



**Audit of the
Kissimmee River Restoration Project
In-Kind Credit Request Process**

Report # 06-19

**Prepared by
Office of Inspector General**

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February 7, 2007

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Re: Audit of Kissimmee
River Restoration Project In-
Kind Credit Request Process
Report # 06-19

This audit was performed pursuant to the Inspector General's authority set forth in Chapter 20.055, F.S. The audit focused on examining the District's process for preparing In-Kind Credit Requests to ensure the District is requesting credit for all eligible costs related to the Kissimmee River Restoration project and to determine whether a sufficient audit trail exists. Field work was conducted from August 2006 through October 2006. This report was prepared by Jankie Bhagudas and Tim Beirnes.

Sincerely,

John W. Williams, Esq.
Inspector General

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TABLE OF CONTENTS

BACKGROUND.....	1
OBJECTIVE, SCOPE, AND METHODOLOGY.....	6
AUDIT RESULTS.....	7
Executive Summary.....	7
Audit Trail Sufficiently Supports KRR In-Kind Credit Requests	9
Unclaimed Restoration Expenses.....	10
Unclaimed Mitigation In Lieu of Land Acquisition Expenses.....	10
Some Ineligible Expenses Claimed and Some Expenses Claimed Twice.....	11
Unclaimed Land Acquisition Costs for Salaries.....	11
Unclaimed Land Acquisition Costs for Other Expenses	13
Reconcile All In-Kind Credit Requests To Project Map and Financial System	14
RECOMMENDATIONS.....	15
APPENDICES	
Appendix 1	
Appendix 2	
Appendix 3	
Appendix 4	

BACKGROUND

In accordance with the Office of Inspector General's Fiscal Year 2006 Audit Plan, we conducted an audit of the Kissimmee River Restoration Project.

Historically, the Kissimmee River meandered approximately 103 miles from Lake Kissimmee to Lake Okeechobee through a 1-2 mile wide floodplain. The river and its flanking floodplain consisted

of a variety of wetland plant communities and supported a diverse group of waterfowl, wading birds, fish, and other wildlife. Between 1962 and 1971, the river was channelized and two-thirds of the historical floodplain was drained. Excavation of the



canal and placement of the **Kissimmee River Prior to Channelization** spoil material destroyed one-third of the river channel. Implementation of the Kissimmee Flood Control project led to drastic declines in wintering waterfowl, wading bird and game fish populations, as well as loss of ecosystem functions.

The Kissimmee River Restoration Project was authorized by Congress in the 1992 Water Resources Development Act. The project's objective is to restore over 40 square miles of river/floodplain ecosystem including 43 miles of meandering river channel and 27,000 acres of wetlands. The restoration project is a joint partnership between the South Florida Water Management District (the District) and US Army Corps of Engineers (USACE). The restoration efforts will return a significant portion of the Kissimmee River to its historic riverbed and flood plain; re-establish an environment conducive to its prior fauna and flora; and restore the historic biological diversity and functionality that existed prior to channelization in the 1960s.

Restoration is divided into the Upper Basin (referred to as the Kissimmee Headwaters Revitalization Project) and the Lower Basin (referred to as the Kissimmee Restoration Project). The river's upper basin includes the Upper Chain of Lakes and extends south through Lake Kissimmee to State Road 60. The lower basin includes the area from Lake Kissimmee to Lake Okeechobee.

In the Upper Basin, the restoration effort consists of improvements to two canals, changes in managing water levels in Lakes Kissimmee, Hatchineha and Cypress, and the acquisition of land. In the river's Lower Basin, engineers will fill about 22 miles of the C-38 canal, excavate nearly nine miles of river channel and remove S-65B and S-65C water control structures and locks. These actions will provide a more natural fluctuation

of water levels in both the upper and lower basins that will enhance marshes around the lakes and re-establish the river's hydrology. Fish and wildlife habitat, in the river's one-to-two mile wide floodplain, will benefit.

