

Lee County, Florida

Single Audit Reports

For the Year Ended September 30, 2015

(With Independent Auditors' Report Thereon)



LEE COUNTY, FLORIDA

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**INDEPENDENT AUDITORS' REPORT 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**

Honorable Board of County Commissioners
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 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 (County), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 21, 2016. Our report includes a reference to other auditors who audited the financial statements of the Lee County Property Appraiser, the Lee County Sheriff, the Lee County Supervisor of Elections, and the Lee County Tax Collector, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 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 to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Board of County Commissioners
Lee County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 21, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Board of County Commissioners
Lee County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Lee County, Florida's (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 programs and state projects, for the year ended September 30, 2015. The County's major federal programs and state projects are identified in the summary of auditors' 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 its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state 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; and OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General Local Government Entity Audits. Those standards, OMB Circular A-133, and Chapter 10.550 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 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 project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State 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 projects for the year ended September 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program and state project is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, 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 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 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state 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.

Report on Internal Control Over Compliance (Continued)

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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as 2015-001 that we consider to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 result of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon April 21, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550 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. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.


CliftonLarsonAllen LLP

Fort Myers, Florida
April 21, 2016

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2015

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant Number	Federal/State award amount	Expenditures
U.S. Department of Commerce				
Economic Development Cluster				
EDA Grant - Extend Main Along Alico Road	11.307	04-79-0661	551,257	40,110
Total U.S. Department of Commerce			551,257	40,110
U.S. Department of Environmental Protection:				
Passed through the Gulf of Mexico Foundation:				
Gulf of Mexico Program (Galt Preserve Restoration)	66.475	GCRP 11-02A	15,420	15,420
Total U.S. Department of Environmental Protection			15,420	15,420
U.S. Department of Health & Human Services:				
Passed through Florida Department of Revenue:				
Child Support Enforcement Program (Federal Initiative)	93.563	COC36	1,183,220	1,183,220
Passed through Florida Department of Economic Opportunity:				
Low Income Home Energy Assistance Program (LIHEAP) - FY14	93.568	14EA-OF-09-46-01-015	1,660,557	813,857
Low Income Home Energy Assistance Program (LIHEAP) - FY15	93.568	14WX-OG-09-46-01-015	205,711	177,160
Low Income Home Energy Assistance Program (LIHEAP) - FY15	93.568	15EA-OF-09-46-01-015	1,422,918	681,722
Total program			3,289,186	1,672,739
Passed through Florida Department of Economic Opportunity:				
Community Services Block Grant FY15	93.569	15SB-0D-09-46-01-014	390,219	272,305
Total program			390,219	272,305
Total U.S. Department of Health & Human Services			4,862,625	3,128,264
U.S. Department of Homeland Security:				
Transportation Security Administration:				
RSW-TSA National Explosives Detection Canine Team Program	97.072	HSTS0208HCAN446	37,875	37,875
RSW-TSA Law Enforcement Officer Program	97.090	HSTS02-13-H-SLR204	409,511	131,400
Passed through Florida Division of Emergency Management:				
Emergency Management Performance Grant	97.042	15-FG-4D-09-46-01-103	145,708	117,103
Emergency Management Performance Grant (Citizen Corp Grant)	97.042	15-CC-N2-09-4-01-367	4,485	4,484
Emergency Management Performance Grant	97.042	15-FG-5A-09-46-01-102	147,445	16,035
Total program			297,638	137,622
Passed through Florida Division of Emergency Management:				
State Homeland Security Grant Program - Homeland Security Training	97.067	14DS-L5-09-46-01	14,200	14,200
State Homeland Security Grant Program - Homeland Security Training	97.067	15-DS-P4-09-46-01-366	16,000	16,000
State Homeland Security Grant Program -Operation Stone Garden	97.067	14DS-D8-09-46-23-370	50,000	5,420
State Homeland Security Grant Program -Operation Stone Garden	97.067	14DS-C8-09-46-23-516	50,000	20,107
State Homeland Security Grant Program -Operation Stone Garden	97.067	15DS-L3-09-46-23-153	117,559	104,876
State Homeland Security Grant Program -Operation Stone Garden	97.067	15-DS-P4-09-46-02-229	8,670	8,670
State Homeland Security Grant Program -Operation Stone Garden	97.067	15-DS-P9-46-01-455	100,776	24,684
Passed through Florida Department of Financial Services:				
USAR & Regional Domestic Security Hazardous Team	97.067	13-DS-L5-09-46-01	27,640	24,343
USAR & Regional Domestic Security Hazardous Team	97.067	15-DS-P4-09-46-01-458	55,715	3,343
Total program			440,560	221,643
Total U.S. Department of Homeland Security			1,185,584	528,540

