

**METROPOLITAN PLANNING ORGANIZATION BOARD
EXECUTIVE COMMITTEE**

1:30 p.m., January 14, 2015
Cape Coral Public Works Building Room 200
815 Nicolas Parkway, Cape Coral, FL 33915



AGENDA

Call to Order

Roll Call

New Business

1. Public Comments on New Business Items
2. Review and Approval of the Revised Long Range Transportation Plan Local Revenue Estimates
3. Review of the End of Year Audit for FY 2013/2014
4. Update on the TIGER Project
5. Discussion and Input on Long Range Transportation Plan Issues

Other Business

6. Public Comments on Items Not on the Agenda
7. Announcements
8. Information and Distribution Items

Adjournment

* Action Items + May Require Action

All meetings of the Lee County Metropolitan Planning Organization (MPO) are open to the public. In accordance with the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting should contact Mr. Johnny Limbaugh at the Lee MPO 48 hours prior to the meeting by calling (239) 330-2242; if you are hearing or speech impaired call (800) 955-8770 Voice / (800) 955-8771 TDD. Or, e-mail jlimbaugh@leempo.com.

The MPO's planning process is conducted in accordance with Title VI of the Civil Rights Act of 1964 and related statutes. Any person or beneficiary who believes he has been discriminated against because of race, color, religion, sex, age, national origin, disability, or familial status may file a complaint with the Lee County MPO Title VI Coordinator Johnny Limbaugh at (293) 330-2242 or by writing him at P.O. Box 150045, Cape Coral, Florida 33915-0045.

**REVIEW AND APPROVAL OF THE REVISED LONG RANGE
TRANSPORTATION PLAN LOCAL REVENUE ESTIMATES**

RECOMMENDATION: Review and approval of the attached local revenues estimates.

The local revenues have been updated based on the discussions that staff has had with the local jurisdictions. In addition, we have also revised the tables to only show the revenues for FY 2018/2019 through FY 2039/2040, consistent with the fiscal years that make up the Long Range Plan.

Lee County Capital 2040 Revenues

By Year	Toll Surplus (after 21% to Sanibel)	Cape Coral/Midpoint Surplus	5 cent LOGT	6 cent LOGT	Total LOGT	9th Cent Fuel Tax	Resurfacing/Minor Intersection CIP	Road Impact Fees	Total
FY18-19	3,746,000	1,168,000	2,999,456	7,504,777	10,504,233	2,901,648	7,161,047	10,182,674	21,341,508
FY19-20	4,839,000	1,191,000	3,023,751	7,565,566	10,589,317	2,925,230	7,219,051	10,437,241	22,762,736
FY20-21	4,842,000	1,215,000	3,057,617	7,650,300	10,707,917	2,958,167	7,299,905	10,656,423	23,079,602
FY21-22	4,839,000	9,777,000	5,296,307	7,760,464	13,056,771	3,001,006	7,405,023	10,880,208	34,148,961
FY22-23	4,841,000	8,327,000	5,383,696	7,888,512	13,272,208	3,050,716	7,527,206	11,108,692	33,072,410
FY23-24	4,841,000	8,493,000	5,477,372	8,025,772	13,503,144	3,103,890	7,658,179	11,341,975	33,624,830
FY24-25	4,840,000	8,663,000	5,575,417	8,169,433	13,744,851	3,159,504	7,795,261	11,580,156	34,192,250
FY25-26	4,935,000	8,836,000	5,647,340	8,274,819	13,922,159	3,199,461	7,895,820	11,788,599	34,785,399
FY26-27	4,937,000	9,013,000	5,720,756	8,382,392	14,103,147	3,241,062	7,998,465	12,000,794	35,296,537
FY27-28	4,936,000	15,704,000	5,795,125	8,491,363	14,286,488	3,283,196	8,102,445	12,216,808	42,324,046
FY28-29	4,934,000	16,018,000	5,869,883	8,600,901	14,470,784	3,325,540	8,206,967	12,436,710	42,978,068
FY29-30	4,933,000	16,338,000	5,945,017	8,710,993	14,656,010	3,368,099	8,312,016	12,660,571	43,643,664
FY30-31	5,031,000	16,665,000	6,020,519	8,821,623	14,842,141	3,410,865	8,417,579	12,837,819	44,369,247
FY31-32	5,032,000	16,998,000	6,096,377	8,932,775	15,029,152	3,453,833	8,523,640	13,017,549	45,006,894
FY32-33	5,028,000	17,338,000	6,172,582	9,044,435	15,217,017	3,496,998	8,630,186	13,199,794	45,649,623
FY33-34	5,029,000	17,685,000	6,249,122	9,156,586	15,405,708	3,540,352	8,737,200	13,384,592	46,307,451
FY34-35	5,029,000	18,038,000	6,325,986	9,269,212	15,595,198	3,583,889	8,844,668	13,571,976	46,973,396
FY35-36	9,664,000	18,399,000	6,403,163	9,382,296	15,785,459	3,627,604	8,952,573	13,748,412	52,271,902
FY36-37	9,858,000	18,767,000	6,480,642	9,495,822	15,976,463	3,671,489	9,060,899	13,927,141	53,139,195
FY 37-38	10,055,500	18,767,000	6,558,409	9,609,772	16,168,181	3,715,539	9,169,629	14,108,194	53,644,784
FY38-39	10,057,000	19,142,000	6,636,454	9,724,128	16,360,582	3,759,745	9,278,748	14,291,600	54,332,179
FY39-40	10,258,000	19,524,000	6,714,765	9,838,873	16,553,637	3,804,101	9,388,237	14,477,391	55,228,892
TOTALS	132,504,500	286,066,000	123,449,757	190,300,812	313,750,569	73,581,932	181,584,744	273,855,317	898,173,574

Lee County (Operations and Maintenance)

By Year	O&M DOT	County Gas Tax Revenue	Constitutional Gas Tax Revenue	Toll Revenue for O&M	Unincorporated MSTU or Other Source Revenue
FY18-19	42,142,000	2,494,830	5,727,066	9,942,000	23,978,104
FY19-20	42,985,000	2,538,240	5,826,717	10,141,000	24,479,043
FY20-21	43,845,000	2,583,675	5,931,015	10,343,000	24,987,310
FY21-22	44,722,000	2,617,004	6,007,525	10,550,000	25,547,471
FY22-23	45,616,000	2,651,025	6,085,623	10,761,000	26,118,352
FY23-24	46,529,000	2,685,488	6,164,736	10,977,000	26,701,775
FY24-25	47,459,000	2,720,131	6,244,261	11,196,000	27,298,607
FY25-26	48,408,000	2,754,949	6,324,188	11,420,000	27,908,863
FY26-27	49,376,000	2,789,937	6,404,505	11,648,000	28,533,558
FY27-28	50,364,000	2,825,090	6,485,202	11,881,000	29,172,708
FY28-29	51,371,000	2,860,404	6,566,267	12,119,000	29,825,329
FY29-30	52,399,000	2,895,873	6,647,689	12,361,000	30,494,439
FY30-31	53,447,000	2,931,492	6,729,455	12,609,000	31,177,053
FY31-32	54,516,000	2,967,256	6,811,555	12,861,000	31,876,189
FY32-33	55,606,000	3,003,160	6,893,974	13,118,000	32,590,866
FY33-34	56,718,000	3,039,198	6,976,702	13,380,000	33,322,100
FY34-35	57,852,000	3,075,364	7,059,725	13,648,000	34,068,911
FY35-36	59,010,000	3,111,653	7,143,030	13,921,000	34,834,317
FY36-37	60,190,000	3,864,000	8,826,000	14,200,000	33,300,000
FY37-38	61,394,000	3,864,000	8,826,000	14,484,000	34,220,000
FY38-39	62,621,000	3,941,000	9,002,000	14,773,000	34,905,000
FY39-40	63,874,000	4,019,000	9,182,000	15,069,000	35,604,000
TOTALS	1,150,444,000	66,232,768	151,865,237	271,402,000	660,943,995