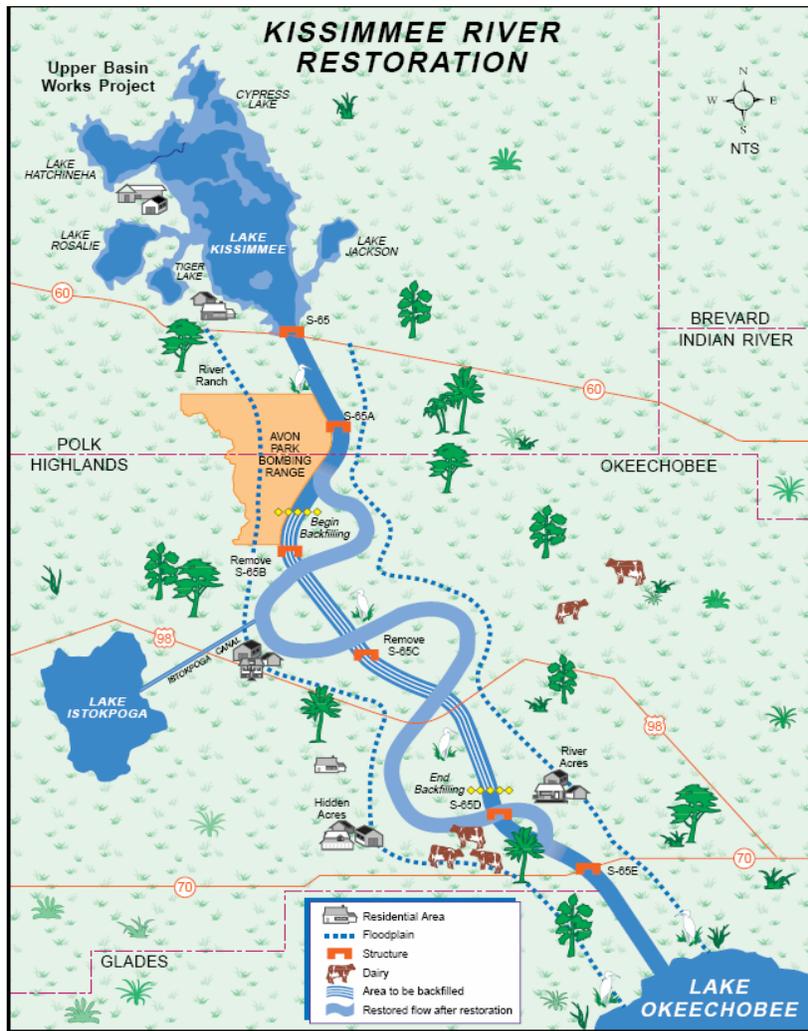
The District (Local Sponsor) and the USACE entered into a Project Cooperation Agreement on March 22, 1994 for restoration of the Kissimmee River, which involves backfilling approximately 22 miles of



Kissimmee River After Channelization

the middle portion of the channelized river. Overall, under the agreement, the project is a 50/50 cost share between the State of Florida and the Federal Government. Under the

agreement, the District is responsible for providing the estimated 105,000 acres of lands, and easements and rights-of-way (including suitable burrow and dredged or excavated or disposal areas), and performing all relocations determined necessary by the Federal Government. In addition, the District will receive credit for certain in-kind services requested by the USACE. The USACE is responsible for the design and construction of the project. Most of the District's fiscal responsibility will occur as land acquisition, through funds provided by Save Our Rivers and Preservation 2000 programs. The federal portion of the project cost will be provided through annual budgetary appropriations. According to the agreement, if the value of the District's contributions is less than 50 percent of the total project costs, during the period of construction, the District is required to contribute additional cash in the amount necessary to make the District's contribution of the project equal to 50 percent of the total project costs.



Kissimmee River Restoration Project Map

According to a USACE official, as of fiscal year 2006, the estimated project cost is \$576.8 million. In addition, as of the end of fiscal year 2005, the USACE has spent approximately \$106 million. Based on District records, the District has incurred about \$342 million in land acquisition and restoration costs. In addition, the District may incur

costs for locally preferred options (betterments) and will be responsible for 100 percent of the costs.