Continued

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2015

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 23	14.218	B-12-UC-12-0013	2,074,186	322,828
CDBG Urban County Entitlement - Year 24	14.218	B-13-UC-12-0013	2,433,479	545,205
CDBG Urban County Entitlement - Year 25	14.218	B-14-UC-12-0013	2,499,268	647,253
Neighborhood Stabilization Program	14.218	B-08-UN-12-0009	18,243,867	873,488
Neighborhood Stabilization Program 3	14.218	B-11-UN-12-0009	6,639,174	484,493
Total Community Development Block Grant Entitlement Grants Cluster:			31,889,974	2,873,267
Emergency Shelter Grant -Year 11 (FY14)	14.231	E-13-UC-12-0023	151,318	72,583
Emergency Shelter Grant -Year 12 (FY15)	14.231	E-14-UC-12-0023	197,693	104,844
Total program			349,011	177,427
HOME - Year 20 (FY12)	14.239	M-11-UC-12-0210	681,871	45,431
HOME - Year 21 (FY13)	14.239	M-12-UC-12-0210	576,631	99,281
HOME - Year 22 (FY14)	14.239	M-13-UC-12-0210	610,423	377,324
HOME - Year 23 (FY15)	14.239	M-14-UC-12-0210	656,524	325,656
Total program			2,525,449	847,692
Continuum of Care Program (SHP FY13)	14.267	Various	2,164,377	12,160
Continuum of Care Program (SHP FY14)	14.267	Various	2,030,730	1,318,151
Continuum of Care Program (FY14 - Chrysalis Supp Housing Program)	14.267	FL0432B4D031100	27,111	27,111
Continuum of Care Program	14.267	Various	2,061,821	432,511
Total program			6,284,039	1,789,933
Passed through Florida Department of Health/Health Planning Council of SW FL:				
HOPWA -HIV Care Formula Grant	93.917	CODJO	100,000	60,126
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODKW	100,000	16,335
Total U.S. Department of Housing & Urban Development			41,248,473	5,764,780
U.S. Department of Justice:				
State Criminal Alien Assistance (SCAAP)	16.606	2014-AP-BX-0593	98,313	84,720
Total program			98,313	84,720
Justice Assistance Grant Program Cluster:				
Passed through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAGC-LEE-4-R3-083	9,500	9,500
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAGC-LEE-1-R3-044	32,000	28,483
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAGC-LEE-5-R3-101	10,000	9,994
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAGC-LEE-2-R3-085	67,475	67,475
Total Justice Assistance Grant Program Cluster:			118,975	115,452
Paul Coverdell Forensic Sciences Improvement Grant Program (2013)	16.742	2013-CD-BX-0018	1,806	1,806
Paul Coverdell Forensic Sciences Improvement Grant Program (2014)	16.742	2014-CD-BX-0054	2,096	2,096
Total Program			3,902	3,902
Passed through Florida Office of the Attorney General:				
Victims of Crime Act (FY14-15)	16.575	V194-14265	61,932	51,991
Passed through Florida Department of Children & Families:				
STOP Violence Against Women (FY14/15)	16.588	15-8018-LE-ENH	150,000	121,168
Passed through Florida Council Against Sexual Violence				
STOP Violence Against Women	16.588	15STO51	150,000	22,117
Passed through Florida Department of Law Enforcement:				
NICS Act Record Improvement Program	16.813	2014-NICS-LEE-1-D3-027	49,500	49,500
Total U.S. Department of Justice			632,622	448,850