City of Fort Myers
Transportation Revenue & Expenditure Forecast

	8th Cent	6th Cent	Total Operating Revenue	Streets	Traffic	Total Manintenance Cost	Net Operating Revenue/Expenses	Impact Fees	5 Cent	Total Available for Capital	Debt Service	Available for Capital Projects
FY2019	476,925	2,134,673	2,611,598	3,286,278	837,871	4,124,149	-1,512,551	664,778	1,863,131	2,527,909	1,675,831	852,078
FY2020	480,788	2,151,964	2,632,752	3,352,004	854,628	4,206,632	-1,573,880	678,073	1,878,223	2,556,296	1,672,809	883,487
FY2021	486,173	2,176,066	2,662,239	3,419,044	871,721	4,290,764	-1,628,526	691,635	1,899,259	2,590,894		2,590,894
FY2022	493,173	2,207,401	2,700,575	3,487,425	889,155	4,376,580	-1,676,005	705,468	1,926,608	2,632,076		2,632,076
FY2023	501,311	2,243,824	2,745,134	3,557,173	906,938	4,464,111	-1,718,977	719,577	1,958,397	2,677,974		2,677,974
FY2024	510,034	2,282,866	2,792,900	3,628,317	925,077	4,553,393	-1,760,494	733,968	1,992,473	2,726,442		2,726,442
FY2025	519,163	2,323,729	2,842,893	3,700,883	943,578	4,644,461	-1,801,569	748,648	2,028,139	2,776,786		2,776,786
FY2026	525,860	2,353,706	2,879,566	3,774,901	962,450	4,737,350	-1,857,784	763,621	2,054,302	2,817,922		2,817,922
FY2027	532,697	2,384,304	2,917,000	3,850,399	981,699	4,832,097	-1,915,097	778,893	2,081,008	2,859,901		2,859,901
FY2028	539,622	2,415,300	2,954,921	3,927,406	1,001,333	4,928,739	-1,973,818	794,471	2,108,061	2,902,532		2,902,532
FY2029	546,583	2,446,457	2,993,040	4,005,955	1,021,360	5,027,314	-2,034,274	810,360	2,135,255	2,945,615		2,945,615
FY2030	553,579	2,477,772	3,031,351	4,086,074	1,041,787	5,127,860	-2,096,510	826,568	2,162,586	2,989,154		2,989,154
FY2031	560,610	2,509,239	3,069,849	4,167,795	1,062,622	5,230,418	-2,160,569	843,099	2,190,051	3,033,150		3,033,150
FY2032	567,673	2,540,856	3,108,529	4,251,151	1,083,875	5,335,026	-2,226,497	859,961	2,217,645	3,077,606		3,077,606
FY2033	574,769	2,572,616	3,147,386	4,336,174	1,105,552	5,441,727	-2,294,341	877,160	2,245,366	3,122,526		3,122,526
FY2034	581,896	2,604,517	3,186,413	4,422,898	1,127,663	5,550,561	-2,364,148	894,703	2,273,209	3,167,912		3,167,912
FY2035	589,054	2,636,552	3,225,606	4,511,356	1,150,217	5,661,572	-2,435,966	912,597	2,301,169	3,213,766		3,213,766
FY2036	596,240	2,668,718	3,264,958	4,601,583	1,173,221	5,774,804	-2,509,845	930,849	2,329,243	3,260,093		3,260,093
FY2037	603,455	2,701,010	3,304,464	4,693,614	1,196,685	5,890,300	-2,585,835	949,466	2,357,427	3,306,893		3,306,893
FY2038	610,696	2,733,422	3,344,118	4,787,487	1,220,619	6,008,106	-2,663,988	968,456	2,385,716	3,354,172		3,354,172
FY2039	617,963	2,765,950	3,383,913	4,883,236	1,245,032	6,128,268	-2,744,355	987,825	2,414,106	3,401,931		3,401,931
FY2040	625,255	2,798,588	3,423,843	4,980,901	1,269,932	6,250,833	-2,826,990	1,007,581	2,442,593	3,450,174		3,450,174
	12,093,518	54,129,530	66,223,048	89,712,051	22,873,015	112,585,066	-46,362,017	18,147,758	47,243,966	65,391,725	3,348,641	62,043,084

CITY OF BONITA SPRINGS

REVENUE FORECAST

FY 2019 - 2040

Fiscal Year	Road Impact Fees	5 Cent Gas Tax	6 Cent Gas Tax	Municipal Revenue Share Distribution	General Fund Revenues- Road Maintenance (excluding transit)	General Fund Revenues- Transit only	Total Transportation Revenues	Annual Debt Service- Transportation	Maintenance and Transit Cost	Net Available for Projects
FY 2019	3,948,039	566,746	764,186	296,672	-	198,236	5,773,878	2,636,563	1,253,175	1,884,140
FY 2020	4,105,960	571,336	770,376	299,075	-	204,183	5,950,930	2,635,506	1,290,771	2,024,654
FY 2021	4,270,199	577,735	779,004	302,425	-	210,308	6,139,671	2,632,735	1,329,494	2,177,442
FY 2022	4,441,007	586,055	790,222	306,780	-	216,618	6,340,680	2,635,036	1,369,378	2,336,266
FY 2023	4,618,647	595,725	803,260	311,841	-	223,116	6,552,589	461,277	1,410,460	4,680,852
FY 2024	4,803,393	606,090	817,237	317,267	-	229,810	6,773,797	462,722	1,452,774	4,858,301
FY 2025	4,995,528	616,939	831,866	322,947	-	236,704	7,003,984	461,667	1,496,357	5,045,960
FY 2026	5,195,350	624,898	842,597	327,113	-	243,805	7,233,762	462,412	1,541,248	5,230,102
FY 2027	5,403,164	633,021	853,551	331,365	-	251,119	7,472,220	460,656	1,587,485	5,424,078
FY 2028	5,619,290	641,251	864,647	335,673	-	258,653	7,719,513	460,701	1,635,109	5,623,702
FY 2029	5,844,062	649,523	875,801	340,003	-	266,412	7,975,800	460,364	1,684,163	5,831,274
FY 2030	6,077,824	657,837	887,011	344,355	-	274,405	8,241,431	-	1,734,688	6,506,744
FY 2031	6,320,937	666,191	898,276	348,728	-	282,637	8,516,769	-	1,786,728	6,730,041
FY 2032	6,573,775	674,585	909,594	353,122	-	291,116	8,802,192	-	1,840,330	6,961,862
FY 2033	6,836,726	683,018	920,964	357,536	-	299,850	9,098,093	-	1,895,540	7,202,553
FY 2034	7,110,195	691,487	932,384	361,970	-	308,845	9,404,880	-	1,952,406	7,452,474
FY 2035	7,394,602	699,992	943,852	366,422	-	318,110	9,722,979	-	2,010,978	7,712,001
FY 2036	7,690,386	708,532	955,367	370,892	-	327,654	10,052,832	-	2,071,308	7,981,524
FY 2037	7,998,002	717,105	966,927	375,380	-	337,483	10,394,898	-	2,133,447	8,261,451
FY 2038	8,317,922	725,711	978,530	379,885	-	347,608	10,749,656	-	2,197,450	8,552,205
FY 2039	8,650,639	734,347	990,175	384,405	-	358,036	11,117,602	-	2,263,374	8,854,228
FY 2040	8,996,664	743,012	1,001,859	388,941	-	368,777	11,499,254	-	2,331,275	9,167,979
	-	-	-	-	-	-	-	-	-	-
	<u>\$ 135,212,309</u>	<u>\$ 14,371,135</u>	<u>\$ 19,377,686</u>	<u>\$ 7,522,797</u>	<u>\$ -</u>	<u>\$ 6,053,485</u>	<u>\$ 182,537,412</u>	<u>\$ 13,769,640</u>	<u>\$ 38,267,938</u>	<u>\$ 130,499,834</u>

