

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

Blue Sheet No. 20060548

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: <u>C15D</u>		5. Meeting Date: <u>05-16-2006</u>	
6. Agenda: <input checked="" type="checkbox"/> Consent Administrative <input type="checkbox"/> Appeals Public <input type="checkbox"/> Walk-On	7. Requirement/Purpose: (specify) <input checked="" type="checkbox"/> Statute <u>215.97</u> Ordinance <input type="checkbox"/> Admin. Code <input checked="" type="checkbox"/> Other <u>OMB A-133</u>		8. Request Initiated: Commissioner Department <u>Clerk of Circuit Court/ Finance & Records Department</u> Division By: <u>Donna G. Harn</u> Finance Director <i>dfh</i>

9. Background:

The schedules for the Lee County Financial Assistance Report for the fiscal year ended September 30, 2005, 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
					Analyst	Risk	Grants	Mgr.
<i>dfh</i>				<i>Wilder</i>	<i>3/4/06</i>	<i>3/4</i>	<i>3/4/06</i>	<i>5/4/06</i>

11. Commission Action:

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

RECEIVED BY COUNTY ADMIN: <i>17</i>
<u>5-1-06</u>
<u>4:56</u>
COUNTY ADMIN FORWARDED TO:
<u>5-4-06 P.R.</u>
<u>3:00</u>

Rec. by CoAtty
Date: <u>5/1/06</u>
Time: <u>2:30pm</u>
Forwarded To: <u>4:30</u> <u>Admin 5/1/06</u>



LEE COUNTY, FLORIDA
Single Audit Reports
Year ended September 30, 2005
(With Independent Auditors' Report Thereon)

LEE COUNTY, FLORIDA
Single Audit Reports
Fiscal year ended September 30, 2005

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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, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 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

March 10, 2006
Certified Public Accountants

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Fiscal year ended September 30, 2005

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:				
Natural Resource Manager Salary	10.902	68-4209-4-0113	\$ 71,228	\$ 71,228
WHIP - Caloosahatchee Regional Park	10.914	72-4209-2-71-01	19,991	666
WHIP - Caloosahatchee Regional Park-Phase II	10.914	72-4209-3-71-01	19,998	14,789
Total U.S. Department of Agriculture				<u>86,683</u>
U.S. Department of Commerce:				
Coastal Impact Assist. Prg - Stormceptor Systems	11.419	NA17OZ2114	52,000	47,746
Coastal Impact Assist. Prg - Conservation Corridor Rest.	11.419	NA17OZ2114	120,243	11,114
Total U.S. Department of Commerce				<u>58,860</u>
U.S. Department of Education:				
Passed through Florida Department of Education:				
21st Century Community Learning Center (FY05)	84.287	817-2444A-5RCC1	200,000	130,945
21st Century Community Learning Center (FY06)	84.287	817-2445A-5RCC1	160,000	18,103
Total U.S. Department of Education				<u>149,048</u>
U.S. Department of Energy:				
Passed through Florida Department of Community Affairs:				
Weatherization Assistance Program (WAP)	81.042	04WX-00-09-46-01-514	22,406	14,592
Weatherization Assistance Program (WAP)	81.042	05WX-00-09-46-01-515	22,064	1,195
Weatherization Assistance Program (LEHRP)	81.042	04LE-35-09-46-01-015	26,951	21,412
Total U.S. Department of Energy				<u>37,199</u>
U.S. Environmental Protection Agency:				
Passed through SW Florida Regional Planning Council				
Effectiveness of Best Management Practices	66.456	CE-97456002-2	250,000	22,981
Total U.S. Department of Environmental Protection				<u>22,981</u>
Federal Emergency Management Agency:				
Subrecipient of United Way of Lee County:				
FEMA Food & Shelter FY05	83.523	None	36,452	36,735
Passed through Florida Department of Community Affairs:				
EMPA Basic Performance Grant FY05	83.552	05BG-04-09-46-01-209	55,492	55,492
Total Federal Emergency Management Agency				<u>92,227</u>
General Service Administration:				
Passed through the Florida Department of State				
Voters Education FY03-04	39.011	None	90,619	20,572
Voters Education FY04-05	39.011	None	91,036	18,773
Total General Service Administration				<u>39,345</u>
U.S. Department of Health & Human Services:				
Passed through Florida Department of Revenue:				
Child Support Enforcement Program (Federal Initiative)	93.563	CC336	N/A	452,805
Passed through Florida Department of Community Affairs:				
Low Income Home Energy Assistance Prg (LIHEAP FY04)	93.568	04EA-4P-09-46-01-015	501,266	124,619
Low Income Home Energy Assistance Prg (LIHEAP FY05)	93.568	05EA-5K-09-46-01-015	441,476	246,889
Weatherization Assistance Program (LIHEAP)	93.568	05LH-4P-09-46-01-015	43,166	20,071
CSBG FY05	93.569	05SB-4N-09-46-01-015	183,613	171,541
Hurricane Relief Fund	93.570	None	68,850	68,850
Total U.S. Department of Health & Human Services				<u>1,084,775</u>
U.S. Department of Homeland Security:				
Passed through Florida Department of Community Affairs:				
Andros F6A Robot	16.007	05DS-1N-09-46-01-488	215,000	214,687
Citizens Corps Council	97.004	05-CC-2U-09-46-01-159	34,685	33,536
Regional Domestic Security Task Force	97.004	05-DS-2N-09-46-01-256	64,583	7,734
Homeland Security Equipment	97.004	05-DS-2N-09-68-01-371	192,965	189,979
Homeland Security Initiative	97.004	05-CJ-L2-06-46-23-033	151,950	52,323
Law Enforcement Terrorism Prevention Program	97.004	05-CJ-L2-06-46-01-068	120,000	40,700
Homeland Security	97.004	05-DS-2N-09-46-01-314	109,339	105,849
Homeland Security	97.004	05-DS-2N-09-46-01-105	312,122	163,870
LSCO Homeland Security Equipment	97.004	05-CJ-L3-06-46-23-022	62,390	58,647
Disaster Relief Funding - TS Bonnie & Hurricane Charley (TS Bonnie & Hurricane Charley-State Portion-\$51,969)	97.036	05-PA-C%-09-46-01-617 05-PA-C%-09-46-01-617	N/A	1,898,446
Passed through Florida Department of Transportation				
Explosive Containment Vessel and Spectrometer	97.004	05-DS-2N-09-68-01-442	43,700	35,000
Total U.S. Department of Homeland Security				<u>2,800,771</u>