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LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2015

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	20.507	FL-90-X682	4,676,781	19,303
USC 5307 Urbanized Area Formula Grant	20.507	FL-90-X748	4,507,643	492,659
USC 5307 Urbanized Area Formula Grant	20.507	FL-90-X777	4,583,483	488,288
USC 5307 Urbanized Area Formula Grant (FY10)	20.507	FL-90-X712	4,584,746	272,238
USC 5307 Urbanized Area Formula Grant (FY13)	20.507	FL-90-X806	6,527,494	2,738,002
USC 5307 Urbanized Area Formula Grant (FY14)	20.507	FL-90-X850	5,833,046	5,213,046
USC 5339 Bus and Bus Facilities	20.526	FL-34-002	678,443	16,337
Total Federal Transit Cluster:			31,391,636	9,239,873
Transit Services Programs Cluster:				
Passed through Florida Department of Transportation:				
USC 5316 Job Access Reverse Commute Grant	20.516	FL-37-X027	669,178	234,515
USC 5316 Job Access Reverse Commute Grant	20.516	FL-37-X075	190,561	63,788
USC 5317 New Freedom Grant	20.521	FL-57-X040	233,677	122,102
USC 5317 New Freedom Grant	20.521	FL-57-X019	287,456	14,410
Total Transit Services Programs Cluster:			1,380,872	434,815
Passed through Florida Department of Transportation:				
USC 5311 Non Urban Program Multi Yr	20.509	AQR04	355,709	58,201
Federal Highway Administration:				
Highway Planning and Construction Cluster:				
Passed through Florida Department of Transportation:				
Highway Planning and Construction-(Lee Traffic and Operations Center)	20.205	429960-1-88-01	900,000	242,208
Total Highway Planning and Construction Cluster:			900,000	242,208
Highway Safety Cluster:				
Passed through Florida Department of Transportation:				
Seniors Driving Safely	20.600	CP-15-04-13-ARM62	47,500	47,375
Total Highway Safety Cluster:			47,500	47,375
Total U.S. Department of Transportation/non-FAA			34,075,717	10,022,472
U.S. Department of Transportation/FAA:				
Federal Aviation Administration:				
Airport Improvement Program Grant - RSW	20.106	3-12-0135-051-2013	3,891,689	862,003
Airport Improvement Grant (Rehabilitate Runway 5-23 Phase 1)	20.106	3-12-0027-018-2013	139,812	13,306
Airport Improvement Grant (Rehabilitate Runway 5-23 Phase 2-Page Field)	20.106	3-12-0027-019-2014	1,629,966	686,887
Airport Improvement Grant (Signs phase II Rehab Terminal)	20.106	3-12-0135-052-2014	99,356	90,483
Total U.S. Department of Transportation/FAA			5,760,823	1,652,679
U.S. Department of the Treasury:				
Federal Forfeiture - Treasury	21.000	None	636,866	636,866
Total U.S. Department of the Treasury			636,866	636,866
U.S. Department of Veterans Affairs				
VA Homeless Providers Grant YR5	64.024	VA248-P-1603	91,250	83,900
VA Homeless Providers Supplement	64.024	VA248-14-C-0221	219,936	203,241
Total U.S. Department of Veterans Affairs			311,186	287,141
Total expenditures of federal awards			89,280,573	22,525,122