**CITY OF CAPE CORAL
REVENUE FORECAST
FY 2019 - 2040**

	Road Impact Fees	5 Cent Gas Tax	6 Cent Gas Tax	Adjusted BABS Interest Revenue 2010B	State Shared Revenue	Subsidized by General Fund	Total Transportation Revenues	Annual Debt Service	Net Available for Maintenance & Projects	Basic Maintenance Costs	Net Available for Projects
FY 2019	3,959,929	3,273,200	4,504,666	743,345	1,139,932	3,351,398	16,972,469	7,058,939	9,913,530	7,106,790	2,806,740
FY 2020	4,058,927	3,299,713	4,555,119	743,345	1,151,331	3,429,826	17,238,259	7,058,699	10,179,561	7,248,926	2,930,635
FY 2021	4,144,164	3,336,670	4,620,712	727,831	1,162,844	3,509,935	17,502,157	7,041,282	10,460,874	7,393,905	3,066,970
FY 2022	4,231,192	3,384,718	4,696,954	711,207	1,174,473	3,591,762	17,790,306	7,023,461	10,766,844	7,541,783	3,225,062
FY 2023	4,320,047	3,440,565	4,778,681	693,621	1,186,218	3,675,342	18,094,474	7,003,639	11,090,835	7,692,618	3,398,216
FY 2024	4,410,768	3,500,431	4,864,219	675,050	1,198,080	3,760,711	18,409,260	6,983,191	11,426,069	7,846,471	3,579,598
FY 2025	4,503,394	3,563,089	4,926,968	598,017	1,210,061	3,847,907	18,649,435	6,902,407	11,747,028	8,003,400	3,743,628
FY 2026	4,584,455	3,609,053	4,991,018	515,460	1,222,161	3,936,965	18,859,113	6,807,847	12,051,265	8,163,468	3,887,797
FY 2027	4,666,975	3,655,971	5,055,902	421,594	1,234,383	4,027,926	19,062,751	6,709,247	12,353,504	8,326,738	4,026,766
FY 2028	4,750,981	3,703,498	5,121,123	323,275	1,246,727	4,120,829	19,266,432	6,602,071	12,664,361	8,493,272	4,171,089
FY 2029	4,836,499	3,751,273	5,186,673	220,389	1,259,194	4,215,712	19,469,740	6,489,886	12,979,854	8,663,138	4,316,716
FY 2030	4,923,555	3,799,290	5,252,544	112,706	1,271,786	4,312,619	19,672,500	6,373,753	13,298,747	8,836,401	4,462,346
FY 2031	4,992,485	3,847,541	5,318,726	-	1,284,504	4,411,589	19,854,844	1,084,996	18,769,849	9,013,129	9,756,720
FY 2032	5,062,380	3,896,020	5,385,210	-	1,297,349	4,512,666	20,153,624	1,084,925	19,068,699	9,193,391	9,875,308
FY 2033	5,133,253	3,944,720	5,451,987	-	1,310,322	4,615,892	20,456,174	1,085,632	19,370,543	9,377,259	9,993,284
FY 2034	5,205,119	3,993,634	5,519,046	-	1,323,425	4,721,313	20,762,538	1,085,561	19,676,977	9,564,804	10,112,173
FY 2035	5,277,991	4,042,756	5,586,378	-	1,336,660	4,828,974	21,072,759	1,085,158	19,987,601	9,756,100	10,231,500
FY 2036	5,346,604	4,092,078	5,653,974	-	1,350,026	4,938,920	21,381,602	1,085,674	20,295,928	9,951,222	10,344,706
FY 2037	5,416,110	4,141,592	5,721,821	-	1,363,527	5,051,199	21,694,249	-	21,694,249	10,150,247	11,544,002
FY 2038	5,486,520	4,191,291	5,789,911	-	1,377,162	5,165,858	22,010,741	-	22,010,741	10,353,252	11,657,490
FY 2039	5,557,845	4,241,167	5,858,232	-	1,390,933	5,282,947	22,331,124	-	22,331,124	10,560,317	11,770,807
FY 2040	5,630,097	4,291,213	5,927,232	-	1,404,843	5,402,515	22,655,899	-	22,655,899	10,771,523	11,884,376
Total	106,499,290	82,999,481	114,767,096	6,485,839	27,895,939	94,712,806	433,360,451	88,566,368	344,794,083	194,008,153	150,785,930

**Town of Fort Myers Beach
Long Range Transportation 2040 Revenue Forecast**

Fiscal Year	Total Road Impact Fees	Impact Fees For Capital	Total 6¢ LOFT & 5¢ LOFT	6¢ LOFT & 5¢ LOFT for Capital	TOTAL CAPITAL	TOTAL MAINTENANCE
2019	37,602	30,082	583,479	466,783	496,865	124,216
2020	36,850	29,480	588,205	470,564	500,044	125,011
Subtotal	74,452	59,562	1,171,684	937,347	996,909	249,227
2021	36,113	28,890	594,793	475,834	504,725	126,181
2022	35,391	28,313	603,358	482,686	510,999	127,750
2023	34,683	27,746	613,313	490,650	518,397	129,599
2024	33,989	27,191	623,985	499,188	526,379	131,595
2025	33,309	26,648	635,154	508,123	534,771	133,693
Subtotal	173,485	138,788	3,070,603	2,456,482	2,595,271	648,818
2026	32,643	26,115	643,348	514,678	540,793	135,198
2027	31,990	25,592	651,711	521,369	546,961	136,740
2028	31,351	25,080	660,183	528,146	553,227	138,307
2029	30,724	24,579	668,700	534,960	559,539	139,885
2030	30,109	24,087	677,259	541,807	565,894	141,474
Subtotal	156,817	125,454	3,301,201	2,640,961	2,766,414	691,604
2031	29,507	23,606	685,860	548,688	572,294	143,073
2032	28,917	23,133	694,502	555,602	578,735	144,684
2033	28,338	22,671	703,184	562,547	585,218	146,304
2034	27,772	22,217	711,903	569,522	591,740	147,935
2035	27,216	21,773	720,659	576,527	598,300	149,575
Subtotal	141,750	113,400	3,516,108	2,812,886	2,926,287	731,572
2036	26,672	21,338	729,452	583,562	604,899	151,225
2037	26,138	20,911	738,278	590,622	611,533	152,883
2038	25,616	20,493	747,137	597,710	618,202	154,551
2039	25,103	20,083	756,028	604,822	624,905	156,226
2040	24,601	19,681	764,949	611,959	631,640	157,910
Subtotal	128,131	102,505	3,735,844	2,988,675	3,091,180	772,795
22 yr. Total	674,635	539,708	14,795,440	11,836,352	12,376,060	3,094,015

