

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20050651

1. ACTION REQUESTED/PURPOSE:

That the Board of County Commissioners accept the annual Lee County Financial Assistance Report (FAR).

2. WHAT ACTION ACCOMPLISHES:

Provides public notice of the availability of the Lee County Financial Assistance Report to the citizens of Lee County.

3. MANAGEMENT RECOMMENDATION:

4. Departmental Category:

C15B

5. Meeting Date:

05-24-2005

6. Agenda:

- Consent**
- Administrative**
- Appeals**
- Public**
- Walk-On**

7. Requirement/Purpose: (specify)

- Statute** 215.97
- Ordinance**
- Admin. Code**
- Other** OMB A-133

8. Request Initiated:

Commissioner
Department Clerk of Circuit Court/
Finance & Records
Department
Division
By: Donna G. Harn
Finance Director

9. Background:

The schedules for the Lee County Financial Assistance Report for the fiscal year ended September 30, 2004, were prepared by the Grants Accountant in the General Accounting Office of the Clerk's Finance and Records Department, and audited by KPMG, LLP. The audit is required pursuant to the Single Audit Act, as amended, Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and Florida Single Audit Act, Section 215.97, Florida Statutes. The FAR is a representation of federal and state grant awards.

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services	County Manager/P.W. Director
<u>df</u>				<u>[Signature]</u>	<u>5/10/05</u>	<u>[Signature]</u>
				<u>Analyst</u>	<u>Risk</u>	<u>Grants</u>
				<u>5/10/05</u>	<u>5/10/05</u>	<u>Mgr. 5/11/05</u>

11. Commission Action:

- Approved**
- Deferred**
- Denied**
- Other**

Rec. by CoAtty
Date: <u>5/11/05</u>
Time: <u>11:00</u>
Forwarded To: <u>[Signature]</u>

RECEIVED BY COUNTY ADMIN: <u>[Signature]</u>
<u>5-10-05</u> <u>MP</u>
<u>11:25</u>
COUNTY ADMIN FORWARDED TO: <u>[Signature]</u>
<u>5-12-05</u>
<u>3pm</u>



LEE COUNTY, FLORIDA

Single Audit Reports

Year ended September 30, 2004

(With Independent Auditors' Report Thereon)

LEE COUNTY, FLORIDA
Single Audit Reports
 September 30, 2004
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KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

**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***

Board of County Commissioners
Lee County, Florida:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida (County) as of and for the year ended September 30, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 21, 2005. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic 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*.



This report is intended solely for the information and use of the Board of County Commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 21, 2005

LEE COUNTY, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year ended September 30, 2004

Federal Grantor/Pass-through Grantor/Program Title	Federal Identification Number	Federal CFDA Number	Federal Award Amount	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Natural Resources Conservation Service</i>				
Natural Resource Manager Salary	68-4209-4-0113	10.902	\$ 68,757	\$ 68,757
WHIP - Caloosahatchee Regional Park	72-4209-2-71-01	10.914	19,991	666
WHIP - Caloosahatchee Regional Park-Phase II	72-4209-3-71-01	10.914	19,998	1,572
Total U.S. Department of Agriculture				<u>70,995</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Coastal Impact Assist. Prg - Conservation Corridor Rest.	NA17OZ2114	11.419	120,243	109,129
Total U.S. Department of Commerce				<u>109,129</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through Florida Department of Education</i>				
Adult Education & Family Literacy Community Tech. Prg	817-1914A-4PCT2	84.002	120,000	71,053
21st Century Community Learning Center (FY04)	817-2444A-4RCC1	84.287	200,000	137,812
21st Century Community Learning Center (FY05)	817-2445A-5RCC1	84.287	200,000	8,591
Total U.S. Department of Education				<u>217,456</u>
<u>U.S. DEPARTMENT OF ENERGY</u>				
<i>Passed through Florida Department of Community Affairs</i>				
Weatherization Assistance Program (WAP)	04WX-3X-09-46-01-015	81.042	16,768	16,768
Weatherization Assistance Program (WAP)	04WX-00-09-46-01-515	81.042	22,406	5,647
Weatherization Assistance Program (LEHRP)	04LE-35-09-46-01-015	81.042	26,951	5,539
Total U.S. Department of Energy				<u>27,954</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
<i>Subrecipient of United Way of Lee County</i>				
FEMA Food & Shelter FY04	None	83.523	40,000	40,000
<i>Passed through Florida Department of Community Affairs</i>				
Pre-Disaster Mitigation	03DM-58-09-46-01-004	83.548	72,260	52,413
EMPA Base Performance Grant FY04	04BG-04-09-46-01-036	83.552	55,338	55,338
Lee County Terrorism Annex Grant	03FT-1B-09-46-01-338	83.562	125,000	104,972
Citizens Corps Council	03CC-96-09-46-01-433	83.564	17,802	13,602
Total Federal Emergency Management Agency				<u>266,325</u>

