





Board Date: 5/28/2009
Time: 10:30 A.M.




As a courtesy to others, please silence all electronic devices during the meeting.

1. Call to Order

2. Approval of Minutes



-  Minutes from the April 22, 2009 Audit Committee Meeting Pg 2
-  Minutes from the April 17, 2009 Audit Committee Workshop Pg 8

3. Audit Agenda Items

- A.  Overview of Proposed Investment Policy Discussions Pg 12
- B.  Presentation of the Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending September 30, 2008 Pg 13
- C.  Presentation on Florida Transportation Commission - 2008 Transportation Authority Monitoring & Oversight Report 'D14

5. Information Items

(For Review Purposes Only - No action required)

- I.  LYNX 12 Month Rolling Calendar Pg 16
- II.  Required Communication Related to the Annual Audit Pg 18

LYNX
Central Florida Regional Transportation Authority
Audit Committee Meeting Minutes

PLACE: LYNX Central Station
455 N. Garland Avenue
Conference Room, 2nd Floor
Orlando, FL 32801

DATE: April 22, 2009

TIME: 1:00 p.m.

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chair
Osceola County Commissioner, Brandon Arrington
FDOT District 5 Secretary, Noranne Downs, Secretary
Orange County, Jim Harrison, Director of Growth Management
City of Orlando, Roger Neiswender, Director of Transportation

Members Absent:

1. Call to Order

The Chairman, Commissioner Carlton Henley, called the meeting to order at 1:00 p.m.

2. Approval of Minutes

Motion was made and seconded to approve the Minutes of the February 26, 2008 Audit Committee meeting. The motion passed unanimously.

3. Audit Agenda Items

A. Review of Proposed Change to Administrative Rule #4 – Procurement and Contract Administration

The Chairman recognized Richard Bannon, Manager of Procurement and Contracts, for presentation.

Mr. Bannon reviewed with the Committee that Administrative Rule #4 requires a review of the process by which the Authority acquires fuel. Staff is recommending amending Section 4.4.9, Fuel Contracts, to authorize the CEO, subject to permitted

contract requirements, to purchase and enter into contracts to acquire fuel providing the cost is within the current year budget. If the amount is anticipated to exceed the current year budget, the contracts will be presented to the Board prior to authorization.

Without objection, the Audit Committee agreed to recommend approval to the Board of Directors.

B. Overview of FY2009 Amended Operating & Capital Budgets

The Chairman recognized Blanche Sherman, Manager of Finance, for presentation.

Ms. Sherman presented staff's recommendations for amending the FY2009 Operating and Capital Budgets.

Amendments to the Operating Budget would include: decrease in the federal funding awarded for Phase Two of the Model Orlando Efficient Travel Management Coordination Center (MORE-TMCC); the Disney/FDOT mitigation funding for Links 111 and 56; the LYMMO Expansion Alternative Analysis (AA) study; the final adjustment for the new PickUp Line and Road Rangers Services; and other miscellaneous adjustments. The amended Operating Budget will be in the amount of \$121,046,807 a decrease of \$6,348,455 from the \$127,395,262 Budget presented to the Board on October 23, 2008.

Amendments to the Capital Budget would include the anticipated cost of projects related to the American Recovery and Reinvestment Act (ARRA). The amended Capital Budget will be in the amount of \$51,051,242 an increase of \$23,877,370 from the \$27,173,872 Budget presented to the Board on December 11, 2008.

Ms. Watson expressed that, when staff developed the Budget, funds anticipated from grant projects were included at 100 percent. Now that it is known which projects will be funded by grants, those that were not funded have been removed.

Without objection, the Audit Committee agreed to recommend approval to the Board of Directors.

C. FY2010 Proposed Budget Development Assumptions

The Chairman recognized Blanche Sherman, Manager of Finance, for presentation.