CITY OF SANIBEL TRANSPORTATION 2040 REVENUE PROJECTIONS

TOTAL REVENUE/FUNDING PROJECTIONS							CAPITAL REVENUE PROJECTIONS ⁽²⁾						OPERATION & MAINTENANCE REVENUE PROJECTIONS ⁽³⁾					
Year	5 cent LOGT	6 cent LOGT	Municipal State Rev Sharing	21% Sanibel Causeway Toll Surplus ⁽¹⁾	Subsidized by City's General Fund	Total Funding	5 cent LOGT	6 cent LOGT	Municipal State Rev Sharing	21% Sanibel Causeway *Toll Surplus	Subsidized by City's General Func	Total Funding	5 cent LOGT	6 cent LOGT	Municipal State Rev Sharing	21% Sanibel Causeway *Toll Surplus	Subsidized by City's General Fund	Total Funding
2019	648,562	875,126	38,983	995,772	1,598,455	4,156,898	648,562	875,126	-	371,876	-	1,895,564	-	-	38,983	623,896	1,598,455	2,261,334
2020	651,805	879,502	39,080	1,286,544	1,366,268	4,223,199	651,805	879,502	-	385,124	-	1,916,431	-	-	39,080	901,420	1,366,268	2,306,768
2021	655,064	883,900	39,178	1,287,174	1,361,631	4,226,947	655,064	883,900	-	398,960	-	1,937,924	-	-	39,178	888,214	1,361,631	2,289,023
2022	658,339	888,320	39,276	1,286,334	1,418,550	4,290,819	658,339	888,320	-	413,403	-	1,960,062	-	-	39,276	872,931	1,418,550	2,330,757
2023	661,631	892,762	39,374	1,286,964	1,414,876	4,295,607	661,631	892,762	-	428,471	-	1,982,864	-	-	39,374	858,493	1,414,876	2,312,743
2024	664,939	897,226	39,472	1,286,964	1,474,114	4,362,715	664,939	897,226	-	444,185	-	2,006,350	-	-	39,472	842,779	1,474,114	2,356,365
2025	668,264	901,712	39,571	1,286,754	1,473,993	4,370,294	668,264	901,712	-	460,565	-	2,030,541	-	-	39,571	826,189	1,473,993	2,339,753
2026	671,605	906,221	39,670	1,311,891	1,508,807	4,438,194	671,605	906,221	-	477,631	-	2,055,457	-	-	39,670	834,260	1,508,807	2,382,737
2027	674,963	910,752	39,769	1,312,521	1,508,987	4,446,992	674,963	910,752	-	495,406	-	2,081,121	-	-	39,769	817,115	1,508,987	2,365,871
2028	678,338	915,306	39,868	1,312,311	1,571,020	4,516,843	678,338	915,306	-	513,911	-	2,107,555	-	-	39,868	798,400	1,571,020	2,409,288
2029	681,730	919,883	39,968	1,311,681	1,574,515	4,527,777	681,730	919,883	-	533,169	-	2,134,782	-	-	39,968	778,512	1,574,515	2,392,995
2030	685,139	924,482	40,068	1,311,471	1,638,388	4,599,548	685,139	924,482	-	553,204	-	2,162,825	-	-	40,068	758,267	1,638,388	2,436,723
2031	688,565	929,104	40,168	1,337,438	1,616,958	4,612,233	688,565	929,104	-	574,041	-	2,191,710	-	-	40,168	763,397	1,616,958	2,420,523
2032	692,008	933,750	40,268	1,337,858	1,682,067	4,685,951	692,008	933,750	-	595,703	-	2,221,461	-	-	40,268	742,155	1,682,067	2,464,490
2033	695,468	938,419	40,369	1,336,808	1,689,668	4,700,732	695,468	938,419	-	618,218	-	2,252,105	-	-	40,369	718,590	1,689,668	2,448,627
2034	698,945	943,111	40,470	1,337,018	1,757,037	4,776,581	698,945	943,111	-	641,612	-	2,283,668	-	-	40,470	695,406	1,757,037	2,492,913
2035	702,440	947,827	40,571	1,337,018	1,781,642	4,809,498	702,440	947,827	-	665,911	-	2,316,178	-	-	40,571	671,107	1,781,642	2,493,320
2036	705,952	952,566	40,672	2,569,106	619,233	4,887,529	705,952	952,566	-	691,145	-	2,349,663	-	-	40,672	1,877,961	619,233	2,537,866
2037	709,482	957,329	40,774	2,620,488	578,646	4,906,719	709,482	957,329	-	717,342	-	2,384,153	-	-	40,774	1,903,146	578,646	2,522,566
2038	713,029	962,116	40,876	2,672,898	598,175	4,987,094	713,029	962,116	-	744,533	-	2,419,678	-	-	40,876	1,928,365	598,175	2,567,416
2039	716,594	966,927	40,978	2,726,356	557,826	5,008,681	716,594	966,927	-	772,747	-	2,456,268	-	-	40,978	1,953,609	557,826	2,552,413
2040	720,177	971,762	41,080	2,780,883	577,610	5,091,512	720,177	971,762	-	802,017	-	2,493,956	-	-	41,080	1,978,866	577,610	2,597,556
	15,043,039	20,298,103	880,503	35,332,252	29,368,468	100,922,365	15,043,039	20,298,103	-	12,299,174	-	47,640,316	-	-	880,503	23,033,078	29,368,468	53,282,049

Lee County Transit Long Range Transportation Revenue Forecast

Fiscal Year	Federal Revenues				State Revenues					County Revenues						TOTAL
	FTA §5303 Planning	FTA §5307 Capital	FTA §5311 Rural Operating	STP Flex Funding	Block Grant Operating	Commuter Assistance	FDOT §5303 Match	Urban Corridor Grant	State Discretion	5¢ Local Option GasTax	Farebox Revenue	County General Fund Operating	County General Fund Capital	Cities and Univer Contrib	Advert and Misc Revenue	
2018/19	158	6,627	389	0	1,952	0	17	1,400		617	3,515	10,300	0	171	568	25,714
2019/20	158	6,647	389	0	2,002	0	17	1,400		617	3,568	10,300	0	171	573	25,842
2020/21	158	6,667	384	0	2,052	0	17	1,400		617	3,621	10,300	0	171	579	25,966
2021/22	158	6,687	384	0	2,102	0	17	1,400		617	3,676	10,300	0	171	585	26,096
2022/23	158	6,707	384	0	2,152	0	17	1,400		617	3,731	10,300	0	171	591	26,227
2023/24	158	6,727	384	0	2,202	0	17	1,400		617	3,787	10,300	0	171	596	26,359
2024/25	158	6,747	384	0	2,252	0	17	1,400		617	3,844	10,300	0	171	602	26,492
2025/26	158	6,767	379	0	2,302	0	17	1,400		617	3,901	10,300	0	171	608	26,621
2026/27	158	6,787	379	0	2,352	0	17	1,400		617	3,960	10,300	0	171	615	26,755
2027/28	158	6,807	379	0	2,402	0	17	1,400		617	4,019	10,300	0	171	621	26,891
2028/29	158	6,827	379	0	2,452	0	17	1,400		617	4,080	10,300	0	171	627	27,027
2029/30	158	6,847	379	0	2,502	0	17	1,400		617	4,141	10,300	0	171	633	27,165
2030/31	158	6,867	374	0	2,552	0	17	1,400		617	4,203	10,300	0	171	640	27,298
2031/32	158	6,887	374	0	2,602	0	17	1,400		617	4,266	10,300	0	171	646	27,438
2032/33	158	6,907	374	0	2,652	0	17	1,400		617	4,330	10,300	0	171	652	27,578
2033/34	158	6,927	374	0	2,702	0	17	1,400		617	4,395	10,300	0	171	659	27,720
2034/35	158	6,947	374	0	2,752	0	17	1,400		617	4,461	10,300	0	171	665	27,862
2035/36	158	6,967	0	0	2,802	0	17	1,400		617	4,528	10,300	0	171	675	27,635
2036/37	158	6,987	0	0	2,852	0	17	1,400		617	4,596	10,300	0	171	686	27,783
2037/38	158	7,007	0	0	2,902	0	17	1,400		617	4,664	10,300	0	171	696	27,932
2038/39	158	7,027	0	0	2,952	0	17	1,400		617	4,734	10,300	0	171	706	28,083
2039/40	158	7,047	0	0	3,002	0	17	1,400		617	4,805	10,300	0	171	717	28,234
	3,476	150,414	6,463	0	54,494	0	374	30,800	0	13,574	90,824	226,600	0	3,762	13,940	594,721
comments	Program estimates remain unchanged no additional increases	assumes historical increases of 200k per year. Also \$1.5 million app goes towards maintenance annually	funding increased through FY20 as a result of declining rural areas - assumes declining grant revenue of 5k ever five years after FY20	MPO allocates annually	assumes historical increases of 50k after FY2015	Commuter Assistance Program Funding has been discontinued by FDOT	state match of 10% based on federal allocation of 5303 grant funds	provides actual programmed funds per FDOT - assumes no increases	based on awarded grants		based on a 1.5% increase each year	based on FY14 Budget with no annual increase in funding	based on FY14 Budget with no annual increase in funding	based on FY14 Budget with no annual increase in funding	based on FY14 Budget with 1% annual increase in funding	based on FY14 Budget with 1% annual increase in funding

REVIEW OF THE END OF YEAR AUDIT FOR FY 2013/2014

RECOMMENDED ACTION: Review and comment on the draft end of the year audit for FY 2013/2014.

Attached is the draft audit for FY 2013/2014 for the Executive Committee's review and comment.