LEE COUNTY, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year ended September 30, 2004

Federal Grantor/Pass-through Grantor/Program Title	Federal Identification Number	Federal CFDA Number	Federal Award Amount	Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<i>Passed through Florida Department of Revenue</i>				
Child Support Enforcement Program (Federal Initiative)	CC336	93.563	\$ N/A	\$ 290,225
<i>Passed through Florida Department of Community Affairs</i>				
Low Income Home Energy Assistance Prg (LIHEAP FY03)	03EA-3R-09-46-01-015	93.568	399,290	140,121
Low Income Home Energy Assistance Prg (LIHEAP FY04)	04EA-4P-09-46-01-015	93.568	501,266	376,647
Weatherization Assistance Program (LIHEAP)	04LH-3R-09-46-01-015	93.568	42,262	42,262
CSBG FY04	04SB-3T-09-46-01-015	93.569	164,383	154,031
Total U.S. Department of Health & Human Services				<u>1,003,286</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through Florida Department of Community Affairs</i>				
Homeland Security	05DS-2N-09-46-01-105	97.007	312,122	806
Disaster Relief Funding - TS Bonnie & Hurricane Charley	05-PA-C%-09-46-23-600	97.036	N/A	1,240,370
Disaster Relief Funding - Hurricane Frances	05-PA-G%-09-46-23-373	97.036	N/A	273,795
Disaster Relief Funding - TS Bonnie & Hurricane Charley	05-PA-C%-09-46-01-617	97.036	N/A	16,398,633
Total U.S. Department of Homeland Security				<u>17,913,604</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
CDBG Urban County Entitlement - Year 6	B-95-UC-12-0013	14.218	2,182,000	28,211
CDBG Urban County Entitlement - Year 9	B-98-UC-12-0013	14.218	2,061,000	2,236
CDBG Urban County Entitlement - Year 10	B-99-UC-12-0013	14.218	2,073,000	61,635
CDBG Urban County Entitlement - Year 11	B-00-UC-12-0013	14.218	2,085,000	165,210
CDBG Urban County Entitlement - Year 12	B-01-UC-12-0013	14.218	2,166,000	443,945
CDBG Urban County Entitlement - Year 13	B-02-UC-12-0013	14.218	2,188,000	1,477,364
CDBG Urban County Entitlement - Year 14	B-03-UC-12-0013	14.218	2,587,000	1,117,849
CDBG Urban County Entitlement (Revolving Loan)	None	14.218	N/A	17,297
Emergency Shelter	S-03-UC120023	14.231	75,000	75,000
Supportive Housing Program (SHP - FY00)	Various	14.235	1,953,089	64,057
Supportive Housing Program (SHP - FY02)	Various	14.235	1,899,433	122,984
Supportive Housing Program (SHP - FY03)	Various	14.235	1,762,715	1,016,292
Supportive Housing Program (SHP - FY04)	Various	14.235	1,552,916	348,323
SHP LIFT Program	FL14B203004	14.235	119,722	57,057
SHP LIFT Program	FL14B303004	14.235	119,722	51,346
Shelter Plus Care	FL14C003006	14.238	192,120	4,798
Shelter Plus Care	FL14C003001	14.238	247,320	27,971
HOME - Year 9 (FY01)	M-00-UC-12-0210	14.239	561,000	11,281
HOME - Year 10 (FY02)	M-01-UC-12-0210	14.239	624,000	217,079
HOME - Year 11 (FY03)	M-02-UC-12-0210	14.239	619,000	265,753
HOME - Year 12 (FY04)	M-03-UC-12-0210	14.239	814,053	542,565
HOPE III Sale Proceeds	H3-95-FL0003-I-A	14.239	N/A	225,052
<i>Passed through Florida Dept. of Health & Health Planning Council</i>				
HOPWA Renewal (7/1/03-6/30/04)	HV003	14.241	62,000	46,500
HOPWA Renewal (7/1/04-6/30/05)	None	14.241	62,000	15,500
Total U.S. Department of Housing & Urban Development				<u>6,405,305</u>