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Fiscal year ended September 30, 2005

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant number	Federal/State award amount	Expenditures
U.S. Department of Housing & Urban Development:				
CDBG Urban County Entitlement – Year 12	14.218	B-01-UC-12-0013	\$ 2,166,000	\$ 211,529
CDBG Urban County Entitlement – Year 13	14.218	B-02-UC-12-0013	2,188,000	271,032
CDBG Urban County Entitlement – Year 14	14.218	B-03-UC-12-0013	2,587,000	1,539,235
CDBG Urban County Entitlement – Year 15	14.218	B-04-UC-12-0013	2,568,000	944,560
Emergency Shelter	14.231	S-03-UC120023	94,631	94,609
Supportive Housing Program (SHP – FY00)	14.235	Various	1,953,089	55,924
Supportive Housing Program (SHP – FY02)	14.235	Various	1,899,433	103,507
Supportive Housing Program (SHP – FY03)	14.235	Various	1,762,715	159,517
Supportive Housing Program (SHP – FY04)	14.235	Various	1,552,916	1,102,102
Supportive Housing Program (SHP – FY05)	14.235	Various	2,107,267	427,654
SHP LIFT Program	14.235	FL14B303004	119,722	65,318
SHP LIFT Program	14.235	FL14B403005	119,722	46,455
Shelter Plus Care	14.238	FL14C003006	192,120	8,953
Shelter Plus Care	14.238	FL14C003001	247,320	44,532
HOME – Year 10 (FY02)	14.239	M-01-UC-12-0210	624,000	69,503
HOME – Year 11 (FY03)	14.239	M-02-UC-12-0210	619,000	28,270
HOME – Year 12 (FY04)	14.239	M-03-UC-12-0210	814,053	396,574
HOME – Year 13 (FY05)	14.239	M-04-UC-12-0210	899,890	193,292
HOPE III Program	14.239	H3-95-FL0003-1-A	N/A	158,301
Passed through Florida Dept. of Health & Health Planning Council:				
HOPWA Renewal (7/1/04-6/30/05)	14.241	None	62,000	46,500
HOPWA Renewal (7/1/05-6/30/06)	14.241	HV003	70,140	17,535
Total U.S. Department of Housing & Urban Development				5,984,902
U.S. Department of the Interior:				
US Fish and Wildlife Service:				
Partners for Wildlife (Caloosahatchee Creek Preserve)	15.631	1448-40181-02-G-161	10,000	10,000
Partners for Wildlife (Big Hickory Island Preserve)	15.631	1448-40181-03-G-175	15,000	8,911
Partners for Wildlife (Bunchee Beach)	15.631	1448-40181-03-G-175	25,000	25,000
Passed through Florida Fish and Wildlife Conservation Commission:				
Artificial Reef Construction	15.605	FWC-04018	25,000	25,000
Total U.S. Department of the Interior				68,911
U.S. Department of Justice:				
Local Law Enforcement Block Grant (LLEBG for CJIS) – 2005	16.592	2004-LB-BX-0472	91,691	46,668
State Criminal Alien Assistance (SCAAP)	16.606	2003-AP-BX-0099	98,015	12,355
State Criminal Alien Assistance (SCAAP)	16.606	2004-AP-BX-0045	142,645	6,667
COPS Universal Hiring Program	16.606	2003-UL-WX-0004	450,000	102,767
Bullet Proof Vest Program (FY04)	16.607	2003UIWX0004	5,335	5,490
Passed through Florida Department of Children & Families:				
STOP Violence Against Women	16.588	LN 020	448,149	132,921
Passed through Florida Department of Law Enforcement:				
Edward Byrne Memorial CLEAN	16.579	05-CJ-K3-09-46-01-055	323,543	322,857
Residential Substance Abuse Treatment Program (FY04)	16.593	04-CJ-2J-09-46-01-005	138,750	87,441
Passed through Florida Department of Juvenile Justice:				
Juvenile Accountability Incentive Block Grt (NAB) (FY04-05)	16.523	NB 102	57,194	46,440
Juvenile Accountability Incentive Block Grt (NAB) (FY05-06)	16.523	NB 102	57,194	11,910
DJJ Neighborhood Restitution	16.54	Q6010	64,137	3,926
Passed through Fort Myers Police Department:				
Weed and Seed Program	16.595	2002-WS-QX-0084	73,750	8,646
Weed and Seed Program	16.595	2005-WS-Q5-0063	30,000	10,296
Total U.S. Department of Justice				798,384
U.S. Institute of Museum & Library Services:				
Passed through Florida Department of State:				
Prime Time Family Reading Time	45.310	04-LSTA-D-05-H	4,324	4,324
English Café	45.310	03-LSTA-D-09	42,000	31,585
Total U.S. Institute of Museum & Library Services				35,909
U.S. Department of Transportation:				
Federal Transit Administration:				
USC 5309 Capital FY2004	20.507	FL-03-0280	1,524,702	23,484
USC 5307 Capital	20.507	FL-90-X354	1,761,935	327,709
USC 5307 Capital	20.507	FL-90-X532	1,984,659	710,335
USC 5307 Urbanized Area Formula	20.507	FL-90-X489	5,765,003	189,022