**LEE COUNTY METROPOLITAN
PLANNING ORGANIZATION**

**BASIC FINANCIAL STATEMENTS
AND REGULATORY REPORTS**

YEAR ENDED JUNE 30, 2014

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Lee County Metropolitan Planning Organization
Cape Coral, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the Lee County Metropolitan Planning Organization (the MPO), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the MPO as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the MPO's basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Lee County Metropolitan Planning Organization

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the MPO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MPO's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Fort Myers, Florida
REPORT DATE

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

The Lee County Metropolitan Planning Organization (the MPO) serves as the transportation planning agency for Lee County, Florida (the County). It is responsible for transportation planning in Bonita Springs, Cape Coral, Fort Myers, Fort Myers Beach, Sanibel, and unincorporated Lee County, Florida. The MPO's mission is to provide leadership in planning and promoting a comprehensive intermodal surface transportation system that will provide for regional mobility, encourage a positive investment climate and foster sustainable development sensitive to community and natural resources. The MPO receives funding from Federal Highway Administration, the Florida Department of Transportation, the State of Florida Commission for the Transportation Disadvantaged and the Federal Transit Administration.

The MPO's financial report presents a narrative overview and an analysis of the financial activities of the MPO as of and for the year ended June 30, 2014. The prior period information available is for the period July 1, 2012 through June 30, 2013.

Financial Highlights

- The assets of the MPO exceeded its liabilities at June 30, 2014 by \$341,083 (net position). The unrestricted portion of \$326,484 may be used to meet the MPO's ongoing obligations to its constituents. The increase in net position is due primarily to unspent proceeds from local jurisdictional payments made to the MPO by the County and participating municipalities whom the MPO serves.
- As of June 30, 2014, the MPO's general fund reported an ending fund balance of \$377,769.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the MPO's basic financial statements. These basic statements consist of three sections: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the MPO's overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on the MPO's assets and liabilities. Net position, the difference between these assets and liabilities, are a useful way to measure the MPO's financial health.

The statement of activities presents information showing how the MPO's net position changed during this fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. This statement separates program revenue (charges for services, grants, and contributions) from general revenue (including taxes), which shows the extent to which each program must rely on taxes for funding.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

Overview of the Financial Statements (Continued)

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The MPO, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The MPO uses a general fund to account for all activities of the MPO.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

Budgetary information is not included in the accompanying financial statements as the MPO is not required to legally adopt a budget for its General Fund.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 15 through 22 of this report.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

Government-Wide Financial Analysis

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. As of fiscal year ended June 30, 2014, the assets of the MPO exceeded liabilities by \$341,083.

At the end of the current fiscal year, the MPO reported positive balances in all categories of net position.

Following is a summary of the MPO's net position as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Cash	\$ 70,315	51,732
Grants Receivable	427,685	201,564
Prepaid Expenses	15,002	5,690
Capital Assets, Net	<u>14,599</u>	<u>5,778</u>
 Total Assets	 527,601	 264,764
 Accounts Payable	 122,267	 6,895
Accrued Payroll and Other Liabilities	12,966	11,995
Compensated Absences	<u>51,285</u>	<u>28,583</u>
 Total Liabilities	 <u>186,518</u>	 <u>47,473</u>
 Investment in Capital Assets	 14,599	 5,778
Unrestricted	<u>326,484</u>	<u>211,513</u>
 Total Net Position	 <u><u>\$ 341,083</u></u>	 <u><u>\$ 217,291</u></u>

Governmental activities increased the MPO's net position by \$123,792 during the year ended June 30, 2014.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

Government-Wide Financial Analysis (Continued)

Following is a summary of the MPO's statement of activities for the year ended June 30, 2014 and 2013, respectively:

REVENUES	<u>2014</u>	<u>2013</u>
Program Revenues:		
Transportation Grants	\$ 1,393,509	\$ 797,246
Intergovernmental	70,034	70,034
Other Income	119	731
Total Revenues	<u>1,463,662</u>	<u>868,011</u>
 EXPENSES		
Transportation and General Government	<u>1,339,870</u>	<u>832,364</u>
 INCREASE IN NET POSITION	123,792	35,647
 Net Position, Beginning of Period	<u>217,291</u>	<u>181,644</u>
 NET POSITION, END OF PERIOD	<u><u>\$ 341,083</u></u>	<u><u>\$ 217,291</u></u>

The MPO obtains its grant revenue from several different sources. The MPO receives Federal Planning dollars (PL funding) for operations and planning tasks, Federal Transit Administration funding for transit planning activities, and State Transportation Disadvantaged Planning funds to fund the planning tasks involved with the Transportation Disadvantaged Program. The MPO also receives local government funding through assessments that are used to for general operations, as the federal and state grant programs listed above reimburse the MPO for specific expenditures. The MPO also seeks other state and federal grants to fund specific planning projects such as County Incentive Grant Program funds used for the Rail Feasibility Study.

Financial Analysis of the MPO's Fund

As noted earlier, the MPO uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the MPO's financing requirements.

The MPO reports a single governmental fund, which is the general fund. All of the MPO's fund balance in the general fund is either nonspendable or unassigned.

Other Economic Factors

The MPO is now accessing additional transit planning funds consistent with the agreement with Lee County, Florida and the Transportation Authority of Lee County, Florida (LeeTran). Up to twenty percent of the yearly allocation of Section 5303 funds to the MPO will be used for Lee MPO transit related projects. Based on the current funding allocations, this equates to about \$50,000 in transit planning funding.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

Other Economic Factors (Continued)

The Lee MPO has been awarded \$10,470,000 in TIGER grant funding from the United States Department of Transportation (USDOT) that will be used for the design and construction of bicycle, pedestrian and transit improvements that will take place over the next two years. As part of this project the MPO accessed an additional \$235,000 in Surface Transportation funds to assist in the upfront tasks related to getting this project started.

In addition, the MPO is currently conducting two transit planning projects funded with Surface Transportation Program funds in the amount of \$179,000. The first project is studying the feasibility of implementing bus queue jumps along US 41 and the second project is identifying bus pullout locations and standard design specifications for constructing them along current transit routes. Over the next year, two other projects will be starting using Surface Transportation funds that include the development of a Cape Coral Bicycle and Pedestrian Master Plan for \$152,000 and a Round-a-bout Feasibility Study for \$400,000.

Requests for Information

This financial report is designed to provide a general overview of the Lee County Metropolitan Planning Organization's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Don Scott
Executive Director
Lee County Metropolitan Planning Organization
USPS Mail:
P.O Box 150045
Cape Coral, Florida 33915-0045
Physical Address:
815 Nicholas Parkway East
Cape Coral, FL 33990

BASIC FINANCIAL STATEMENTS

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 70,315
Grants Receivable	427,685
Prepaid Expenses	15,002
Capital Assets, Net	<u>14,599</u>
Total Assets	527,601
LIABILITIES	
Accounts Payable	122,267
Accrued Payroll and Other Liabilities	12,966
Due in More than One Year:	
Compensated Absences	<u>51,285</u>
Total Liabilities	<u>186,518</u>
NET POSITION	
Investment in Capital Assets	14,599
Unrestricted	<u>326,484</u>
Total Net Position	<u><u>\$ 341,083</u></u>

See accompanying Notes to Basic Financial Statements.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

	Governmental Activities
PROGRAM EXPENSES	
Transportation:	
Personal Services	\$ 364,929
Operating Expenses	971,639
Depreciation	3,302
Total Program Expenses	1,339,870
PROGRAM REVENUES	
Charges for Services	70,034
Transportation Grants	1,393,509
Total Program Revenues	1,463,543
GENERAL REVENUES	
Miscellaneous	119
INCREASE IN NET POSITION	123,792
Net Position, Beginning of Year	217,291
NET POSITION, END OF YEAR	\$ 341,083