LEE COUNTY, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year ended September 30, 2004

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Identification Number</u>	<u>Federal CFDA Number</u>	<u>Federal Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
<i>US Fish and Wildlife Service</i>				
Partners for Wildlife (Big Hickory Island Preserve)	1448-40181-03-G-175	15.631	\$ 15,000	\$ 6,089
<i>Passed through Florida Fish and Wildlife Conservation Commission</i>				
Artificial Reef Construction	FWC-03047	15.605	25,000	25,000
Total U.S. Department of the Interior				<u>31,089</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Local Law Enforcement Block Grant (LLEBG for CJIS) - 2002	2002-LB-BX-0284	16.592	212,609	48,925
Local Law Enforcement Block Grant (LLEBG for CJIS) - 2003	2003-LB-BX-1507	16.592	186,114	186,114
State Criminal Alien Assistance (SCAAP)	2002-AP-BX-0105	16.606	253,380	84,956
State Criminal Alien Assistance (SCAAP)	2004-AP-BX-0045	16.606	142,645	87,901
COPS Universal Hiring Program	2003-UL-WX-0004	16.606	450,000	276,637
Bullet Proof Vest Program (FY01)	Application ID 01006137	16.607	22,872	7,705
Bullet Proof Vest Program (FY02)	2012520	16.607	7,547	7,547
Bullet Proof Vest Program (FY04)	2003UTWX0004	16.607	5,535	46
<i>Passed through Florida Department of Children & Families</i>				
STOP Violence Against Women	LJ 175	16.588	402,125	118,583
STOP Violence Against Women	LN 020	16.588	448,149	26,021
<i>Passed through Florida Department of Law Enforcement</i>				
Edward Byrne Memorial CLEAN	04-CJ-J3-09-46-01-1-83	16.579	320,756	320,756
Residential Substance Abuse Treatment Program (FY03)	03-CJ-2J-09-46-01-004	16.593	138,750	78,668
Residential Substance Abuse Treatment Program (FY04)	04-CJ-2J-09-46-01-005	16.593	138,750	37,294
<i>Passed through Florida Department of Juvenile Justice</i>				
Juvenile Accountability Incentive Block Grt (NAB) (FY02-03)	NB 102	16.523	34,750	3,112
Juvenile Accountability Incentive Block Grt (NAB) (FY03-04)	NB 102	16.523	57,194	13,272
<i>Passed through Fort Myers Police Department</i>				
Weed and Seed Program	2002-WS-QX-0084	16.595	73,750	40,572
Total U.S. Department of Justice				<u>1,338,109</u>
<u>U.S. INSTITUTE OF MUSEUM & LIBRARY SERVICES</u>				
<i>Passed through Florida Department of State</i>				
English Café	03-LSTA-D-09	45.310	42,049	42,049
Total U.S. Institute of Museum & Library Services				<u>42,049</u>

LEE COUNTY, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year ended September 30, 2004