Continued

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2015

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant Number	Federal/State award amount	Expenditures
Florida Department of Children and Families:				
Public Safety, Mental Health, & Substance Abuse Local Matching Grant FY14-17	60.115	LHZ44	961,635	289,989
Total Florida Department of Children and Families			961,635	289,989
Florida Department of Economic Opportunity:				
Florida Housing Finance Corporation:				
SHIP YR18 (State FY12-13)	52.901	LB020	159,265	30,526
SHIP YR19 (State FY13-14)	52.901	LB021	628,062	603,191
SHIP YR20 (State FY14-15)	52.901	LB022, LB023, LB024	1,907,917	438,081
SHIP YR21 (State FY15/16)	52.901	LB025	2,026,598	2,608
Total Program			4,721,842	1,074,406
Training Franchise	73.016	SB13-235	15,000,000	500,004
Total Florida Department of Economic Opportunity			19,721,842	1,574,410
Florida Department of the Executive Office:				
Florida Division of Emergency Management:				
Hazardous Material Emergency Response Plan	31.067	15-CP-11-09-46-01-263	12,371	12,371
EMPA Base Grant FY13-14	31.063	14-BG-83-09-46-01-036	105,806	5,981
EMPA Base Grant FY14-15	31.063	15-BG-83-09-46-01-036	105,806	80,468
EMPA Base Grant FY15-16	31.063	16-BG-83-09-46-01-035	105,806	23,568
Total Program			317,418	110,017
Total Florida Department of the Executive Office			329,789	122,388
Florida Department of Environmental Protection:				
Beach Management Funds Assistance Program-Estero Island	37.003	09LE2	2,045,881	16,474
Beach Management Funds Assistance Program-Lovers Key	37.003	10LE1	3,273,455	2,239,447
Beach Management Funds Assistance Program-Blind Pass	37.003	12LE1	23,288	15,324
Beach Management Funds Assistance Program-Gasparilla Island	37.003	14LE1	2,100,000	6,998
Beach Management Funds Assistance Program-Blind Pass Monitoring	37.003	14LE3	156,022	156,022
Total Program			7,598,646	2,434,265
Statewide Surface Water Restoration and Wastewater Project -Daniels Preserve	37.039	S0732	100,000	93,662
Statewide Surface Water Restoration and Wastewater Project -Nalle Grade	37.039	S0727	500,000	88,612
Statewide Surface Water Restoration and Wastewater Project -Palmona Park	37.039	S0731	300,000	300,000
Statewide Surface Water Restoration and Wastewater Project -Alico Rd	37.039	LP36021	761,250	546,634
Total Program			1,661,250	1,028,908
Total Florida Department of Environmental Protection			9,259,896	3,463,173
Florida Department of Health:				
2014 EMS County Award	64.005	C3036	98,142	98,142
Total Florida Department of Health			98,142	98,142
Florida Department of State:				
Division of Library & Information Services:				
State Aid to Libraries Grant (FY13)	45.030	13-ST-24	642,423	56
State Aid to Libraries Grant (FY14)	45.030	14-ST-26	674,397	478,159
State Aid to Libraries Grant (FY15)	45.030	15-ST-26	919,076	106,545
Total Florida Department of State			2,235,896	584,760
Florida Fish and Wildlife Conservation Commission:				
Florida Boating Improvement Program (FBIP)	77.006	13398	43,350	29,099
Total Florida Fish and Wildlife Conservation Commission			43,350	29,099

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LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2015