See accompanying Notes to Basic Financial Statements.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund
ASSETS	
Cash	\$ 70,315
Grants Receivable	427,685
Prepaid Expenses	15,002
Total Assets	\$ 513,002
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 122,267
Accrued Payroll and Other Liabilities	12,966
Total Liabilities	135,233
FUND BALANCES	
Nonspendable	15,002
Unassigned	362,767
Total Fund Balances	377,769
Total Liabilities and Fund Balances	\$ 513,002

See accompanying Notes to Basic Financial Statements.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Total Governmental Fund Balance	\$ 377,769
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements	14,599
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Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the fund statements	<u>(51,285)</u>
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Net Position of Governmental Activities	<u>\$ 341,083</u>
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See accompanying Notes to Basic Financial Statements.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>
REVENUES	
Transportation Grants	\$ 1,393,509
Intergovernmental	70,034
Other Revenue	119
Total Revenues	<u>1,463,662</u>
EXPENDITURES	
Current:	
Personal Services	342,227
Operating Expenditures	971,639
Capital Outlay	12,123
Total Expenditures	<u>1,325,989</u>
NET CHANGE IN FUND BALANCE	137,673
Fund Balance, Beginning of Year	<u>240,096</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 377,769</u></u>

See accompanying Notes to Basic Financial Statements.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Net Change in Fund Balance - Governmental Funds	\$	137,673
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays During Fiscal Period		12,123
Depreciation Expense During Year		(3,302)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund statements

Change in Compensated Absences During Year		<u>(22,702)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>123,792</u></u>
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See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 ORGANIZATION AND REPORTING ENTITY

The Lee County Metropolitan Planning Organization (the MPO), was established in 1977 following the passage of the Federal Highway Act of 1974. The MPO is authorized pursuant to Florida Statutes, Section 339.175. Historically the MPO's operations were included within the net position and activities of the Southwest Florida Regional Planning Council, who had provided office space and administrative services to the MPO. On December 21, 2011, the MPO separated from the Southwest Florida Regional Planning Council and became an independent entity.

The task of the MPO is to develop plans, policies and priorities that guide local decision making on transportation issues. Principal responsibilities include the development of a 20-year Long Range Transportation Plan (LRTP), a five-year Transportation Improvement Program (TIP) and related transportation planning studies and projects.

The MPO is governed by a sixteen member board of elected officials representing municipal governments and the Lee County Board of County Commissioners. The Florida Department of Transportation (FDOT) District 1 Office is also represented on the board by the District Secretary or designee who is a non-voting member. The MPO's Executive Director oversees the MPO's daily operations and reports to the board. The MPO has considered any entities for which it has oversight, and there are none meeting the criteria for inclusion in their financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the MPO have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the government's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the government. The MPO only has governmental activities and does not engage in any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include operating grants and intergovernmental revenues supplied by Lee County, Florida (the County) and municipalities within the County. General revenues include investment earnings, miscellaneous income, and other revenues not considered to directly support program activities.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds. Fund financial statements are presented for the MPO's general fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the MPO considers revenues to be available generally if they are collected within 60 days of the end of the current fiscal period, unless collections are delayed beyond a normal time of receipt due to unusual circumstances. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Budgets

Budgetary information is not included in the accompanying financial statements as the MPO is not required to legally adopt a budget for its general fund.

The MPO prepares a Unified Planning Work Program (UPWP) every two years, which identifies the planning budget and planning activities to be undertaken within the following four categories: administration, systems monitoring, systems planning, and project planning. The MPO is required to have the UPWP approved and submitted to the Florida Department of Transportation by May 15th of every other year.

Deposits and Investments

Cash includes amounts on hand and in demand deposit accounts. The MPO does not have a written investment policy. Rather, it has adopted the guidelines for the investment of public funds in excess of amounts needed to meet current operating expenses, in accordance with Section 218.415, Florida Statutes. As of June 30, 2014, the MPO had no investments.

Receivables

No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are reported in governmental activities in the government-wide financial statements. Capital assets are recorded at their historical cost if purchased. Donated capital assets are recorded at estimated market value at the date of donation. For the fund financial statements capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The MPO's computer software and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Life</u>
Office Equipment	5
Computer Software & Equipment	3

Compensated Absences

It is the MPO's policy to permit regular full-time and regular part-time employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from service if they meet certain criteria. Compensated absences are accrued on an hourly basis per bi-weekly pay period based on number of years of continuous service; the liability for compensated absences is reported in the government-wide financial statements, which generates a reconciling item between the governmental funds and the government-wide financial statement presentation. A total of \$53,053 of vacation benefits were earned, \$20,118 were used, and \$28,583 were rolled forward from the previous year, resulting in an ending compensated absences balance of \$51,285 for the year ended June 30, 2014.

Fund Equity

Governmental fund equity is classified as fund balance. Nonspendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or; (b) legally contractually required to be maintained intact. Spendable fund balances are further segregated into five separate categories, based on a hierarchy of spending constraints.

- Restricted: Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers (i.e., granting agencies such as Florida Department of Transportation, Commission for the Transportation Disadvantaged, Federal Highway Administration, Federal Transit Administration or similar external entities); or (b) imposed by law through constitutional provisions or enabling legislation.

LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

- Committed: Amounts that can be used only for the specific purposes determined by a formal action of the MPO's governing board, the MPO's highest level of decision-making authority. Commitments may be changed or lifted only by the MPO's governing board taking the same formal action that imposed the constraint originally.
- Assigned: Amounts that include spendable fund balance amounts established by the Executive Director of the MPO that are intended to be used for a specific purpose that are neither considered restricted or committed.
- Unassigned: This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The MPO's entire spendable fund balance in the general fund is classified as unassigned.

Although the MPO does not have a formal spending prioritization policy, it is assumed that in instances when expenditures are incurred for purposes for which amounts in either restricted or unrestricted fund balance classifications could be used, restricted fund balance would be spent first. Remaining unrestricted fund balance would be spent as follows: committed amounts would be reduced first, followed by assigned amounts, and then unassigned.

Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net position invested in capital assets consists of capital assets, net of accumulated depreciation. The MPO does not have any related long-term debt used to acquire capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

New Accounting Pronouncements - For the year ended June 30, 2014, the MPO's financial statements include the impact of adoption of Governmental Accounting Standards Board *Statement* (GASBS) number 65.

GASBS 65, *Items Previously Reported as Assets and Liabilities*, reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 DEPOSITS

At June 30, 2014, the book balance of the MPO's deposits was \$70,315, and the bank balance was \$100,249. The difference between book and bank balances is due to outstanding checks.

The bank balance is insured by federal depository insurance and, for any amount in excess of such federal depository insurance, is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government for the loss.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, is summarized as follows:

	Balance September 30, 2013	Additions	Deletions	Balance September 30, 2014
Capital Assets not being Depreciated:				
Construction in progress	\$ -	\$ 9,000	\$ -	\$ 9,000
Total Capital Assets not being Depreciated	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Capital Assets being Depreciated:				
Furniture and Equipment	9,905	3,123	-	13,028
Total Capital Assets being Depreciated	<u>9,905</u>	<u>3,123</u>	<u>-</u>	<u>13,028</u>
Less: accumulated depreciation for:				
Furniture and Equipment	4,127	3,302	-	7,429
Total accumulated depreciation	<u>4,127</u>	<u>3,302</u>	<u>-</u>	<u>7,429</u>
Total capital assets, being Depreciated, net	<u>5,778</u>	<u>(179)</u>	<u>-</u>	<u>5,599</u>
Capital assets, net	<u>\$ 5,778</u>	<u>\$ 8,821</u>	<u>\$ -</u>	<u>\$ 14,599</u>

Depreciation expense for the year ended June 30, 2014 was \$3,302.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 JOINT PARTICIPATION AGREEMENT FOR FEDERAL TRANSIT

The Federal Transit Administration (FTA) Section 5303 funds are allocated to the MPO for transit planning tasks that are identified in the MPO's Unified Planning Work Program (UPWP) and the MPO's annual approved FTA grant application. Over the years, the MPO has passed these funds through to Transportation Authority of Lee County, Florida (LeeTran) to conduct the various transit planning tasks identified in the UPWP. The MPO has worked closely with LeeTran to identify the tasks that the funding will be used for along with monitoring the activities with the review of the progress reports and invoices. During the year ended June 30, 2014, all of the 5303 funds that have been billed were conducted by LeeTran and that is why the revenue and expenses for this funding is recorded to the MPO's financial statements in the same amount.