Federal Grantor/Pass-through Grantor/Program Title	Federal Identification Number	Federal CFDA Number	Federal Award Amount	Federal Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Federal Transit Administration</i>				
USC 5307 Capital	FL-90-0423	20.507	\$ 8,059,105	\$ 8,749
USC 5307 Urbanized Area Formula	FL-90-X489	20.507	5,765,003	645,071
<i>Passed through Florida Department of Transportation</i>				
Value Pricing Pilot Program (Heavy Vehicle)	AJ186	20.205	1,032,000	366,275
Countywide Signal Retiming	AL311	20.205	420,000	35,026
LAP Interchange Imprvmt (Pine Ridge Rd@San Carlos SR865)	AN580	20.205	152,796	86,774
Traffic Operations Imprvmt (Veterans Pkwy@Del Prado Blvd)	414081-1-38-01	20.205	87,500	8,662
USC 5303 Planning FY03 (AN562) (Federal Portion)	AN562	20.505	49,652	37,239
USC 5303 Planning FY04 (AN562) (Federal Portion)	AN562	20.505	99,465	49,403
USC 5311 Nonurbanized Area Program FY03 (AN681)	FL-18-X021	20.509	208,000	137,387
USC 5311 Nonurbanized Area Program FY04 (AN681)	FL-18-X021	20.509	150,169	150,169
Lee County DUI Enforcement	AND46	20.601	35,396	34,394
Portable Message Boards	ANL58	20.605	32,500	32,500
Total U.S. Department of Transportation				<u>1,591,649</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Federal Forfeiture - Justice	None	21.000	N/A	88,072
Total U.S. Department of the Treasury				<u>88,072</u>
<u>LEE COUNTY PORT AUTHORITY</u>				
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through Florida Department of Community Affairs</i>				
Liberty Shield - RSW	03-LS-1P-09-46-20-102	16.007	43,557	7,255
Total U.S. Department of Homeland Security				<u>7,255</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Federal Aviation Administration</i>				
Design 2 Angled Taxiways - FMY	AIP3-12-0027-0901	20.106	491,587	28,901
Design Airside Facilities - FMY	AIP3-12-0027-010-2002	20.106	150,000	40,835
Design Airside Facilities Gen Aviation Complex - FMY	AIP3-12-0027-011-2004	20.106	300,000	111,450
Midfield Construction - RSW - Equipment and Enhancements	AIP3-12-0135-029-2002	20.106	8,138,666	1,151,614
Design - Runway 6\24 Rehabilitation - RSW	AIP3-12-0135-030-2002	20.106	1,621,125	449,625
Midfield Terminal Construction - RSW - 6th Letter of Intent	AIP3-12-0135-033-2004	20.106	4,000,000	4,000,000
Midfield Terminal Building - RSW	AIP3-12-0135-034-2004	20.106	2,893,235	2,371,523
Letter of Intent ASO-98-01				
(Grant amount to be received in future years)	-	20.106	-	11,629,865
Total U.S. Department of Transportation/FAA				<u>19,783,813</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 48,896,090</u>

LEE COUNTY, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year ended September 30, 2004