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Fiscal year ended September 30, 2005

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant number	Federal/State award amount	Expenditures
Passed through Florida Department of Transportation:				
Value Pricing Pilot Program (Heavy Vehicle)	20.205	AJ186	\$ 1,032,000	\$ 329,447
Value Price Queue Jump (Metro Pkwy @ Colonial Blvd)	20.205	ANR10	1,069,000	43,890
Local Agency Natural Disaster Emergency	20.205	H1090	13,455,000	2,452,830
LAP Interchange Imprvmt (Pine Ridge Rd@San Carlos SR865)	20.205	AN580	152,796	30,698
Traffic Operations Imprvmt (Veterans Pkwy@Del Prado Blvd)	20.205	414081-1-38-01	87,500	18,326
USC 5303 Planning FY05 (AN562) (Federal Portion)	20.505	AN562	100,560	76,058
USC 5311 Nonurbanized Area Program FY05	20.509	AN681 FL-18-X021	158,389	158,389
Lee County Pedestrian & Bicycle Enforcement Program	20.600	ANZ51	30,000	26,066
Aggressive Driving Program	20.605	ANS49	77,450	71,339
Total U.S. Department of Transportation				4,457,593
U.S. Department of Transportation:				
Federal Aviation Administration:				
Design Airside Facilities - FMY	20.106	AIP3-12-0027-010-2005	150,000	150,000
Design Airside Facilities Gen Aviation Complex - FMY	20.106	AIP3-12-0027-011-2004	300,000	188,550
Midfield Construction - RSW - Equipment and Enhancements	20.106	AIP3-12-0135-029-2002	8,138,666	803,885
Design - Runway 6/24 Rehabilitation - RSW	20.106	AIP3-12-0135-030-2002	1,621,125	892,275
Midfield Terminal Building - RSW	20.106	AIP3-12-0135-034-2004	2,893,235	521,712
Midfield Terminal Building - RSW	20.106	AIP3-12-0135-036-2005	1,588,058	1,588,058
Runway Rehab Construction - RSW	20.106	AIP3-12-0135-037-2005	10,833,899	368,032
Letter of Intent ASO-98-01 (Grant amount to be received in future years)	20.106	—	N/A	3,090,411
RSW - I75 Access Design	20.205	AN P76	2,485,250	1,454,194
Total U.S. Department of Transportation/FAA				9,057,117
U.S. Department of the Treasury:				
Federal Forfeiture - Justice	21.000	None	N/A	37,120
Total U.S. Department of the Treasury				37,120
Total expenditures of federal awards				\$ 24,811,825
Department of Children and Families:				
State of Florida Homeless Challenge Grant:	60.014	HFZ13	137,500	\$ 137,500
Total Department of Children and Families				137,500
Department of Community Affairs:				
EMPA Base Performance Grant FY04	52.008	05BG-04-09-46-01-209	102,796	100,150
Weatherization Assistance Program (LEHRP)	52.015	04LE-35-09-46-01-016	53,901	1,618
Hazardous Material Agreement (FY05)	52.023	05CP-11-09-46-01-000	10,776	10,776
Florida Housing Finance Corporation:				
SHIP YR8 (State FY02-03)	52.901	LB006	3,077,757	835,841
SHIP YR9 (State FY03-04)	52.901	LB007	2,475,257	1,508,426
SHIP YR10 (State FY04-05)	52.901	LB008	2,402,063	1,046,362
SHIP YR11 (State FY05-06)	52.901	LB009	2,404,932	55,328
Total Department of Community Affairs				3,558,501
Department of Environmental Protection:				
Lee County Shore Protection Projects	37.003	99LE1	9,041,936	1,283,660
Bonita Beach Renourishment Project	37.003	01LE1	868,724	114,312
Blind Pass Ecozone Restoration Project	37.003	05LE1	70,554	24,537
Schandler Hall Improvements - Phase II	37.017	F50265	200,000	200,000
Ten Mile Canal Filter Marsh	37.039	S0096	507,000	448,654
Total Department of Environmental Protection				2,071,163
Department of Health:				
Emergency Medical Services County Award	64.005	C4036	138,799	105,001
Total Department of Health				105,001
Department of Management Services				
Wireless 911 Board				
Wireless Emergency Telephone Systems Trust Fund	72.001	N/A	N/A	15,216
Total State of Florida Justice Administrative Commission				15,216