NOTE 6 PENSION PLAN – FLORIDA RETIREMENT SYSTEM

Plan Description

All of the MPO's employees are eligible to participate in the Florida Retirement System (the FRS), administered by the State of Florida Department of Administration. Employees elect participation in either the defined benefit plan (the Pension Plan), which is a multiple-employer cost-sharing defined benefit retirement plan; or the defined contribution plan (the Investment Plan) under the FRS. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries.

Benefits are established by Chapter 121, Florida Statutes and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

Benefits are computed on the basis of age, average final compensation and service credit. Regular class employees who retire at or after age 65 with 8 years of credited service (age 62 with 6 years of service enrolled prior to July 1, 2011) or 33 years of service (30 years of service if enrolled prior to July 1, 2011) regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.6% - 1.68%, depending on their service class, of their average final compensation for each year of credited service. Final average compensation is the employee's average of the five highest years of salary earned during credited service (eight highest years of salary if initially enrolled on or after July 1, 2011). Vested employees with less than 33 years of service (30 years of service if enrolled prior to July 1, 2011) may retire before normal retirement age and receive a reduced benefit of 5% for each year prior to normal retirement age or date. A post-employment health insurance subsidy is also provided to eligible retired employees through the FRS in accordance with Florida Statutes.

For employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 NOTE 6 PENSION PLAN – FLORIDA RETIREMENT SYSTEM (CONTINUED)

The Deferred Retirement Option Program (DROP) is a program that provides an alternative method of payment of retirement benefits for a specified and limited period for members of the FRS, effective July 1, 1998. Under this program, the employee may retire and have their benefits accumulate in the Florida Retirement System Trust Fund, earning interest, while continuing to work for an FRS employer. The participation in the program does not change conditions of employment. When the DROP period ends, a maximum of 60 months, employment must be terminated. At the time of termination of employment, the employee will receive payment of the accumulated DROP benefits, and begin receiving their monthly retirement benefit (in the same amount determined at retirement).

Plan Description (Continued)

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The most recent available report is for the plan year ended June 30, 2013. This report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, Office of the Secretary, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling (866) 738-2366, or by accessing their Internet site at https://www.rol.frs.state.fl.us/forms/2012-13_Annual_Report.pdf. In addition, the System's financial statements and required supplemental information are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting Florida's Chief Financial Officer in Tallahassee, Florida.

Funding Policy – The FRS requires a 3% contribution from members effective July 1, 2011. Governmental employers are required to make contributions to the FRS based upon statewide rates. The FRS establishes contributions by the state fiscal year, which begins July 1. For the year ending June 30, 2014, the contribution rates, by job class, were regular employees 6.95%, elected officials 33.03%, senior management 18.31%, and DROP participants 12.84%.

For the year ended June 30, 2014 and 2013, the MPO's contributions to the plan were \$29,698 and \$16,508, respectively, equal to the actuarially determined contribution requirement.

NOTE 8 DEFERRED COMPENSATION PLAN

The MPO's employees can voluntarily participate in the MPO's Deferred Compensation Plan. The MPO offers a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all MPO employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The employee contributions to the plan were \$18,096 for the year ended June 30, 2014. The MPO does not make any contributions on behalf of employees in this plan.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 COMMITMENTS

The MPO has entered into contracts with several transportation engineering firms and planning consultants in order to fulfill the work programs under various grants administered by the State of Florida. Uncompleted portions of these contracts, which are not required to be fully spent as of June 30, 2014 total approximately \$196,000. Although these contracts represent commitments of the MPO, the great majority of revenues expended under these will, in turn, be reimbursable under grants already awarded to the MPO.

In December 2011, the MPO entered into a four-year lease agreement for office space with the City of Cape Coral, Florida. At expiration of the term, the lease will automatically renew for one-year terms. Either party may terminate the lease agreement with at least six months notice in writing at any time during the lease term. The MPO's scheduled rent payments are \$300 per month, paid on or before the first day of every month throughout the lease term. Future minimum rental payments are \$3,600 per year for the remainder of the lease term.

SUPPLEMENTARY INFORMATION

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

	Federal CFDA Number	Federal Grant Number	Award Amount	Program Expenditures	Transfers to Subrecipients
FEDERAL GRANTOR / PASS THROUGH GRANTOR AWARD					
<i>U.S. Department of Transportation - Federal Highway Administration</i>					
<u>Pass through Florida Department of Transportation:</u>					
Highway Planning and Construction					
Metropolitan Planning Program					
Federal Section 112 (PL) Funds	20.205	PL-0261 (012) -423642-1-14-01 A5176	\$ 934,881	\$ 846,405	\$ -
<u>Pass through Florida Department of Transportation:</u>					
Metropolitan Planning Program					
SU Funds for TIGER Project	20.205	PL-0261 (012) -423642-1-14-01 A5176	\$ 235,000	\$ 234,659	\$ -
<u>Pass through Florida Department of Transportation:</u>					
Metropolitan Transportation Planning					
Section 5305	20.505	410115-1-14 21 & 23 AOZ59 & AQR15	\$ 435,582	\$ 253,690	\$ 208,506
<u>Pass through Florida Department of Transportation:</u>					
Metropolitan Planning Program					
JPA - SU Funds for Transit Bus Pullout Study	20.205	430883-1-18-01 AR540	\$ 124,000	\$ 457	
<u>Pass through Florida Department of Transportation:</u>					
Metropolitan Planning Program					
JPA - SU Funds for Transit Bus Pullout Study	20.205	430884-1-18-01 AR541	\$ 55,000	\$ 471	
Total Federal Awards			\$ 1,784,463	\$ 1,335,682	\$ 208,506

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the schedule of expenditures of federal awards of the Lee County Metropolitan Planning Organization (the MPO) have been designed to conform to the accounting principles generally accepted in the United States of America, and the reporting and compliance requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133).

Reporting Entity

Federal awards received directly from federal agencies, the State of Florida or pass-through entities are included to satisfy the audit requirements of OMB Circular A-133. The schedule of expenditures of federal awards includes all federal awards that the MPO earned for the year ended June 30, 2014. The MPO also expended \$57,827 of state financial assistance for the year ended June 30, 2014. However, a schedule of expenditures of state financial assistance is not required to be included because the MPO did not expend greater than \$500,000 throughout the fiscal year, as stipulated under Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General of the State of Florida.

Below represents a breakdown by project of state financial assistance expended for the year ended June 30, 2014:

	State CSFA	State Project	Award	Program	Transfers to
STATE GRANTOR FINANCIAL ASSISTANCE	Number	Number	Amount	Expenditures	Subrecipients
<i>State of Florida Commission for the Transportation Disadvantaged</i>					
<i>Direct Program:</i>					
Planning Grant	55.002	432029-1-14-01 AR260	32,513	32,513	-
County Incentive Grant Program					
Rail Feasibility Study	55.008	428148-1-28-01	132,754	25,314	-
Total Program			165,267	57,827	-
Total State Financial Assistance			\$ 165,267	\$ 57,827	\$ -

Basis of Accounting

Basis of accounting refers to when expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accrual basis of accounting is followed for the schedule of expenditures of federal awards and state financial assistance.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

NOTE 2 CONTINGENCIES

Grant monies received and disbursed by the MPO are for specific purposes and are subject to review and audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the MPO does not believe that such disallowances, if any, would have a material effect on the financial position of the MPO.

REGULATORY REPORTS

**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 Directors
Lee County Metropolitan Planning Organization
Cape Coral, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Lee County Metropolitan Planning Organization (the MPO), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the MPO's basic financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2014-001 and 2014-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Lee County Metropolitan Planning Organization's Responses to Findings

The MPO's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The MPO's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

CliftonLarsonAllen LLP

Fort Myers, Florida
REPORT DATE

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Lee County Metropolitan Planning Organization
Cape Coral, Florida

Report on Compliance for the Major Federal Program

We have audited Lee County Metropolitan Planning Organization's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2014. Lee County Metropolitan Planning Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Lee County Metropolitan Planning Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about Lee County Metropolitan Planning Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Lee County Metropolitan Planning Organization's compliance.