State Grantor/Pass-through Grantor/Project Title	State Identification Number	State CSFA Number	State Award Amount	State Expenditures
<u>DEPARTMENT OF CHILDREN AND FAMILIES</u>				
State of Florida Homeless Challenge Grant	HFZ08	60.014	\$ 82,500	\$ 82,500
Total Department of Children and Families				<u>82,500</u>
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
EMPA Base Performance Grant FY04	04BG-04-09-46-01-036	52.008	102,959	102,959
Weatherization Assistance Program (LEHRP)	04LE-35-09-46-01-016	52.015	53,901	52,283
Hazardous Material Agreement (FY04)	04CP-11-09-46-01-040	52.023	10,249	10,249
<i>Florida Housing Finance Corporation</i>				
SHIP YR7 (State FY01-02)	LB005	52.901	2,537,109	709,465
SHIP YR8 (State FY02-03)	LB006	52.901	3,077,757	1,310,495
SHIP YR9 (State FY03-04)	LB007	52.901	2,475,257	307,655
SHIP YR10 (State FY04-05)	LB008	52.901	2,402,063	142,703
Disaster Relief Funding - TS Bonnie & Hurricane Charley	05-PA-C%-09-46-23-600	52600308	N/A	33,982
Disaster Relief Funding - Hurricane Frances	05-PA-G%-09-46-23-373	52600308	N/A	15,211
Disaster Relief Funding - TS Bonnie & Hurricane Charley	05-PA-C%-09-46-01-617	52600308	N/A	911,035
Total Department of Community Affairs				<u>3,596,037</u>
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Lee County Shore Protection Projects	99LE1	37.003	9,041,936	1,971,624
Bonita Beach Renourishment Project	01LE1	37.003	868,724	471,884
Waste Tire Grant	WT415	37.015	53,414	53,414
Gator Slough Watershed Management Improvements	WAP037	37.039	1,000,000	205,163
Total Department of Environmental Protection				<u>2,702,085</u>
<u>DEPARTMENT OF HEALTH</u>				
EMS Matching (Night Vision Goggles)	M3069	64.003	60,000	60,000
Emergency Medical Services County Award	C3036	64.005	288,481	284,685
Total Department of Health				<u>344,685</u>
<u>FLORIDA JUSTICE ADMINISTRATIVE COMMISSION</u>				
Grant-In-Aid Child Dependency (FY03/04)	N/A	21.001	84,504	84,504
Total State of Florida Justice Administrative Commission				<u>84,504</u>
<u>DEPARTMENT OF JUVENILE JUSTICE</u>				
Juvenile Assessment Center	U4K01	80.002	398,760	64,258
Juvenile Assessment Center	X1195	80.002	120,000	56,184
Total Department of Juvenile Justice				<u>120,442</u>

LEE COUNTY, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year ended September 30, 2004

<u>State Grantor/Pass-through Grantor/Project Title</u>	<u>State Identification Number</u>	<u>State CSFA Number</u>	<u>State Award Amount</u>	<u>State Expenditures</u>
<u>DEPARTMENT OF STATE</u>				
<i>Division of Elections</i>				
Voters Education FY03-04	None	39.011	\$ 90,619	\$ 70,047
<i>Division of Library & Information Services</i>				
Library State Operating - State Aid	04-ST-26	45.030	1,525,157	<u>1,525,157</u>
Total Department of State				<u>1,595,204</u>
<u>DEPARTMENT OF TRANSPORTATION</u>				
Commuter Assistance	AM691	55.007	235,000	45,981
County Incentive Grant Program (Three Oaks Pkwy/N. Alico)	None	55.008	2,730,000	3,486
County Incentive Grant Program (Three Oaks Pkwy/Williams)	None	55.008	672,000	1,227
County Incentive Grant Program (Livingston/Imperial Connect)	None	55.008	1,131,900	113,425
County Incentive Grant Program (US41/SR739)	None	55.008	3,625,281	224,725
Transit Block Grant - FY04	AN453	55.010	1,290,648	1,290,648
Florida Transit Corridor	AL281	55.013	5,600,000	1,324,049
Sanibel and Cape Coral Toll Rehabilitation Loan	AL651	55.019	1,500,000	1,035,227
Toll Facilities Revolving Trust Fund Loan	AND38	55.019	1,500,000	1,099,342
Value Pricing Pilot Program (Heavy Vehicle) (State Portion)	AJ186	N/A	129,000	45,270
USC 5303 Planning FY03 (State Portion)	AN562	N/A	6,206	4,655
USC 5303 Planning FY04 (State Portion)	AN562	N/A	12,433	6,176
Total Department of Transportation				<u>5,194,211</u>
<u>LEE COUNTY PORT AUTHORITY</u>				
<u>DEPARTMENT OF TRANSPORTATION</u>				
Design/Construct Aircraft Apron - FMY	AI175	55.004	1,060,100	108,835
Midfield Terminal - RSW	AH930	55.004	50,385,779	25,811,443
Master Plan Update - RSW	AH917	55.004	224,000	500
Design & Construct Terminal Building - FMY	AL433	55.004	1,112,000	209,716
Design & Construct Multi-Use Hangars - FMY	AL496	55.004	399,774	115,310
Design & Construct T-Hangars - FMY	AL498	55.004	1,151,989	275,760
Midfield Security Grant	AM660	55.004	1,250,000	191,936
Runway 624 Rehab - RSW	AN220	55.004	3,595,000	140,538
Entrance Road Improvements - FMY	AN175	55.004	82,280	23,277
Treeline Extension (South) - RSW	AD921	55.014	26,200,000	12,582,200
North Treeline Access Road Construction - RSW	AL293	55.014	4,000,000	3,486,730
Air Cargo Rehab - RSW	AN311	55.014	985,190	509,023
Cargo Road Improvements - RSW	AN173	55.014	961,500	91,075
Total Department of Transportation				<u>43,546,343</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				<u>\$ 57,266,011</u>