The Land Acquisition Department (Land Acquisition), situated under the Comprehensive Everglades Restoration Program (CERP) Resource Area, is responsible for acquiring the lands that the USACE determines are required for the project. The Kissimmee Division, situated under the Water Resources Management Resource Area, is responsible for evaluating the success of the project in restoring ecosystem integrity. The Kissimmee Division is also responsible for providing scientifically informed fine tuning and adaptive management of the recovering and restored Kissimmee River Ecosystem. The USACE also has a project manager to administer KRR restoration projects.

In-Kind Credit Requests for KRR project related costs are required to be submitted to the USACE. Land Acquisition has a process in place for submitting claims for in-kind credit and has been submitting land related expenditures (including appraisals, surveys, etc.) for in-kind credit. In late December 2003, the newly appointed Director of the Kissimmee Division became concerned that expenditures incurred by the District for restoration efforts were not being submitted for in-kind credit and the fact that not all eligible cost share expenditures could be readily determined. In addition, cash payments to the USACE may be due in the coming years and eligible in-kind credits could be used to offset some of these payments.

In late 2003, our Office initiated an audit and commenced with identifying authoritative documents, eligible costs, and assessing the auditability of these costs. Soon after, we postponed the audit because we found that a process was not in place to adequately identify and compile eligible non-land costs. Subsequently, a consultant, Shawn Davis and Associates, was hired to compile all eligible restoration costs and prepare the credit requests for submission to the USACE. Various District employees were consulted to determine what expenses were eligible for credit. The District also discussed the format of the credit reports with USACE staff and obtained their approval. The District began incurring KRR project costs for feasibility studies as far back as the mid 1980's. There is uncertainty as to whether all the eligible project costs have been captured for the period of time from project inception to the implementation of the

District's LGFS financial information system in 1992, because the accounting information prior to 1992 is no longer available.

In mid-2005, we again attempted to resume our audit focusing on the project's restoration costs; however, our preliminary testing disclosed that the cost share records were not finalized. Consequently, we postponed the audit and decided that land acquisition and restoration costs should be audited together since the USACE requires different In-Kind Credit Requests formats depending on the type of cost. Thus, our audit focused on determining that all costs eligible for in-kind credit will be captured in one of the In-Kind Credit Requests and, conversely, that costs were not claimed more than once. The following exhibit illustrates the In-Kind Credit Request Process.