<u>Federal/State grantor / pass-through grantor</u>	<u>CFDA CFSA number</u>	<u>Grant Number</u>	<u>Federal/State award amount</u>	<u>Expenditures</u>
Florida Department of Transportation/non-FAA:				
State Transit Block Grant	55.010	AQQ17	1,830,871	1,830,871
Beach Park & Ride Summerlin Square	55.011	AOK93	2,325,000	392,529
State Transit Service Development Program-Downtown Fort Myers Circulator	55.012	AQM19	180,000	110,322
Passenger Amenities on State Highway System	55.012	AQQ86	237,919	79,955
Total program			417,919	190,277
Commuter Assistance/Rideshare	55.007	AQM18	112,470	43,612
State Corridor Program	55.013	AQQ24	1,869,398	1,400,000
Total Florida Department of Transportation/non-FAA			6,555,658	3,857,289
Florida Department of Transportation/FAA:				
Aviation Development Grants (Terminal Expansion Airside Design & Const.-RSW)	55.004	AOD19	27,096,000	396,489
Aviation Development Grants (North Property Utilities & Road Safety Project)	55.004	AQE17	415,601	58,175
Aviation Development Grants (Expand Midfield Entrance Road)	55.004	AQH04	2,917,000	89,162
Aviation Development Grants (RSW Design & Construct ATCT & TRACON)	55.004	AQR25	14,758,592	769,346
Aviation Development Grants (Preliminary Design 6R/24L Phase I Parallel Runway - RSW)	55.004	AOK54	31,452,872	3,345,009
Aviation Development Grants (FMY - Page Field Wildlife Hazard Assessment)	55.004	ARB55	6,400	4,048
Aviation Development Grants (Page Field Runway Rehab. Design & Const.)	55.004	AR357	108,811	95,611
Aviation Development Grants (Structural Fire Truck)	55.004	AQ334	182,500	182,500
Aviation Development Grants (FDOT Airfield Signage Phase 2)	55.004	ARK76	6,360	4,881
Aviation Development Grants (FDOT Design Public Address System Upgrade RSW)	55.004	ARK77	10,199	10,199
Aviation Development Grants (Airside Pavement Rehab)	55.004	ARR95	5,000	5,000
Total Florida Department of Transportation/FAA			76,959,335	4,960,420
Total expenditures of state financial assistance			116,165,543	14,979,670

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, 2015

(1) Basis of Presentation

The Board of County Commissioners (the Board) is the legislative body for the County having the responsibility of budgeting and providing all the funding used by the various County departments and the separate Constitutional Officers, with the exception of fees collected by the Clerk of Circuit Court, Property Appraiser, and Tax Collector. Under the direction of the Clerk of Circuit Court, the Finance & Records Department maintains the accounting system for the Board's operations. The other Constitutional Officers maintain their own accounting systems. For purposes of this report the operations of the County as a whole, including all Constitutional Officers, have been presented. In addition to the divisions of the Board and the Constitutional Officers, the Lee County Port Authority, a blended component unit, is included.

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, 2015, 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 \$21,529.

LEE COUNTY, FLORIDA

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

Year Ended September 30, 2015

(Continued)

(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 23	\$ 222,508
14.218	CDBG Urban County Entitlement - Year 24	136,494
14.218	CDBG Urban County Entitlement - Year 25	250,617
14.218	Neighborhood Stabilization Program	66,600
14.231	Emergency Shelter Grant- Year 11 (FY14)	7,218
14.231	Emergency Shelter Grant -Year 12 (FY15)	75,000
14.239	HOME - Year 20	45,431
14.239	HOME - Year 21	66,503
14.267	Continuum of Care Program (SHP - FY13)	11,674
14.267	Continuum of Care Program (SHP - FY13-Chrysalis Supp Housing)	27,111
14.267	Continuum of Care Program (SHP - FY14)	1,212,627
16.738	Continuum of Care Program (SHP - FY15)	340,904
20.516	Edward Byrne Memorial Justice Assistance Grant Program	28,483
20.521	USC 5317 New Freedom Grant	43,098
64.024	VA Homeless Providers YR5	83,900
64.024	VA Homeless Providers Supplement	203,232
	Total federal program transfers to subrecipients	\$ 2,821,400
CSFA #	State project	Amounts provided to subrecipients
52.901	SHIP YR19 (State FY13-14)	82,622
52.901	SHP YR20 (State FY14-15)	210,000
60.115	Criminal Justice, Mental Health & Substance Abuse Reinvestment Grant (CJMHSR)	289,989
	Total state project transfers to subrecipients	\$ 582,611

LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Programs and State Financial Assistance Projects
For the Year Ended September 30, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued? Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None Reported

Non-compliance material to the financial statements noted? No

Federal Awards Section

Internal control over major programs:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? Yes

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of *OMB Circular A-133*? Yes