Ms. Sherman explained that staff is in the process of developing the FY2010 Operating and Capital Budgets. The key assumptions that LYNX' budget team will use are:

- Orange County to decrease in funding by 5% from the FY09 amount
- City of Orlando to decrease in funding by 12% from the FY09 amount
- Osceola County to maintain or decrease the FY09 funding amount

Osceola County Commissioner, Brandon Arrington, noted that Osceola County has not indicated a decrease in the FY10 funding amount but has discussed a possible 3% increase.

- Seminole County to maintain the FY09 funding amount
- Maintain the same level of service throughout the system
- No additional fare increase in FY10
- Re-establish parts of the Link 12/18 service in Osceola County
- Impact of deadhead hours if a new Osceola County operating base is established
- Maintain current level of Federal Preventative Maintenance Funding
- No plan to utilize Reserves unless required under the new Reserve Policy
- Continued utilization of OPIS and fixed price contracts for fuel purchases
- Utilization of flex services
- Impact of Union negotiations
- Slight increase in Defined Benefit Plan retirement contribution based on actuarial calculation
- No administrative salary increases
- Hiring freeze for all but the most crucial positions
- No market pay adjustments
- Impact of elimination of 11 positions in FY09 for the FY10 fiscal year
- Expense impact of opening a new Osceola County operating base
- Impact of stimulus capital projects and related operating expenses
- Decision to purchase vehicles for Paratransit activities

Ms. Watson noted there is a reduction in LYNX' operating costs of \$200,000 for every 28 paratransit vehicles that LYNX purchases with capital funds. Currently, the contractor leases the vehicles and charges LYNX. She explained that LYNX' long range plan anticipates purchasing 28 vehicles annually over a four year period thereby reducing the operating expense by an estimated \$1,000,000 per year.

- Impact of shelter program with the City of Orlando
- Review type of fixed route vehicles
- Revise the current Capital Budget to reflect the use of ARRA projects
- Additional revenue from Advertising on Bus Shelters
- Utilization of Rural Recovery Funds for additional preventative maintenance and capital cost of contracting

Ms. Sherman provided a brief review of the FY10 Preliminary Operating Budget.

Based on the key budget development assumptions, the proposed FY10 Operating Budget reflects \$111,599,145 in operating revenue and expenses a reduction of 8% from the proposed amended FY09 Operating Budget which is \$121,046,807 in operating revenue and expenses.

Without objection, the Audit Committee will recommend approval to the Board of Directors to direct staff to prepare the FY2010 Preliminary Operating Budget and submit the proposed funding amounts to the funding partners.

D. Review of Draft Osceola County Funding Agreement

The Chairman recognized Edward Johnson, Chief Administrative Officer, for presentation.

Mr. Johnson noted that LYNX' staff has been working with Osceola County staff to complete the drafting of the language in the Service Funding Agreement for FY08-FY09. Osceola staff has indicated the Osceola County Board of County Commissioner's desire to execute the Agreement and asked that LYNX staff request its approval by the Board at its meeting immediately following this Committee meeting.

Osceola has requested LYNX to continue the discussion of a new Osceola County operating base; additional operating efficiencies; and for LYNX to cover its FY09 funding shortfall of approximately \$277,000.

Ms. Watson explained that the amended FY09 Operating Budget includes the cost of the Osceola County funding shortfall.

In general discussions, Mr. Neiswender recommended a process be put in place that the Committee understood the time-line for items moving from staff review, to Chief Executive Officer's review, to presentation to the Audit Committee particularly in regard to receivables, contract disputes, or similar item that may interrupt the cash flow of the organization. He further recommended the total time line of 60 to 90 days. In agreement, the Chairman asked staff to develop language to implement Mr. Neiswender's recommendation.

Without objection, the Audit Committee recommended staff prepare a Blue Sheet item to be presented to the Board of Directors and recommend approval.

E. Presentation on "Art in Transit"

The Chairman recognized J Marsh McLawhorn, Chief Governmental Affairs Officer, for presentation.

Linda Watson, LYNX CEO, provided a brief history of the Art in Transit concept and introduced Mark Cosgrove.