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance

Fiscal year ended September 30, 2005

Federal/State grantor / pass-through grantor	CFDA CFSA number	Grant number	Federal/State award amount	Expenditures
Department of State:				
Florida Humanities Council				
Prime Time Family Reading Support Supplement Grant	45.011	2,922,427	\$ 1,000	\$ 1,000
Division of Library & Information Services:				
Library State Operating – State Aid	45.030	05-ST-27	1,372,543	977,986
Total Department of State				978,986
Department of Transportation:				
Commuter Assistance	55.007	AM691	235,000	38,289
County Incentive Grant Program (Three Oaks Pkwy/N. Alico)	55.008	None	2,730,000	53,269
County Incentive Grant Program (Livingston/Imperial Connection)	55.008	None	1,131,900	2,619
County Incentive Grant Program (US41/SR739)	55.008	None	3,712,649	1,010,042
Transit Block Grant – FY05	55.010	AN453	1,213,469	1,213,469
ADA Scheduling Software	55.012	ANW08	81,000	26,819
Florida Transit Corridor	55.013	AL281	5,600,000	1,578,063
Bus Capital (FY 03-04)	55.017	A1512	650,000	19,655
Transit Facility	55.017	ANL84	129,459	10,000
Sanibel and Cape Coral Toll Rehabilitation Loan	55.019	AL651	1,500,000	203,946
Toll Facilities Revolving Trust Fund Loan	55.019	AND38	1,500,000	377,232
Value Pricing Pilot Program (Heavy Vehicle) (State Portion)	N/A	AJ186	129,000	40,718
Value Pricing Queue Jump (Metro Pkwy @ Colonial Blvd)	N/A	ANR10	133,625	5,486
USC 5303 Planning FY05 (State Portion)	N/A	AN562	12,570	9,507
Total Department of Transportation				4,589,114
Lee County Port Authority:				
Department of Transportation:				
Land Acquisition - RSW	55.004	AK183	3,852,682	4,415
Midfield Terminal Design – RSW	55.004	AG221	9,121,577	807
Midfield Terminal - RSW	55.004	AH930	56,028,779	13,822,746
Hurricane Damages - FMY	55.004	ANV21	183,666	183,666
Design & Construct Terminal Building – FMY	55.004	AL433	1,112,000	461,040
Midfield Security Grant	55.004	AM660	1,250,000	133,980
Runway 624 Rehab – RSW	55.004	AN220	3,595,000	317,671
T-Hangars - FMY	55.004	ANT89	3,375,000	974,733
Design of General Aviation Terminal Airside Dev - FMY	55.004	ANE26	78,350	20,175
TreeLine Extension (North) – RSW	55.014	AJ746	2,408,525	500
North TreeLine Access Road Construction – RSW	55.014	AL293	4,000,000	500
Cargo Road Improvements – RSW	55.014	ANI73	961,500	742,745
Total Department of Transportation				16,662,978
Total expenditures of state financial assistance				\$ 28,118,459

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, 2005

(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, 2005 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 \$29,546.