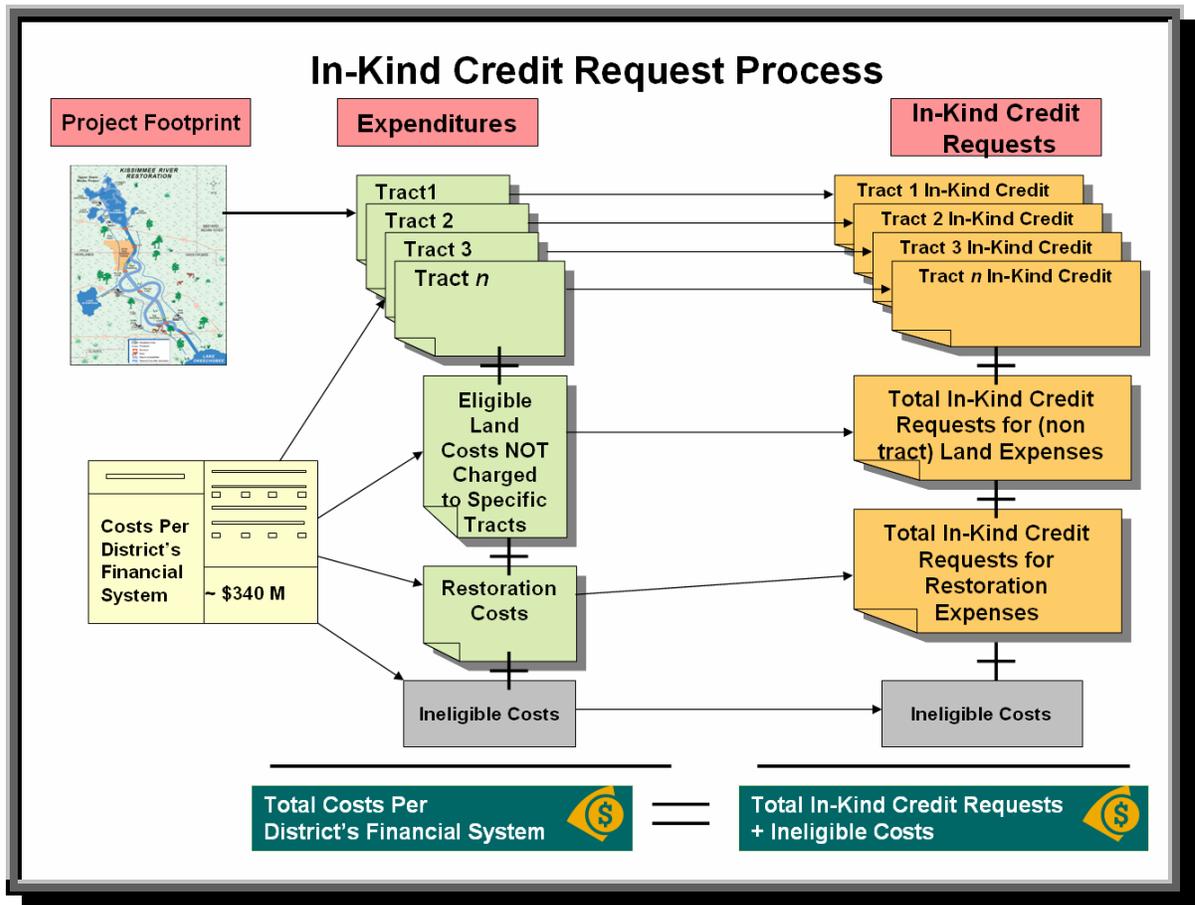


Exhibit 1

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective focused on examining the District's process for preparing In-Kind Credit Requests to ensure the District is requesting credit for all eligible costs related to the KRR project and to determine whether an audit trail exists.

To accomplish our objectives we obtained an understanding of the KRR project by interviewing key personnel in the Kissimmee Division and Land Acquisition. We reviewed the Project Cooperation Agreement between the District and the USACE, and other relevant policies and procedures (e.g., OMB Circular A-87 – *Cost Principles for State, Local and Indian Tribal Governments.*) We also reviewed the contract agreement between the District and Shawn Davis and Associates. The audit scope covers fiscal years 1992 – 2004.

To test the Kissimmee Division's expenses we reviewed the information compiled by Shawn Davis and Associates, relevant general ledgers, and the In-Kind Credit Requests submitted to the USACE. We performed the following procedures:

- Determined whether an adequate audit trail exists (i.e., whether expenses are supported by documentation);
- Determined whether in-kind credit was requested for all eligible costs; and
- Ensured that credit requests were not duplicated by the Kissimmee Division and Land Acquisition.

We also selected a sample of Land Acquisition's Claim for Credit for Acquisition Expenses (Claims for Credit) and performed the same procedures mentioned above.

Our audit was conducted in accordance with Generally Accepted Government Auditing Standards.

AUDIT RESULTS

Executive Summary

Our audit disclosed that the Kissimmee Division's staff and Accounting Division's staff were diligent in researching and identifying restoration costs incurred for the KRR project and that an adequate audit trail exists to support expenses eligible for cost share credit. However, our audit discovered a number of additional expenditures that are eligible for in-kind credit and also revealed a few expenditures that were claimed twice or ineligible for credit. The following table summarizes our audit results and shows the net additional expenditures that we identified that are eligible for in-kind credit.

Summary of Audit Results	Amount
Additional creditable restoration expenditures	\$ 658,262
Expenditures claimed for credit by both Kissimmee Division and Land Acquisition	(383,473)
Credit claimed for ineligible expenditures	(66,610)
Additional mitigation in lieu of land acquisition expenses	1,639,718
Additional salaries and indirect cost eligible for credit	7,221,681
Additional non-salary land acquisition expenses	1,676,936
Net Additional Expenditures Eligible for Credit	\$10,746,514

An additional \$658,262 in creditable restoration expenses should have been included in the credit requests submitted to the USACE. Conversely, we found that the Kissimmee Division's credit requests contained \$383,473 in expenses that were land acquisition related and \$66,610 in expenses that are not eligible for credit.