Mr. Cosgrove provided information regarding his involvement in the Central Florida art community and architectural projects with Walt Geiger, engineer and sculptor. Walt Geiger in collaboration with others has designed a series of bus shelters that

can serve as aesthetic art while offering the functionality of a shelter. The shelters can be built as self contained units with built-in solar powered lighting and will withstand category 3 hurricanes. The cost to build and install them is comparable to the other shelters provided by LYNX.

The Committee asked how the sites for the shelters would be selected. Mr. McLawhorn stated the Art shelters would be located on sites currently without a shelter and in areas with less right-of-way. He also noted that three locations have been determined: one at the Orlando Museum of Art and two at Florida Hospital. The Chairman asked staff to provide a list of the selected sites to the Board should they approve the program.

The Chairman inquired about the possibility of a presentation to each of the funding partners at one of their Board's Commission meetings which can provide exposure through their publicly televised program.

The Committee asked if the shelters would utilize current budget funds. Ms. Watson responded that the cost of the Art shelter is comparable to traditional shelters and the funds are a part of the current budget.

The Chairman recognized Donna Dowless for comment. Ms. Dowless spoke in support of the program and the opportunities for the community to come together through art that it provides. The shelters will connect with the mass-transit customer, compliment the landscape and the architectural elements that surround them.

Without objection, the Audit Committee recommended that the Board of Directors approve the project.

The Chairman recognized former Orange County Commissioner, Teresa Jacobs. Secretary Downs introduced Ms. Jacobs as FDOT Modal Planning Manager.

F. Overview of Federal Transit Administration (FTA) and the Florida Department of Transportation (FDOT) American Recovery & Reinvestment Act (ARRA) Funds

The Chairman recognized Edward Johnson, Chief Administrative Officer, for presentation.

Mr. Johnson noted that LYNX would be receiving \$31,525,885 funds from the American Recovery & Reinvestment Act with \$29,574,615 coming from the FTA through appropriation funds and \$1,951,270 from the FDOT Rural Economic & Distressed Area Funds. He noted that staff presented details of recommended projects and utilization of the funds at the Committee's recent workshop.

Without objection, the Audit Committee agreed to recommend approval to the Board of Directors.

4. Review of Board Package

The Chairman recognized Linda Watson, Chief Executive Officer, to provide an overview of items that will come before the Board.

Action Agenda:

1. Ms. Watson, LYNX' Chief Executive Officer, noted that two "Blue Sheet" items have been added to the Agenda:
 - a. Approval of Osceola Funding Agreement which was discussed by the Committee earlier in the meeting; and,
 - b. Authorization to Release Request for Proposal to Develop a Long Range Transit and Financial Plan (2010-2030). Funding has been appropriated for FY2009/2010 and programmed through the UPWP federal funds with no local funding required.

Executive Session:

1. The Board meeting will be temporarily adjourned just prior to the end of the meeting for the purpose of discussing the Contract with Amalgamated Transit Union 1749. At the conclusion of the Session, the Board will reconvene for action on the matter.

Motion was made and seconded to adjourn. The Motion passed.

The meeting adjourned at 1:57 p.m.

LYNX
Central Florida Regional Transportation Authority
Audit Committee Workshop Meeting Minutes

PLACE: LYNX Central Station
455 N. Garland Avenue
Conference Room, 2nd Floor
Orlando, FL 32801

DATE: April 17, 2009

TIME: 2:02 p.m.

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chair
Osceola County Commissioner, Brandon Arrington
FDOT District 5 Secretary, Noranne Downs, Secretary
Orange County, Carla Bell Johnson, Growth Management
City of Orlando, Roger Neiswender, Director of Transportation

Members Absent:

1. Call to Order

The Chairman, Commissioner Carlton Henley, called the meeting to order at 2:02 p.m.

2. Audit Agenda Items

A. Overview of the Funding, Purpose and Suggested Utilization of the American Reinvestment & Recovery Act (ARRA)

The Chairman recognized Edward Johnson, Chief Administrative Officer, to make the presentation.