(3) Subrecipients

<u>Federal program</u>	<u>CFDA#</u>	<u>Transfers to subrecipients</u>
CDBG Urban County Entitlement – Year 12	14.218	\$ 78,478
CDBG Urban County Entitlement – Year 13	14.218	32,121
CDBG Urban County Entitlement – Year 14	14.218	126,424
CDBG Urban County Entitlement – Year 15	14.218	60,236
Emergency Shelter Grant	14.231	61,490
Supportive Housing Program (SHP-FY00)	14.235	55,924
Supportive Housing Program (SHP-FY02)	14.235	100,400
Supportive Housing Program (SHP-FY03)	14.235	156,785
Supportive Housing Program (SHP-FY04)	14.235	1,017,203
Supportive Housing Program (SHP-FY05)	14.235	391,635
Shelter Plus Care	14.238	53,485
HOME – Year 10 (FY02)	14.239	62,019
HOME – Year 12 (FY04)	14.239	86,758
Total federal program transfers to subrecipients		<u>\$ 2,282,958</u>

<u>State project</u>	<u>CSFA#</u>	<u>Transfers to subrecipients</u>
SHIP YR8 (State FY02-03)	52.901	\$ 835,841
SHIP YR9 (State FY03-04)	52.901	1,478,426
SHIP YR10 (State FY04-05)	52.901	814,406
State of Florida Challenge Grant	60.014	91,668
Total state projects transfers to subrecipients		<u>\$ 3,220,341</u>



**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, 2005. 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 each of 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 each of its major federal programs and state projects for the year ended September 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as items 2005-1 through 2005-8.

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 reportable 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 caused by error or fraud 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, 2005, and have issued our report thereon dated December 16, 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

March 10, 2006,
except for the Schedule of Expenditures of Federal Awards
and State Financial Assistance, as to which the date is December 16, 2005
Certified Public Accountants

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

(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 reported
- (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: Yes
- (g) Any audit findings disclosed that are required to be reported in accordance with *Rules of the Auditor General*: No
- (h) Major programs/projects:

CFDA numbers	Federal programs
14.235	Supportive Housing Program
14.239	HOME
20.106	Airport Improvement Program
97.036	Disaster Relief Funding
14.218	Community Development Block Grant
20.507	Federal Transit Cluster
20.205	Highway Planning and Construction Cluster
97.004	Homeland Security Grant
CSFA numbers	State projects
52.901	State Housing Initiatives Partnership
55.004	Aviation Development Grants
45.030	State Aid to Libraries
55.008	County Incentive Grant Program
55.010	Public Transit Block Grant Program
55.013	Transit Corridor Program

- (i) Dollar threshold used to distinguish between Type A and Type B programs/projects:

\$744,355 for major federal programs
\$843,554 for major state projects

- (j) Auditee qualified as a low risk auditee:

Yes

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

(2) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*: None

(3) Findings and Questioned Costs Relating to Major Federal Programs:

Finding 2005-1

Federal Agency: U.S. Department of Housing and Urban Development

Program: Home Investment Partnerships Program (HOME)

CFDA number: 14.239

Award numbers: M-01-UC-12-0210 to M-04-UC-12-0210

Award years: 2001 to 2004

Criteria:

HOME regulation 92.218 requires that each participating jurisdiction (PJ) must provide eligible matching contributions of 25 percent of HOME funds drawn down during the fiscal year (excluding draws relating to administration and community housing development organizations.) Matching information is provided on the HOME Match Report (form HUD-40107-A).

Form HUD-40107-A states that match funds must be contributed permanently to the HOME program and as such, all repayment, interest or other return on investment must be deposited in the PJ's HOME account to be used for HOME projects.

Conditions:

We noted the following errors in the County's HOME Match Report and related supporting schedules:

- State Housing Initiative Partnership (SHIP) funds have been used to fulfill most of the HOME match requirement, without consideration that SHIP expenditures associated with moderate-income persons would be ineligible for match purposes.
- The County was incorrectly calculating its match liability by reducing it for program/recapture income proceeds.

In conjunction with program income testing, we observed program income from SHIP match loans that was not deposited in the HOME account as required.

Questioned Costs:

None

Context/Effect:

- The County has been using the same procedures to calculate and report HOME match for many years. As such, the "excess" match balance carried over from previous years is also incorrect.
- The County identified program income of \$94,251 in FY 2005, that was not deposited to the HOME account as required. These funds were incorrectly recorded in the SHIP program.

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Recommendations:

We recommend training for all personnel involved in the HOME match process. The County should then develop detail policies and procedures with respect to HOME match and ensure that all personnel understand these policies. Because SHIP funds are the primary source of match contributions, Housing Services needs to develop a process to identify and track loans/expenditures that qualify as HOME match. The County should revise and re-file its 2005 match report with HUD, based upon the new procedures. We also recommend the County revise, at a minimum, its match report for all other open HOME grant years. The "excess" match carry-forward should be adjusted based upon these report revisions.

The County should make journal entries to increase HOME program income and reduce SHIP program income (\$94,251 in FY 2005 and \$81,768 in FY 2006). This will result in additional income in the local account of the HOME Investment Trust Fund, which should be used in accordance with HOME regulation 92.502(c).