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	Home Investment Partnership Program
21.000	Equitable Sharing Program-Federal Forfeiture
93.563	Child Support Enforcement
20.500/20.507	Federal Transit Cluster
16.588	Violence Against Women Formula Grants
20.205	Highway Planning and Construction
20.TSPC	Job Access And Reverse Commute Program
64.024	VA Homeless Providers Grant and Per Diem Program

Dollar threshold used to distinguish between type A and type B programs: \$675,753

Auditee qualified as low-risk auditee? Yes

**LEE COUNTY, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Programs and State Financial Assistance Projects
 For the Year Ended September 30, 2015**

SECTION I - SUMMARY OF AUDITORS' RESULTS (continued)

State Financial Assistance Section

Internal control over major programs:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? No

Type of auditors' report issued on compliance for major projects? Unmodified

Identification of major State projects:

<u>State CSFA</u>	<u>Name of State Program or Cluster</u>
37.003	Beach Management Funding Assistance Program
37.039	Statewide Surface water restoration and Wastewater Projects
45.030	State Aid to Libraries
52.901	State Housing Initiatives Partners
55.010	Public Transit Block Grant Program
55.013	Transit Corridor Program
55.011	Park and Ride Lot Program

Dollar threshold used to distinguish between type A State projects \$449,390

SECTION II - 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 for which *Government Auditing Standards* requires reporting in a Circular A-133 and Section 215.97, Florida Statutes, audit.

There were no such findings required to be reported.

LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Programs and State Financial Assistance Projects
For the Year Ended September 30, 2015

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

Finding No 2015-001:* **Time and Effort*

Federal agency: U.S. Department of Transportation

Federal program: Highway Planning and Construction

CFDA Number: 20.205

Type of Finding: Significant Deficiency in Internal Control over Compliance and Compliance

Condition: Employees' time and effort certifications were not completed.

Criteria: Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of work performed by the employee (OMB Circular A-87, Attachment B.8.h.3).

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency.

Cause: The County did not obtain or complete the required time and effort certifications for three employees charged to the grant.

Effect: The County may be required to pay questioned costs due to not following the prescribed documentation guidelines.

Context: Time and effort certifications were not obtained for employees. Total payroll costs charged to the grant for the three individuals were \$42,791.

Questioned Costs: Unknown

Recommendation: We recommend that the County implement procedures and controls to ensure that time and effort certifications are obtained from County employees on at least a monthly basis for those who are split-funded and a semi-annual basis for those charged 100%. These certifications should state the percentage of time worked related to the program during the period covered by the certification.

***Management's
Response:***

After the results of the 2014 Single Audit, the department began completing the time and efforts certifications even though FDOT did not have a specific requirement for the form. By the time the certifications were implemented, several employees were no longer with the County and the department was not able to complete the forms for those employees. The employee salaries are 100% grant chargeable and the department will continue to complete time and effort certifications semi-annually.

LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Programs and State Financial Assistance Projects
For the Year Ended September 30, 2015

SECTION IV - FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

This section identifies the audit findings required to be reported under Rule 10.554(1)(l)4, Rules of the Auditor General.

There were no such findings required to be reported.

**LEE COUNTY, FLORIDA
SUMMARY SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2015**

Prior Year Findings

Finding No 2014-001:* **Time and Effort*

Federal agency: U.S. Department of Transportation

Federal program: Federal Transit Cluster

CFDA Number: 20.500 and 20.507

Type of Finding: Significant Deficiency in Internal Control over Compliance

Condition: Employees' time and effort certifications were not completed.

Current status: **Resolved.** The program identified above was selected as major for the current year. We tested the County's compliance with the allowable cost and activities requirement for payroll and no exceptions were noted.

Finding No 2014-002:* **Time and Effort*

Agency: Florida Housing Finance Corporation

Program: State Housing Initiatives Program (SHIP)

CSFA Number: 52.901

Type of Finding: Significant Deficiency in Internal Control over Compliance

Condition: Employees' time and effort certifications were not completed.

Current status: **Resolved.** The program identified above was selected as major for the current year. We tested the County's compliance with the allowable cost and activities requirement for payroll and no exceptions were noted.