Mr. Johnson noted that LYNX would be receiving \$31,525,885 funds from the American Recovery & Reinvestment Act with \$29,574,615 coming from the FTA through appropriation funds and \$1,951,270 from the FDOT Rural Economic & Distressed Area Funds.

Suggested utilization of funding:

- LYNX Operation Center Phase II Construction & Energy Improvements
- Workforce Corridor Bus Shelters
- Smart Bus Technologies
- Upgrade Bus Transfer Centers & Safety/Security

- Fixed Route/Flex Service/Paratransit Purchased Vehicles
- Bus Facility/Infrastructure LEED
- Lynx Central Station
- Preventative Maintenance

Discussion ensued regarding the proposed location and number, operating and maintenance costs, advertising revenue of Workforce Corridor Bus Shelters.

The Committee requested a book or map that would show the shelter locations and the study indicating the shelter locations that were identified in the tri-county as unacceptable and why.

B. FY2009 Overview and FY2010-FY2012 Budgets (Cash Flow Projections)

The Chairman recognized Bert Francis, Chief Financial Officer, to make the presentation.

Mr. Francis provided an update of the FY2009 Operating Budget. An account of Year-to-Date Budget and Projected Yearly Amounts both budget and actual was provided to the members. Mr. Francis reviewed the Operating and Non-Operating Revenues along with Operating Expenses.

Discussion ensued regarding the Osceola funding shortfall and funds such as JARC that can be utilized for covering the shortfall. Additionally, the Committee discussed the process by which system cost savings are reutilized or redistributed.

Discussion ensued regarding funding the City of Ocoee's request to extend service until the end of the school year (June 3rd).

Mr. Francis provided an overview of the FY2010 Budget Development Assumptions.

- Orange County has indicated a need to decrease the LYNX funding amount in FY10 by 5% from the FY09 amount
- City of Orlando has indicated a need to decrease the LYNX funding amount in FY10 by 12% from the FY09 amount
- Osceola County has indicated a need to maintain or decrease the current LYNX funding amount in FY10
- Seminole County has indicated a need to maintain the LYNX funding amount in FY10

He noted that the Preliminary Budget has been prepared utilizing the requests from the funding partners and not the Regional Model.

Discussion ensued regarding purchase vs. leasing paratransit vehicles which would decrease operating expenses, options for the South Street facility, and lease space within LYNX Central Station.

Mr. Francis reviewed the FY2010 Preliminary Budget with the FY2009 Amended Budget and then a longer range Budget and Cash Flow Projections for years FY2010-2012. The FY10-FY12 Projections assumed a stable funding level for the partners and a dedicated funding source FY12-FY13.

Ms. Watson noted that by utilizing ARRA and preventative maintenance funds, reducing costs, lowering the level of funding from each of the funding partners and spreading the savings over a three year period, a dedicated funding source would have to go into effect by FY2013. A commitment to work toward a dedicated funding source or additional funding would be needed from each of the funding partners in order for LYNX to begin service improvements and increases by 2013.

Discussion ensued regarding a dedicated funding source and multi-year budget projections. Committee members agreed a dedicated funding source needed to be pursued for FY2013.

C. LYNX Service Design

The Chairman recognized Edward Johnson, Chief Administrative Officer, to make the presentation.

LYNX inherited a radial bus network with bus routes extending out from downtown Orlando. We have worked to develop multi-destination centers through-out the service area recognized as SuperStops. These centers allow riders to connect to transit options. The ridership concentration around several major destinations combined with strong destinations form a series of strong service corridors.

LYNX can continue to build on the expertise and experience with its Bus Rapid Transit (BRT) System. With well defined corridors suitable for such services, 14 corridors have been identified that can evolve to the BRT system. The corridors can be developed incrementally by increasing frequency, constructing stations, upgrading vehicles and providing signal priority and dedicated lanes.