Response:

The Department is currently seeking training opportunities for personnel involved in the HOME match process. Following training, policies and procedures regarding HOME match will be developed. The 2005 match report has been revised and will be re-filed with HUD. Additionally, we plan to revise match reports from the previous three years to carry forward as much "excess" match as possible.

Journal entries will be made to increase HOME program income and decrease SHIP program income. These funds will be used in accordance with the HOME regulations.

Finding 2005-2

Federal Agency: U.S. Department of Housing and Urban Development
Program: Home Investment Partnerships Program (HOME)
CFDA number: 14.239
Award numbers: M-01-UC-12-0210 to M-04-UC-12-0210
Award years: 2001 to 2004

Criteria:

HOME regulation 92.502(c) states that "HOME funds in the local account of the HOME Investment Trust Fund must be disbursed before requests are made for HOME funds in the U.S. Treasury account." The HOME Investment Trust Fund includes program income and recapture income.

Condition:

The County drew HOME funds from the U.S. Treasury when funds were available in the local account of the HOME Investment Trust Fund.

Questioned Costs:

None

Context/Effect:

Entitlement funds totaling approximately \$86,000 were drawn from the U.S. Treasury when funds were available in the HOME Investment Trust Fund. Total draws relating to FY 2005 were \$687,637.

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Recommendation:

The County encountered numerous problems in FY 2005 relating to the recording and use of recapture income. The County has been working to correct these problems in FY 2006 and has been drawing the available funds in the HOME Investment Trust Fund. The County is in the process of updating its policies and procedures. We recommend inclusion of detail policies and procedures associated with cash draws and program income/recapture income.

Response:

After receiving notification from HUD of changes in the method of reporting recaptured revenue in IDIS in September 2005, the Department revised its draw procedure in keeping with HUD's new written guidelines. Detailed procedures associated with cash draws and program income/recapture income will be included in the policy that the Department develops to address Federal grant requirements.

Finding 2005-3

Federal Agency: U.S. Department of Housing and Urban Development
Program: Home Investment Partnerships Program (HOME)
CFDA number: 14.239
Award numbers: M-01-UC-12-0210 to M-04-UC-12-0210
Award years: 2001 to 2004

Criteria:

Requirements under the Uniform Relocation Act (URA) for a voluntary real property acquisition include the following (1) the County informs the owner in writing that it will not use its power of eminent domain to acquire the property if negotiations fail to result in an amicable agreement; (2) no specific site is designated for acquisition; and (3) the County gives the owner a written estimate of the fair market value of the property before entering into a contract for sale. (49 CFR 24.101)

Condition:

The County acquired a parcel of real property with HOME funds totaling \$28,507. The County did not inform the property owner that it would not use its power of eminent domain if negotiations failed and did not provide a written estimate of the fair market value of the property prior to entering into a contract for sale.

Questioned Costs:

None

Context/Effect:

We noted no other acquisitions of real property (excluding purchases directly from HUD.)

Recommendation:

We recommend the County develop standard letters to send to property owners that incorporate the requirements of the URA. Letters should be developed for both voluntary and involuntary acquisitions. Management level personnel should review and formally approve all significant steps in the property acquisition process. We also recommend development of a checklist for real property acquisitions, which lists the URA requirements relating to both acquisition of property and relocation of tenants. If relocation is not applicable, this should be clearly indicated in the file. We also suggest additional URA training for personnel involved in real property acquisitions.

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Response:

Uniform Relocation will be included as part of the policy that the Department will develop to address Federal grant requirements. A protocol and standard forms will be included in such policy. In addition, Housing Services has modified their documents to meet Federal guidelines.

Finding 2005-4

Federal Agency: U.S. Department of Housing and Urban Development
Program: Home Investment Partnerships Program (HOME)
CFDA number: 14.239
Award numbers: M-01-UC-12-0210 to M-04-UC-12-0210
Award years: 2001 to 2004

Criteria:

- The income of each rental-housing tenant must initially be determined in accordance with §92.203(a)(1)(i), which requires examination of source documents evidencing annual income for the family.
- HOME regulation §92.216 requires that at least 90% of the families have annual incomes that do not exceed 60% of median family income at the time of occupancy or at the time funds are invested, whichever is later.

Condition:

The County invested HOME funds in a rental housing project (San Souchi) and completed this project in December of FY 2005. The County received a rent roll from the owner indicating that all tenants were income-eligible. The County has not, however, verified tenant income eligibility in accordance with HOME regulations. As such, we were unable to verify whether the project met the requirements of §92.216.

Questioned Costs:

None

Context/Effect:

No other HOME rental housing projects were completed in FY 2005.

Recommendation:

We recommend the County verify initial tenant income eligibility in accordance with HOME requirements. This income documentation is also used to document compliance with the requirement that at least 90% of the families have annual incomes that do not exceed 60% of median family income at the time of occupancy or at the time funds are invested, whichever is later.