The Kissimmee Division's credit requests also included mitigation in lieu of land acquisition expenses because their understanding was that Land Acquisition had not submitted these costs for credit. Our review disclosed that the credit requests did not include all mitigation in lieu of land acquisition costs and; conversely, included claims for some expenses that have already been submitted to the USACE for credit by Land Acquisition. The net effect of these differences results in an additional \$1,639,718 of mitigation in lieu of land acquisitions expenses that are eligible for in-kind credit.

Based on our review of Land Acquisition's Claims for Credit submitted to the USACE, and other relevant documentation, we estimate that the District could request in-kind credit for an additional \$7,221,681 in land acquisition related salary expenses incurred during fiscal years 1992 – 2004. This is primarily due to not requesting credit for indirect cost on salaries charged to specific tract numbers, as well as not claiming project level salaries that were not charged to specific tracts.

We also identified \$1,676,936 of non-salary costs for land related expenses that should be eligible for credit. A review of non-salary expenses charged to the KRR project land acquisition activity codes during fiscal years 2000 – 2004 disclosed that \$1,502,819 in direct land acquisition expenses (such as appraisals, surveys, etc.) were not linked to tract numbers. Further, credit for general operating expenses (such as travel, commodities, small tools/equipment, etc.) have not been submitted for credit. During fiscal years 2000 – 2004, approximately \$174,117 was spent on these types of expenses.

We were unable to perform certain planned audit procedures to test the claim status of land acquisition related expenditures. Specifically, we planned to test whether all acquisitions could be accounted for and determine which completed acquisitions have been submitted to the USACE for certification and which are pending submission. This data is not currently available; however, Land Acquisition is in the process compiling this information, which will take a few months.

Total expenses charged to the KRR program should be reconciled to total In-Kind Credit Requests as illustrated in Exhibit 1 on page 5. This will help ensure that 1) all eligible KRR expenses are submitted for in-kind credit, 2) expenses are claimed only once, and 3) ineligible expenses are identified and omitted from In-Kind Credit Requests. Although the Kissimmee Division's In-Kind Credit Requests for restoration costs have been reconciled to the District's financial system, this has not been performed for land acquisition costs or for the entire project.

Audit Trail Sufficiently Supports KRR In-Kind Credit Requests

Our audit disclosed that the Kissimmee Division’s and Accounting Division’s staff were diligent in researching and identifying restoration costs incurred for the KRR project and that an audit trail exists that sufficiently supports expenses eligible for cost share credit. However, the credit requests submitted to the USACE did not include all creditable expenses and included certain land acquisition related and non-creditable expenses. In March 2006, the District submitted KRR In-Kind Credit Requests for fiscal years 1992 – 2004¹ to the USACE totaling \$41,974,217 for the following:

In-Kind Credit	Credit Amount
Restoration Expenses²	\$ 25,413,411
Mitigation In Lieu of Land Acquisition	7,384,910
Cash Contributions	<u>9,175,896</u>
Total	\$ 41,974,217

Cash contributions were paid to the USACE primarily to perform canal dredging and various relocation projects (bridges and railroads). Mitigation in lieu of land acquisition is used in instances where engineering solutions would be more cost effective than acquiring land. In some cases, the District may pay impacted landowner(s) to construct engineering features that will mitigate the project’s impact, which otherwise would require acquisition of land.

¹ Management made a decision not to request credit for restoration expenses incurred prior to 1992 because the financial records were maintained on the District’s financial system prior to LGFS. Thus, the accounting information is no longer available.

² Approximately \$18 million of this amount is comprised of actual salary expenses and indirect expenses (fringe and overhead percentages applied to the salary expenses). In May 2004, the District requested that the USACE approve the same fringe benefit and indirect cost rates that were approved for CERP for the KRR Program. As of August 2006, the USACE has not officially responded to this request. A management decision was made to submit salary related expenses using the CERP rates.