A long range transportation plan will require validating the proposed corridors, assessment of technology and infrastructure, financial plan with project phasing, community involvement, government partnerships, and feeder network. The Committee agreed that LYNX should move forward with development a Long Range Transportation Plan.

D. Discussion on Transportation Reauthorization (CLEAN-TEA)

The Chairman recognized J Marsh McLawhorn, Chief Administrative Officer, for presentation.

The reauthorization process occurs every six years. During the last process, LYNX received approximately \$9,000,000. Congressman Mica and Representative

Oberstar informed LYNX by letter dated April 2nd, that authorization projects would be due to their Committee by April 27th.

Suggested utilization of funding:

- Small Starts Program for Bus Rapid Transit Systems

- Grants for Capital costs
- Non-fixed Guideway Corridor Improvements
- Requests for under \$75,000,000
- Requires 10% local match
- Streamlined criteria and approval process
- All projects will receive funding if local match is demonstrated, desire to grow the system and meet criteria

To Qualify - Corridor Based Bus Project the minimum elements:

- Substantial Transit Stations
- Signal Priority
- Low Bus Floor
- Special Branding of Service
- Frequent Service (10-15 minutes)
- Service offered 14 hours per day

Project Justification Criteria

- Cost Effective
- Land Use
- Economic Development
- Financial Commitment
- Expertise

Applying for \$75,000,000 Small Starts funding would allow for moving forward with the 14 corridors.

Discussion ensued regarding presentation to the funding partners' staff, scope and timing of the application. The Committee supported the concept of request funding in the reauthorization bill for a Small Start project.

The Chairman adjourned the meeting at 4:12 p.m.

Audit Committee Agenda Item #3.A

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: Overview of Proposed Investment Policy Discussions

Date: 5/28/2009

LYNX Chief Financial Officer, Bert Francis will provide a brief overview of the proposed Investment Policy updates and discussion of the creation of an Investment Committee to review future revisions.

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: Presentation on the Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending September 30, 2008

Date: 5/28/2009

Ms. Carrie Cross, Audit Manager with the firm of Cherry, Bakeart & Holland, L.L.P. will present results of the annual financial audit and Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2008.

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

From: Edward Johnson
CHIEF ADMINISTRATIVE OFFICER

Phone: 407.841.2279 ext: 6058

Item Name: Presentation on Florida Transportation Commission - 2008 Transportation Authority Monitoring & Oversight Report

Date: 5/28/2009

Mr. Rich Gallard of the Florida Transportation Commission (FTC) will provide an overview of the FTC's responsibilities and LYNX's 2008 performance standards. This is the second annual *Transportation Authority Monitoring and Oversight, FY 2008 Report* from the Florida Transportation Commission with their expanded oversight role, resulting from passage of House Bill 985 in 2007. This expanded oversight role encompasses the monitoring and oversight of fifteen transportation authorities created under Chapters 343 and 348 FS.

The Commission, in concert with the affected authorities, adopted performance measures and objectives, operating indicators and governance criteria to assess the overall responsiveness in meeting customer responsibilities. The performance data contained in the report is based on fiscal year 2008 financial and operational data. The Commission also established performance measure criteria for assessing each Authority's adherence to statutes, policies and procedures.

LYNX met or exceeded half of the applicable objectives established by the Commission and there were no instances of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission.

Table 30
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2008⁽¹⁾

Performance Measures	Detail	Objective	Actual Results	Meets Objective
Average Headway	Average headway of all routes	<60 minutes	60	X
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$5.30	\$5.82	X
Operating Expense per Revenue Hour	Operating expense divided by revenue hours	<\$75	\$80.81	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expense	>30%	47.3%	√
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	\$3	\$3.30	X
Operating Expense per Passenger Mile	Operating expense divided by passenger mile	<\$0.47	\$0.55	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>99,702	118,001	√
Revenue Miles between Failures	Revenue miles divided by revenue vehicles system failures (2)	>10,500	11,396	√
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles (3)	>.90	0.90	X
Customer Service	Average time from compliant to response	14 days	7 days	√
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.6	√
On-time Performance	% trips end to end on time "less than 5 minutes late"	80%	85%	√

(1)Fiscal year 2008 represents 12 months of unaudited data from October 1, 2007 through September 30, 2008.