Opinion on the Major Federal Program

In our opinion, Lee County Metropolitan Planning Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-003, that we consider to be a significant deficiency.

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

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

CliftonLarsonAllen LLP

Fort Myers, Florida
REPORT DATE

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Results

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified not considered to be a material weakness(es) Yes

Noncompliance material to financial statements noted? No

Awards

Federal

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified not considered to be a material weakness(es) Yes

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

Any audit findings disclosed that are required to be reported in accordance with –
Circular A-133 section .501 (a) Yes

Identification of Major Programs

Federal

Name of Program or Cluster

CFDA 20.205 Highway Planning and Construction

Federal

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

CURRENT YEAR COMMENTS

2014-001 Outstanding Checks

Criteria

The MPO is responsible for recording cash transactions in the proper period.

Condition

The June 2014 bank reconciliation included a listing of outstanding checks that were written after year end, but the checks were dated before year end.

Cause

The checks were back dated to illustrate that payment was initiated on or before June 30.

Effect

The unadjusted cash balance per the general ledger contained a negative balance as of June 30, 2014. Upon audit inquiry, the amounts from outstanding checks as of June 30 that were issued after year end were reclassified to a liability.

Recommendation

We recommend that the MPO only include outstanding checks that have been written and sent as of June 30, 2014 on the bank reconciliation to ensure that the ending cash balance and corresponding bank reconciliation are accurate and free of cutoff errors.

Views of Responsible Officials

The practice of leaving a gap in the checks at year end was initiated by the accountant, Goodwill Industries, to make it easier for invoicing. We agree that the practice should end as it has not worked. This practice will not be used at the next year end (FY 2014/2015) by the accountant, Goodwill Industries, or by the Lee MPO Executive Director Donald Scott, and as such this item is completed.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

CURRENT YEAR COMMENTS (CONTINUED)

2014-002 Year-End Closing Procedures

Criteria

The MPO is responsible for the accuracy and completeness of all financial records and related information, including properly recording accruals of revenues and expenses at the end of the reporting period.

Condition

Adjustments relating to accrued payroll were required to appropriately present the MPO's financial statements.

Cause

During the performance of our audit procedures, we noted that payroll-related expenses incurred at or near year end did not get recorded into the general ledger. Adjustments to payroll expense accounts and related accrued liabilities were required to correct this error.

Effect

Unadjusted expense and liability balances were understated as of and for the year ending June 30, 2014. These misstated balances were subsequently corrected as a result of audit procedures.

Recommendation

We recommend that the MPO strengthens its year-end closing process to include additional reviews of all accounts that would have a material impact on the financial statements throughout the year. Specifically, the review should include verification that 1) payroll expense reported within the trial balance provided by the MPO's accountant agrees to the payroll expense balance reported within the payroll registers and includes a calculation for payroll expenses to be accrued and reported at the end of the fiscal year and 2) employer pension contributions reported within the payroll registers reconcile to supporting Florida Retirement System (FRS) contribution worksheets prepared by the MPO's accountant.

Views of Responsible Officials

We agree that the close-out process related to the reporting of payroll expenses at the end of the year needs to be addressed to accurately record this information in the general ledger. The accountant, Goodwill Industries and Donald Scott, MPO Executive Director are responsible for ensuring that all of these expenses are recorded correctly and reviewed to ensure that this happens. Both parties will review this item with the Auditor by the end of March 2015 to determine what steps or training is required to ensure that the payroll expenses are properly recorded at the end of this current fiscal year.

On November 18, 2014, the payroll firm, Complete Payroll Solutions, was notified that the calculation for the MPO Florida Retirement System (FRS) employer contribution on the payroll registers needed to be revised to match this year's FRS percentages. The employer contributions on the payroll registers were based on the previous year's calculations leading to the discrepancy with the correct monthly calculated contributions calculated by Goodwill. This item will be resolved by Complete Payroll Solutions by the January 1, 2015 payroll reports.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

This section identifies the audit findings required to be reported by Section .501(a) of Circular A-133 as well as any abuse finding involving federal awards that is material to a major program.

CURRENT YEAR COMMENTS

2014-003 Timesheet Records

***CFDA Number – 20.205
Program Title – Highway Planning and Construction
Compliance Requirement - Timesheet Records***

Criteria

The MPO is responsible for the accuracy and completeness of all grant reimbursement request documentation, including calculating the proper amount of payroll-related costs allocated to each applicable task within the Unified Planning Work Program (UPWP).

Condition

Errors were detected in the calculations of payroll costs to be allocated across various tasks within the UPWP.

Questioned Costs

None

Context

5 out of 12 monthly reimbursement requests were selected for testing, and deviations were detected within 3 of the 5 months subjected to testing.

Cause

Certain formulas within the spreadsheets used to calculate payroll costs by task contained errors due to rows that were added to the spreadsheets during the year to account for new grant activity (namely the TIGER grant).

Effect

Within the sample tested, the net result of all discrepancies identified was approximately \$442 of allowable payroll-related costs for which reimbursement was not requested.

Recommendation

We recommend that the MPO implement a more robust preparation and review process to ensure that the calculations of monthly hours for each task code multiplied by applicable wage rate are complete and accurate prior to submission to the granting agency for reimbursement.

Views of Responsible Officials and Planned Corrective Actions

The MPO's timesheet process has been performed using excel for several years now but towards the end of FY 2013/2014, the MPO staff purchased Microsoft Project to help with project scheduling as well to provide a more robust timesheet system. The timesheet program has been developed and we are currently testing the program with a plan to implement in the next two months.

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

Person Responsible for Corrective Action

The Executive Director, Donald Scott and the Project Manager Johnny Limbaugh are responsible for implementing the timesheet program.

Anticipated Completion Date

The implementation of the new timesheet system is planned to be completed by February 28, 2015.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS –

SECTION III –MAJOR FEDERAL PROGRAMS

There were no such instances to be reported.

SECTION IV- OTHER MATTERS

See Corrective Action Plan within the finding reporting under Part III above.

**MANAGEMENT LETTER BASED ON RULE 10.554(1)(i) OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

Board of Directors
Lee County Metropolitan Planning Organization
Cape Coral, Florida

We have audited the financial statements of Lee County Metropolitan Planning Organization (the MPO), as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated REPORT DATE.

We conducted our audit 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 State and Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated REPORT DATE, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' report or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Refer to Appendix A – Prior Year Findings and Recommendations, which addresses whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the MPO complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the Management Letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the MPO did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the MPO for the fiscal year ended June 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended June 30, 2014. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the MPO's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the MPO's Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Fort Myers, Florida
REPORT DATE

**LEE COUNTY METROPOLITAN PLANNING ORGANIZATION
APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2014**

Prior Year Findings		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
Finding Reference #	Comment			
2013-01	Bank Reconciliation Procedures	X		
2013-02	Year-End Closing Procedures		X (See current year finding 2014-002 within the Schedule of Findings and Questioned Costs)	

UPDATE ON THE STATUS OF THE TIGER GRANT PROJECT

DISCUSSION ITEM:

The MPO staff will give an update on the TIGER project at the meeting that will include the discussions from the kick-off meeting with the project team.

DISCUSSION AND INPUT ON LONG RANGE TRANSPORTATION PLAN ISSUES

DISCUSSION ITEM:

The MPO staff would like to get some input from the Executive Committee on some of the issues that have been coming up during the initial work being done on the development of the Long Range Transportation Plan. One of the issues to discuss is how the MPO Board may want to address the major intersections in the Long Range Plan that continue to be bottlenecks but have no current plans to improve them (beyond being identified as a critical intersection). Other items include what should realistically get modeled for I-75 improvements and the coordination of facilities crossing the County lines. Staff will have more information to report on the last two items following our district-wide model coordinating meeting next week.