Unclaimed Restoration Expenses

Our review identified an additional \$658,262 in creditable expenses that should have been included in the restoration credit requests submitted to the USACE. These expenses were omitted from the requests for various reasons. In some instances expenses were inadvertently omitted and in other instances staff identified additional creditable expenses; however, the Access database was not updated to include such expenses and hence did not get included into the In-Kind Credit Requests submitted to the USACE. A complete list of these items is shown in Appendix 1.

Unclaimed Mitigation in Lieu of Land Acquisition Expenses

Mitigation in lieu of land acquisition expenses were included in the Kissimmee Division's In-Kind Credit Request because it was the understanding of the Kissimmee Division that Land Acquisition has been submitting claims to the USACE only for land acquisition expenses linked to tract numbers and not for mitigation in lieu of land acquisition expenses. The Director of the Kissimmee Division wanted to ensure that the District received credit for these eligible expenses.

The Kissimmee Division's credit requests included \$7,384,910 for mitigation in lieu of land acquisition expenses for projects such as Hidden Acres Estates and Hatchineha Estates. However, our review disclosed that the Kissimmee Division's credit requests did not include all mitigation in lieu of land acquisition costs and, conversely, included claims for some expenses that have already been submitted by Land Acquisition to the USACE for credit. The net effect of these differences results in an additional \$1,639,718 of mitigation in lieu of land acquisition expenses that are eligible for in-kind credit. A complete list of these items is shown in Appendix 2.

After a cursory review of the Kissimmee Division's In-Kind Credit Requests, the USACE requested that Land Acquisition claim credit for these expenses instead of the Kissimmee Division since these expenses were related to land acquisition instead of restoration activities.

Some Ineligible Expenses Claimed and Some Expenses Claimed Twice

Our review revealed that the Kissimmee Division's credit requests contained \$383,473 in expenses that were land acquisition related and \$66,610 in expenses that are not eligible for credit. A complete list of these items is shown in Appendix 3.

Some of the land acquisition related expenses claimed by the Kissimmee Division are linked to specific tract numbers (job numbers).³ When Land Acquisition determines the expenses incurred for acquiring a tract of land, an expense report is generated to determine all acquisition expenses charged to the tract. Thus, these expenses should be excluded from the Kissimmee Division's In-Kind Credit Requests since they were charged to specific land tract numbers. As a matter of fact, the District has already received in-kind credit from the USACE for some of these expenses. The credit requests also included other land acquisition related expenses that were linked to the project level job numbers established for the KRR project's land acquisition related expenses. The Kissimmee Division was not aware these expenses were linked to tract and project numbers. All land acquisition related expenses should be addressed by Land Acquisition to avoid duplicating requests.

Unclaimed Land Acquisition Costs for Salaries

In April 2006, the District completed acquiring most of the land required by the USACE for the KRR project. According to Land Acquisition staff, the District has already spent about \$300 million on land acquisition for the KRR project. As tracts are acquired, the District can submit In-Kind Credit Requests (Crediting Packages) to the USACE for credit. The Crediting Packages typically includes a title opinion, certification of the land, copy of the Warranty Deed, financial records supporting the claimed costs, and a copy of the appraisal to substantiate the District's claim. We concluded that the District maintains adequate supporting documentation; however, it has not been requesting credit for all eligible cost share expenses associated with land acquisitions.

³ The tract/job numbers are eight digits. The first two digits for Kissimmee Chain of Lakes and Kissimmee River Restoration restorations are denoted "18" and "19" respectively. The remaining six digits identify the specific tract.

