the Schedule, Lee County, Florida provided awards to subrecipients as follows:

CFDA #	Federal program	Amounts provided to subrecipients
14.218	CDBG Urban County Entitlement - Year 20	\$ 3,989
14.218	CDBG Urban County Entitlement - Year 21	41,302
14.218	CDBG Urban County Entitlement - Year 22	315,983
14.218	CDBG Urban County Entitlement - Year 23	158,739
14.218	Neighborhood Stabilization Program	172,946
14.218	Neighborhood Stabilization Program 3	37,500
14.231	Emergency Shelter Grant -Year 10 (FY13)	100,615
14.235	Supportive Housing Program (SHP - FY11)	14,020
14.235	Supportive Housing Program (SHP - FY12)	1,167,873
14.238	SHP Shelter Plus Care (FY12)	125,800
14.267	Continuum of Care Program	529,100
16.738	Pharmaceutical Investigations Law Enforcement Strategy	15,748
16.738	Edward Byrne Memorial Justice Assistance Grant Program	47,339
20.516	USC 5316 Job Access Reverse Commute Grant	30,482
20.516	USC 5316 Job Access Reverse Commute Grant	12,504
20.521	USC 5317 New Freedom Grant	4,753
20.521	USC 5317 New Freedom Grant	40,069
64.024	VA Homeless Providers YR3	164,250
64.024	VA Homeless Providers Supplement	85,125
	Total federal program transfers to subrecipients	<u>\$ 3,068,137</u>
CSFA #	State project	Amounts provided to subrecipients
53.901	SHIP YR17 (State FY11-12)	\$ 71,789
60.115	Criminal Justice, Mental Health & Substance Abuse Reinvestment Grant FY11-14	290,083
	Total state project transfers to subrecipients	<u>\$ 361,872</u>

LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Part I - Summary of Auditors' Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards and State Projects Section

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditors' report on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 and/or Chapter 10.550 yes x no

LEE COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -

FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Part I - Summary of Auditors' Results (continued)

Federal Awards and State Projects Section (continued)

Identification of major federal programs and state projects:

Federal Programs:

Name of Program or Cluster	CFDA Numbers
U.S. Department of Energy:	
ARRA - Energy Efficiency and Conservation Block Grant	81.128
U.S. Department of Transportation:	
Federal Transit Formula Grants	20.507

State Projects:

Name of Project	CSFA Numbers
State of Florida Department of Transportation:	
Aviation Development Grants	55.004
Public Transit Block Grant Program	55.010

Dollar threshold used to determine Type A programs:

Federal programs	\$ 1,175,466
State projects	\$ 452,836

Auditee qualified as low-risk auditee for federal purposes?

yes no

LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings required to be reported by OMB Circular A-133.

Part IV - State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, Rules of the Auditor General.

There were no findings required to be reported by Chapter 10.550, Rules of the Auditor General.

LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2013

Prior Year Findings

Fiscal year 2012 audit finding was addressed during fiscal year 2013 as follows:

**2012-1: Florida Department of Environmental Protection - CSFA #37.039 - Statewide Surface Water Restoration
and Wastewater Projects**

Statement of Condition and Context: The Powell Creek Preserve Filter Marsh Project (Powell Creek) progress reports for the quarters ended March 31, 2012 and June 30, 2012, the Lake Parks Water Quality Improvement Project (Lake Parks) progress report for the quarter ended June 30, 2012, and the Briarcliff Filter Marsh Project (Briarcliff) progress report for the quarter ended June 30, 2012 were initially filed with the State with inaccurate amounts reported for expenditures, which were not in agreement with the accounting records. Subsequent to auditors identifying such differences, the County has since filed revised reports with the State and has corrected such differences.

Status: Completed.

**Report of Independent Auditor on Compliance with
Requirements Applicable to the Passenger Facility Charge Program
And Internal Control over Compliance in Accordance
with the Passenger Facility Charge Audit Guide**

To the Honorable Board of County
Commissioners of Lee County, Florida

and

To the Honorable Board of Port Commissioners of the
Lee County Port Authority

Report on Compliance for the Passenger Facility Charge Program

We have audited the Lee County Port Authority, a blended component unit of Lee County, Florida (“the Authority”) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the “Guide”), that could have a direct and material effect on the Authority’s passenger facility charge program for the year ended September 30, 2013.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Authority’s compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the passenger facility charge program. However, our audit does not provide a legal determination on the Authority’s compliance.