Response:

HOME contracts will require submission of income verification upon occupancy of the unit or time of investment and annually thereafter.

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Finding 2005-5

Federal Agency: U.S. Department of Housing and Urban Development
Programs: Community Development Block Grant (CDBG) and HOME
CFDA numbers: 14.218, 14.239
Award numbers: B-01-UC-12-0013 to B-01-UC-12-0013
 M-01-UC-12-0210 to M-04-UC-12-0210
Award years: 2001 to 2004

Criteria:

A pass-through entity is responsible for monitoring subgrantees to provide reasonable assurance that they expend grant awards in compliance with Federal and contractual requirements. Monitoring activities may take various forms, such as reviewing financial and programmatic records, interviewing staff and participants, observing operations, arranging for limited scope audits of subrecipient activities, and reviewing single audit results.

Conditions:

We noted the following with respect to the CDBG program:

- The County has a rental rehabilitation (RR) program whereby CDBG funds are loaned to a property owner to rehabilitate homes to be used for low-income individuals. The RR program requires the property owner to rent the home to income-eligible persons for a period of 10 years. The CDBG loan is forgiven over a period of 10 years as long as the property owner is in compliance with program requirements. Per discussion with Housing Services (HS) staff, they have not monitored these RR properties or requested income certifications to determine compliance with program requirements. HS indicated that they had completed 6 such RR projects during the past ten years and that 4 of them were still subject to monitoring. (This excludes a RR project under construction in FY 2005.) We also noted that the RR contractual agreement did not specifically state that the property owner must rent to an income-eligible tenant.
- The monitoring file for Big Brothers/Big Sisters included a "beneficiary" report for FY 2005, however this report did not provide sufficient information to support the National Objective of "low-moderate clientele".

Questioned Costs:

None

Context/Effect:

The County is unable to fully document its compliance with respect to the monitoring of subgrantees.

Recommendations:

The County has identified a report in AIMS that will provide management with a status report on all monitoring activities. We recommend management utilize this report on a quarterly basis to ensure that monitoring activities have been scheduled and completed as required. We also recommend the Department expand its policies and procedures to fully describe all processes and controls associated with monitoring.

Housing Services should monitor RR properties on an annual basis to determine compliance with tenant income and rental rate requirements. We recommend the County revise its contract language for future RR projects to specifically state that the rehabilitated properties must be rented to income-eligible families.

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Response:

Programmatic monitoring is conducted at least once during the term of an open contract. The requirement to perform the monitoring is entered into the AIMS database. The above reference will be generated quarterly to ensure monitoring is scheduled and conducted. The current monitoring procedures will be enhanced.

Housing Services is in the process of developing documents to track family composition and income eligibility, as well as modifying Housing Services Program Guidelines to ensure landlord compliance.

Finding 2005-6

Federal Agency: U.S. Department of Housing and Urban Development
Programs: Community Development Block Grant (CDBG)
CFDA numbers: 14.218
Award numbers: B-01-UC-12-0013 to B-01-UC-12-0013
Award years: 2001 to 2004

Criteria:

Compensation for personnel services rendered in conjunction with Federal awards must be documented and supported as described in OMB Circular A-87. Where employees are expected to work solely on a single Federal award, charges for their salaries will be supported by semi-annual certifications that the employee worked solely on that program.

Condition:

We observed salary charges for a code enforcement officer that were not supported by semi-annual certifications or time sheets indicating the he worked on CDBG program activities.

Questioned Costs:

None

Context/Effect:

There were no other code enforcement salaries charged to the CDBG program in FY 2005. Department of Human Services staff (who manage the CDBG program) complete personnel activity reports to support charges to Federal grants.

Recommendation:

We recommend completion of semi-annual certifications for employees that work solely on one Federal program.

Response:

The Department of Human Services has a Memorandum of Understanding (MOU) with the Department of Community Development for Concentrated Code Enforcement in Pine Manor. The MOU is specific to full-time code enforcement activities for one neighborhood. The Department of Community Development submits monthly reports noting the citations and complaints addressed in the target neighborhood and submits a quarterly invoice, documenting the charges for the identified neighborhood. As back-up, a payroll register is provided. Future quarterly invoices will have a statement of certification to be signed by the employee stating the following: "I certify that I have worked the hours submitted, in the location(s) noted, in accordance with the executed Memorandum of Understanding".

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Finding 2005-7

Federal Agency: U.S. Department of Housing and Urban Development (HUD)

Programs: CDBG and HOME

CFDA numbers: 14.218, 14.239

Award numbers: B-01-UC-12-0013 to B-01-UC-12-0013
M-01-UC-12-0210 to M-04-UC-12-0210

Award years: 2001 to 2004

Criteria:

The County must provide reasonable assurance that reports of Federal awards submitted to the Federal awarding agency include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements. Reports filed with HUD are done through their reporting system known as "IDIS".

Condition:

There was no formal review or reconciliation process associated with the IDIS financial reports.