**INDEPENDENT AUDITORS' REPORT 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**

Honorable Board of County Commissioners
Lee County, Florida

and

Honorable Board of Port Commissioners
Lee County Port Authority

Report on Compliance for the Passenger Facility Charge Program

We have audited Lee County Port Authority's (Authority), a blended component unit of Lee County, Florida (County), compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on the Authority's passenger facility charge program for the year ended September 30, 2015.

Management's Responsibility

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

Auditors' 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 of the Authority's compliance.

Honorable Board of County Commissioners
Lee County, Florida

and

Honorable Board of Port Commissioners
Lee County Port Authority

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, 2015.

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 the types of 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 an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, 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 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 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.

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority

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, 2015, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated April 21, 2016, 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 basic financial statements. The accompanying schedule of passenger facility charges collected and expended for the year ended September 30, 2015 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 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. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic 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 result of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.


CliftonLarsonAllen LLP

Fort Myers, Florida
April 21, 2016

Lee County, Florida
Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As
Reported to FAA) for the year ended September 30, 2015

	Quarter Ended December 31, 2014	Quarter Ended March 31, 2015	Quarter Ended June 30, 2015	Quarter Ended September 30, 2015	Year Ended September 30, 2015	Cumulative Totals as of September 30, 2014	Cumulative Totals as of September 30, 2015
Collections							
PFCs Collected	\$ 4,410,340	\$ 4,842,962	\$ 3,842,557	\$ 3,481,342	\$ 16,577,201	\$ 233,263,631	\$ 249,840,832
Interest Earned	11,813	12,058	15,500	18,704	58,075	8,500,355	8,558,430
Total Collection	\$ 4,422,153	\$ 4,855,020	\$ 3,858,057	\$ 3,500,046	\$ 16,635,276	\$ 241,763,986	\$ 258,399,262
EXPENDITURES ON APPROVED PFC PROJECTS INCLUDED IN							
Application No. 1							
92-01-C-00-RSW	\$ 1,250	\$ -	\$ -	\$ -	\$ 1,250	\$ 18,971,845	\$ 18,973,095
Adjustments to							
Application No.							
92-01-C-00-RSW						(6,286,802)	(6,286,802)
						12,685,043	12,686,293
Application No. 2							
93-02-U-00-RSW	-	-	-	-	-	9,711,377	9,711,377
Application No. 3							
94-03-U-00-RSW	19,004	-	-	-	19,004	76,422,061	76,441,065
Application No. 4							
97-04-U-00-RSW	862	-	-	-	862	3,604,275	3,605,137
Application No. 5							
03-05-C-00-RSW	753,475	827,385	656,473	594,762	2,832,095	79,139,177	81,971,272
Application No. 6							
06-06-C-00-RSW	-	-	-	-	-	4,838,689	4,838,689
Application No. 7							
10-07-C-00-RSW	234,443	519,933	548,844	627,089	1,930,309	33,682,264	35,612,573
Application No. 8							
13-08-C-00-RSW	11,443	400,987	8,405	77,638	498,473	121,303	619,776
Total Expenditures	\$ 1,020,477	\$ 1,748,305	\$ 1,213,722	\$ 1,299,489	\$ 5,281,993	\$ 220,204,189	\$ 225,486,182

LEE COUNTY, FLORIDA

Notes to Schedule of Passenger Facility
Charges Collected and Expended

Year ended September 30, 2015

(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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Passenger Facility Charge Program
For the Year Ended September 30, 2015**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None Reported
Non-compliance material to the financial statements noted?	No

Passenger Facility Charge Program Section

Internal control over major programs:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued 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?	No

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

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Passenger Facility Charge Program
For the Year Ended September 30, 2015**

SECTION II - 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 such findings required to be reported.

SECTION III - FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE PROGRAM

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 such findings required to be reported.

**LEE COUNTY, FLORIDA
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Passenger Facility Charge Program
For the Year Ended September 30, 2015**

Prior Year Findings

There were no prior year audit findings reported.