Opinion on Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2013.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for a passenger facility charge program and to test and report on internal controls over compliance in accordance with the Guide, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Passenger Facility Charges Collected and Expended

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2013, and the related notes to the financial statements which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 5, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of passenger facility charges collected and expended for the year ended September 30, 2013 is presented for purposes of additional analysis as required by the Federal Aviation Administration, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion the schedule of passenger facility charges collected and expended is fairly stated in all material respects in relation to the financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Passenger Facility Charge Audit Guide. Accordingly, this report is not suitable for any other purpose.

Cherry Bekart LLP

Tampa, Florida
March 5, 2014

Lee County, Florida
Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As Reported to FAA)
Year ended September 30, 2013

	Quarter Ended December 31, 2012	Quarter Ended March 31, 2013	Quarter Ended June 30, 2013	Quarter Ended September 30, 2013	Year Ended September 30, 2013	Cumulative Totals as of September 30, 2012	Cumulative Totals as of September 30, 2013
Collections:							
PFCs Collected	\$ 3,530,470	\$ 5,440,872	\$ 3,094,631	\$ 3,246,045	\$ 15,312,018	\$ 202,275,035	\$ 217,587,053
Interest Earned	23,439	20,266	20,331	16,245	80,281	8,374,512	8,454,793
Total Collections	\$ 3,553,909	\$ 5,461,138	\$ 3,114,962	\$ 3,262,290	\$ 15,392,299	\$ 210,649,547	\$ 226,041,846
Expenditures on approved PFC projects included in:							
Application No. 1							
92-01-C-00-RSW	\$ 3,621	\$ 3,621	\$ 3,621	\$ 3,621	\$ 14,484	\$ 18,946,397	\$ 18,960,881
Adjustments to Application No. 92-01-C-00-RSW						(6,286,802)	(6,286,802)
						12,659,595	12,674,079
Application No. 2							
93-02-U-00-RSW	-	-	-	-	-	9,711,377	9,711,377
Application No. 3							
94-03-U-00-RSW	55,050	55,050	55,050	55,050	220,200	76,035,169	76,255,369
Application No. 4							
97-04-U-00-RSW	2,496	2,496	2,496	2,496	9,984	3,586,735	3,596,719
Application No. 5							
97-04-U-01-RSW	1,440,842	929,534	528,696	554,564	3,453,636	73,007,309	76,460,945
Application No. 6							
06-06-C-00-RSW	-	-	-	-	-	4,838,689	4,838,689
Application No. 7							
10-07-C-00-RSW	14,985	901,666	730,489	16,571,142	18,218,282	6,823,901	25,042,183
Application No. 8							
13-08-C-00-RSW	-	-	-	17,986	17,986	-	17,986
Total Expenditures	\$ 1,516,994	\$ 1,892,367	\$ 1,320,352	\$ 17,204,859	\$ 21,934,572	\$ 186,662,775	\$ 208,597,347

See accompanying notes to schedule of passenger facilities charges collected and expended.

LEE COUNTY, FLORIDA

Notes to Schedule of Passenger Facility
Charges Collected and Expended

Year ended September 30, 2013

(1) General

The accompanying schedule of passenger facility charges collected and expended presents the activity of all passenger facility charges of Lee County, Florida.

(2) Basis of Accounting

The accompanying schedule of passenger facility charges collected and expended is presented using the cash basis of accounting.

LEE COUNTY, FLORIDA
LEE COUNTY PORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
PASSENGER FACILITY CHARGE PROGRAM

YEAR ENDED SEPTEMBER 30, 2013

Part I - Summary of Audit Results

Financial Statement Section

Type of auditor report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified?

_____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Passenger Facility Charge Program Section

Internal control over passenger facility charge program:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified?

_____ yes x none reported

Type of auditor report on compliance for the passenger facility charge program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies

_____ yes x no

This schedule encompasses the Lee County Port Authority only, and is provided as required by the Passenger Facility Charge Program.

LEE COUNTY, FLORIDA
LEE COUNTY PORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
PASSENGER FACILITY CHARGE PROGRAM

YEAR ENDED SEPTEMBER 30, 2013

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III - Passenger Facility Charge Program - Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of the Passenger Facility Charge Program, as required to be reported by the Passenger Facility Charge Audit Guide.

There were no findings required to be reported in accordance with the Passenger Facility Charge Audit Guide.

LEE COUNTY, FLORIDA
LEE COUNTY PORT AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN - PASSENGER FACILITY CHARGE PROGRAM

YEAR ENDED SEPTEMBER 30, 2013

Prior Year Findings

There were no prior year audit findings.