Questioned Costs:

None

Context/Effect:

Although the County did not have controls in place during the year, they were able to reconcile IDIS reports to the general ledger.

Recommendation:

We recommend a written policy that describes the procedures and controls associated with IDIS reports. Supervisory review of reports should be included to assure accuracy and completeness of the data and information included in the reports. This review should be formally documented. The general ledger (or other reliable records for non-financial data) should be the basis for the reports. Reconciliations should be completed to document any differences.

Response:

Internal spreadsheets are reconciled to the County's financial records at the end of each month. Monthly internal reports (Project Status Summary Report and CDBG and HOME Timeliness Reports) are prepared based on these financial reconciliations. While there is no formal policy in place, IDIS voucher reports are reviewed and compared to internal financial reports periodically (generally on a quarterly basis). Procedures and controls associated with the reconciliation of all required IDIS reports included in the Consolidated Annual Performance and Evaluation Report (CAPER) will be included in the policy that the Department develops to address Federal grant requirements.

LEE COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
Year ended September 30, 2005

Finding 2005-8

Federal Agency: U.S. Department of Housing and Urban Development
Programs: Community Development Block Grant (CDBG)
CFDA numbers: 14.218
Award numbers: B-01-UC-12-0013 to B-01-UC-12-0013
Award years: 2001 to 2004

Criteria:

As contract administrator, the County is responsible for the proper administration and enforcement of the Federal labor standards provisions on contracts covered by Davis-Bacon Act requirements.

Conditions:

We noted the following:

- Certified payroll reports are required to be signed by a principal of the firm or by an authorized agent (a person authorized by a principal in writing to sign the payroll reports.) Payrolls from 5 of the 9 contractors we observed were signed by an office manager, secretary or accountant assistant. The files did not contain written authorization for these employees to certify the payrolls.
- Job classifications on the certified payroll for one contractor (Big Tree) were not listed on the wage decision.

Questioned Costs:

Unknown

Context/Effect:

As noted above, payroll reports from 5 of the 9 contractors we observed were not signed by a principal of the firm. We observed Davis Bacon files associated with 3 of the 5 projects in our expenditure sample (9 contractors/subcontractors) and noted no other instances where job classifications were not listed on the wage decision.

Recommendation:

We recommend training for all personnel responsible for review and approval of Davis-Bacon paperwork. Per discussion with Department project managers, their "approval to pay" signature on invoice indicates that all reviews were completed, including Davis-Bacon paperwork. We recommend a specific approval signature indicating that DB paperwork is complete.

Response:

The Department has been in contact with HUD and requested Davis Bacon training. Davis Bacon requirements will be included as part of the policy that the Department will develop to address Federal grant requirements. Part of the policy will include a statement by the individual responsible for reviewing Davis Bacon paperwork to indicate that the Davis Bacon paperwork is complete.

(4) Findings and Questioned Costs Relating to Major State Projects: None



**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, 2005. 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, 2005.

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 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, 2005, and have issued our report thereon dated December 16, 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 passenger facility charges collected and expended 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

March 10, 2006,

except for the Schedule of Passenger Facility Charges

Collected and Expended, as to which the date is December 16, 2005

Certified Public Accountants

LEE COUNTY, FLORIDA

Port Authority

Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As reported to FAA)
for the year ended September 30, 2005

	Quarter ended December 31, 2004	Quarter ended March 31, 2005	Quarter ended June 30, 2005	Quarter ended September 30, 2005	Year ended September 30, 2005	Cumulative totals as of September 30, 2004	Cumulative totals as of September 30, 2005
Collections:							
PFCs collected	\$ 3,096,189	4,864,821	3,679,680	3,148,017	14,788,706	78,527,378	93,316,084
Interest earned	45,091	63,807	73,724	112,050	294,672	5,804,367	6,099,039
Total collection	\$ 3,141,280	4,928,628	3,753,404	3,260,067	15,083,378	84,331,745	99,415,123
Expenditures on approved PFC projects included in:							
Application No. 1							
92-01-C-00-RSW	\$ 29,217	29,217	29,217	29,217	116,868	18,303,071	18,419,939
Adjustments to Application No. 1						(6,286,802)	(6,286,802)
92-01-C-00-RSW						12,016,269	12,133,137
Application No. 2							
93-02-U-00-RSW						9,711,377	9,711,377
Application No. 3							
94-03-U-00-RSW	444,177	444,177	444,177	444,177	1,776,708	66,254,722	68,031,430
Application No. 4							
97-04-U-00-RSW	20,136	20,136	20,136	20,136	80,544	3,143,333	3,223,877
Application No. 5							
97-04-U-01-RSW	3,350,062	4,291,440	477,427	592,706	8,711,635	25,792,909	34,504,544
Total expenditures	\$ 3,843,592	4,784,970	970,957	1,086,236	10,685,755	116,918,610	127,604,365

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, 2005

(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.