(2)A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

(3)Total annual vehicle miles include: deadhead hours, vehicle miles from the end of service to the garage, driver training and other Miscellaneous miles not considered to be in direct revenue service.

Audit Committee Information Item #.I

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Rich Bannon
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: LYNX 12 Month Rolling Calendar

Date: 5/28/2009

**LYNX Board of Directors
12 Month Rolling Calendar of Agenda Items
May 2009**

June 2009

- Adoption of the updated Transit Development Plan (TDP)
- Authorization to execute a Transportation Disadvantaged Trip Grant Agreement
- Authorization to execute a Rural Capital Assistance Grant Agreement
- Approve Transportation Regional Incentive Program Grant

July 2009

- No Activity

August 2009

- Approval of LYNX' DBE goal
- Authorization to submit TRIP fund applications to FDOT

September 2009

- Authorization to execute local funding agreements
- Annual Board of Directors' selection of officers
- Adoption of the Title VI Program
- Authorization to execute agreement between LYNX and VOTRAN for the Link 200

October 2009

- Acceptance of the Chief Executive Officer's (CEO) annual appraisal
- Contract #06-001 Authorization to exercise the third option year with Akerman Senterfitt for Federal Lobbying Consulting Services
- Authorization to submit annual FTA Certifications

November 2009

- No Activity

December 2009

- No Activity

January 2010

- No Activity

February 2010

- Adoption of LYNX' FY2010 Legislative Priorities

March 2010

- Authorization to Accept Year-end Financial Audit

April 2010

- Preliminary Review of FY2011 Proposed Budget
- Authorization to submit FDOT Service Development Grant(s) Application(s)

May 2010

- Work Session on Transit Development Plan (TDP)

Audit Committee Information Item #.II

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: Required Communication Related to the Annual Audit

Date: 5/28/2009

The audit firm of Cherry, Bekaert & Holland, L.L.P. (CBH) has completed the Annual Audit. The attached correspondence is required communication to the Audit Committee from CBH.



Cherry, Bekaert & Holland, L.L.P.
The Firm of Choice.

www.cbh.com

800 North Magnolia Avenue – Suite 1300
Orlando, Florida 32803
phone 407.423.7911
fax 407.641.4887

September 4, 2008

Members of the Audit Committee:

This letter sets forth the nature and scope of the procedures that Cherry, Bekaert & Holland, L.L.P. performs relative to compliance with laws and regulations and internal control over financial reporting in connection with our audit of the financial statements of the Central Florida Regional Transportation Authority ("LYNX") as of and for the year ending September 30, 2008.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The objective also includes reporting on LYNX':

1. Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
2. Internal control related to major programs and an opinion on whether LYNX complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

The reports on internal control and compliance each include a statement that the report is intended for the information of the Board of Directors, management, and applicable federal and state awarding agencies.

Our audit is conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133 and Florida Single Audit Act, and include tests of your accounting records, a determination of major programs in accordance with OMB Circular A-133 and Florida Single Audit Act, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports.



OMB Circular A-133 and the Florida Single Audit Act require that we also plan and perform the audit to obtain reasonable assurance about whether the audited has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures consist of the applicable procedures described in the OMB's compliance supplement. The purpose of these procedures is to express an opinion on LYNX' compliance with requirements applicable to major programs in our report of compliance issued pursuant to OMB Circular A-133 and Florida Single Audit Act. Additionally, as required by OMB Circular A-133 and Florida Single Audit Act, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

Our procedures relative to compliance with laws and regulations and internal control over financial reporting are limited to those discussed herein. We would be happy to discuss our procedures with you further at your request.

Very truly yours,

CHERRY, BEKAERT & HOLLAND, L.L.P.

Cherry, Bekaert & Holland, L.L.P.