N/A = Not Available

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

Fiscal year ended September 30, 2004

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance summarizes the expenditures incurred under all federal programs and state projects by Lee County, Florida (County) for the fiscal year ended September 30, 2004 and are recognized on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit 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 the County 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 allocated costs for these indirect services to the Department of Housing and Urban Development's CDBG Grant in the amount of \$28,957.

(3) Subrecipients

Federal Program	CFDA#	Transfers to subrecipients
CDBG Urban County Entitlement – Year 6	14.218	\$ 28,211
CDBG Urban County Entitlement – Year 10	14.218	51,000
CDBG Urban County Entitlement – Year 11	14.218	138,320
CDBG Urban County Entitlement – Year 12	14.218	136,585
CDBG Urban County Entitlement – Year 13	14.218	80,740
CDBG Urban County Entitlement – Year 14	14.218	113,445
Emergency Shelter Grant	14.218	48,750
Supportive Housing Program (SHP-FY00)	14.235	64,057
Supportive Housing Program (SHP-FY02)	14.235	118,395
Supportive Housing Program (SHP-FY03)	14.235	998,816
Supportive Housing Program (SHP-FY04)	14.235	344,607
Shelter Plus Care	14.238	32,769
HOME – Year 9 (FY01)	14.239	11,281
HOME – Year 10 (FY02)	14.239	179,368
HOME – Year 11 (FY03)	14.239	36,161
HOME – Year 12 (FY04)	14.239	35,350
Total Federal Program Transfers to Subrecipients		<u>\$ 2,417,855</u>

LEE COUNTY, FLORIDA

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

Fiscal year ended September 30, 2004

Subrecipients: (Continued)

<u>State Project</u>	<u>CSFA#</u>	<u>Transfers to subrecipients</u>
Gator Slough Watershed Management Improvements	37.039	\$ 204,764
SHIP YR8 (State FY02-03)	52.901	1,310,495
SHIP YR7 (State FY01-02)	52.901	709,465
SHIP YR9 (State FY03-04)	52.901	56,169
SHIP YR10 (State FY04-05)	52.901	90,500
State of Florida Challenge Grant	60.014	62,500
Total State Projects Transfers to Subrecipients		\$ <u>2,433,893</u>



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**Independent Auditors' Report on Compliance With Requirements
Applicable to 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***

Board of County Commissioners
Lee County, Florida:

Compliance

We have audited the compliance of Lee County, Florida (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2004. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 and 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs and state projects for the year ended September 30, 2004.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

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, 2004, and have issued our report thereon dated January 21, 2005. 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 expenditures of federal awards and state financial assistance is presented for 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 22, 2005, except for the Schedule
of Expenditures of Federal Awards and
State Financial Assistance as to which the
the date is January 21, 2005

LEE COUNTY, FLORIDA
 Schedule of Findings and Questioned Costs
 Year ended September 30, 2004

(1) Summary of Auditors' Results

- (a) The type of report issued on the basic financial statements: Unqualified opinion
- (b) Material weaknesses in internal control over financial reporting were identified by the audit of the basic financial statements: No; Reportable conditions: None reported
- (c) Noncompliance which is material to the basic financial statements: No
- (d) Material weaknesses in internal control over major programs: No; Reportable conditions: None identified
- (e) The type of report issued on compliance for major programs: Unqualified opinion
- (f) Any audit findings which are required to be reported under section .510(a) of OMB Circular A-133: No
- (g) Any audit findings disclosed that are required to be reported in accordance with *Rules of the Auditor General*: No
- (h) Major programs/projects:

<u>CFDA Number(s)</u>	<u>Federal Programs</u>
20.106	Airport Improvement Program
97.036	Disater Relief Funding
<u>CSFA Number(s)</u>	<u>State Projects</u>
52.901	State Housing Initiatives Partnership
55.004	Aviation Development Grants
37.003	Beach Erosion Control Program

- (i) Dollar threshold used to distinguish between Type A and Type B programs/projects:
 \$1,466,883 for major federal programs
 \$1,717,980 for major state projects
- (j) Auditee qualified as a low risk auditee:
 Yes

- (2) **Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards***: None
- (3) **Federal Award Findings and Questioned Costs**: None
- (4) **State Financial Assistance Findings and Questioned Costs**: None

LEE COUNTY, FLORIDA
Summary Schedule of Prior Audit Findings
Year ended September 30, 2004

Finding: 03-1 (CSFA No. 52.901)

Condition noted

For one subrecipient, the County is not reviewing supporting documentation before issuing checks for reimbursement. The total amount received by the subrecipient is \$958,411. The subrecipient provided invoices to ascertain costs were allowable.

Status

Corrected

Finding: 03-2 (CSFA No. 52.901)

Condition noted

The County did not obtain and review subrecipient audit reports, including single audit reports.

Status

Corrected



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**Independent Auditors' Report on Compliance With Requirements
Applicable to the Passenger Facility Charge Program and on
Internal Control Over Compliance**

Board of County Commissioners
Lee County, Florida:

Compliance

We have audited the compliance of Lee County, Florida (County) with the compliance requirements described in the *Passenger/Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration the (the Guide) for its passenger facility charge program for the year ended September 30, 2004. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended September 30, 2004.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in



relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Passenger Facility Charges

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, 2004, and have issued our report thereon dated January 21, 2005. 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 expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 21, 2005

LEE COUNTY, FLORIDA

Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As reported to FAA)

Year ended September 30, 2004

	Quarter ended December 31, 2003	Quarter ended March 31, 2004	Quarter ended June 30, 2004	Quarter ended September 30, 2004	Year ended September 30, 2004	Cumulative totals as of September 30, 2003	Cumulative totals as of September 30, 2004
Collections:							
PFCs collected	\$ 2,217,632	3,501,954	3,517,525	3,048,272	12,285,383	66,241,995	78,527,378
Interest earned	118,816	89,454	68,385	56,157	332,812	5,471,555	5,804,367
Total collection	\$ 2,336,448	3,591,408	3,585,910	3,104,429	12,618,195	71,713,550	84,331,745
Expenditures on approved PFC projects included in:							
Application No. 1 92-01-C-00-RSW	\$ 30,515	30,515	30,514	30,514	122,058	18,181,013	18,303,071
Adjustments to Application No. 1 92-01-C-00-RSW	—	—	—	—	—	(6,286,802)	(6,286,802)
	30,515	30,515	30,514	30,514	122,058	11,894,211	12,016,269
Application No. 2 93-02-U-00-RSW	—	—	—	—	—	9,711,377	9,711,377
Application No. 3 94-03-U-00-RSW	463,914	463,914	463,914	463,914	1,855,656	64,399,066	66,254,722
Application No. 4 97-04-U-00-RSW	21,031	21,031	21,031	21,031	84,124	3,059,209	3,143,333
Application No. 5 97-04-U-01-RSW	—	—	18,317,976	7,474,933	25,792,909	—	25,792,909
Total expenditures	\$ 515,460	515,460	18,833,435	7,990,392	27,854,747	89,063,863	116,918,610

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

LEE COUNTY, FLORIDA

**Notes to Schedule of Passenger Facility
Charges Collected and Expended**

Fiscal year ended September 30, 2004

(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.