Based on our review of Land Acquisition's In-Kind Credit Requests submitted to the USACE and other relevant documentation, we estimate that the District could submit additional claims for \$7,221,681 for salary expenses incurred during fiscal years 1992 - 2004. Our review disclosed the following:

- For salaries that were charged directly to tract numbers, credit was requested only for actual salary and fringe benefits expenses. Credit has not been requested for indirect overhead expenses on salaries charged to specific tract numbers.
- Credit has not been requested for any project level salary expenses. Land acquisition related expenses were charged to two project level job numbers – 18000000 for the Kissimmee Chain of Lakes (KCOL) and 19000000 for the Kissimmee River expenses. Expenses were charged to project level job numbers for various reasons, for example, staff may have worked on several tracts and it was not efficient to determine the time spent on each tract. In addition, support staff and staff responsible for maintaining the information systems for land acquisition activities also charged their time to the project level job numbers.
- Salary expenses charged to the reporting category/activity codes assigned for the KRR project land acquisition expenses were not always linked to a tract number or a project level job number.
- Beginning in early fiscal year 2003, salary expenses were no longer linked to tract numbers or project level job numbers. Since claim requests are made using tract numbers, the District has not requested any credit for any land acquisition related salary expenses since early fiscal year 2003.
- Overtime salaries were not claimed.

Based on our review of the Project Cooperation Agreement, and discussions with District staff that worked on the agreement, all expenses associated with land acquisitions including salaries are eligible for in-kind credit. As a result, we analyzed all land acquisition related salary expenses incurred by the District during fiscal years 1992 –

2004 using the same indirect and fringe percentage used by the Kissimmee Division (which are the same rates used by the CERP Program).

Based on our analysis, we estimate that the District could request credit for an additional \$7,221,681 as illustrated in the table below (refer to Appendix 4 for the detailed analysis).

Description of Additional Creditable Salary Expenses	Estimated Claim Amount
Unclaimed Indirect Cost Associated with Salary Expenses Charged to Tract Numbers	\$1,085,866
Salary Expenses Never Claimed: (<i>Salary + Fringe + Indirect</i>)	
<ul style="list-style-type: none"> • Kissimmee Chain of Lakes 	1,284,603
<ul style="list-style-type: none"> • Kissimmee River 	1,700,671
<ul style="list-style-type: none"> • KRR Project Activity Code Charges, Not Linked to a Tract or Job Number 	3,131,415
<ul style="list-style-type: none"> • Overtime Expenses 	19,126
Estimated Additional Credit for Salary Related Expenses	\$7,221,681

Unclaimed Land Acquisition Costs for Other Expenses

Claims for non-salary expenses are also tract based and only those expenses directly related to land acquisition (e.g., acquisition costs, attorney fees and legal services, and expert witness/court fees) are linked to tract numbers. Consequently, operating expenses such as travel expenses, general commodities, small tools/equipment, training/conferences, professional licenses fees, parts/supplies/office expense have never been submitted for credit consideration although they have been charged to the KRR Program.

Our review of non-salary expenses charged to the KRR project land acquisition activity codes (i.e., FD 01 and FD 99) during fiscal years 2000 – 2004 disclosed that \$1,676,936 in land acquisition expenses were not linked to specific tract numbers. Of this amount, \$1,502,819 was for direct land acquisition expenses (e.g., appraisals, surveys, etc.) that are chargeable to specific tracts, and \$174,117 is for non-salary general operating expenses that are not identifiable with specific tracts. According to Land Acquisition’s financial analyst, in instances where direct land acquisition expenses are

charged to Fund 404 and not linked to tract numbers, she has to review the vouchers to determine the tracts for which the expenses were incurred. After the tract numbers are determined, the expenses are included on a spreadsheets she maintains to accumulate tract related expenses. The spreadsheets are used to determine total cost incurred for each tract as well as the reports generated from the District's financial system. This process is rather time consuming and could be resolved if the expenses are linked to tract numbers when the expenses are entered in the financial system. The analyst explained that she usually does this research on a weekly basis; however, it has not been done since May 2006.

Under the current process, Land Acquisition has not requested credit for the \$174,117 in general operating expenses since they are not linked to specific tract numbers and not charged to Fund 404. As a result, Land Acquisition should research all non-salary expenses charged to the KRR project activity codes and Land Acquisition organization codes and claim credit for those expenses eligible for cost share.

Further, expenses incurred by Land Acquisition for environment assessments are not being submitted for credit. Environmental assessments are conducted prior to acquisition to determine whether the land would be suitable for the proposed use. According to Land Acquisition staff, these expenses were submitted as real estate expenses until about two years ago when the USACE denied the expenses as real estate expenses and requested that the expenses be submitted as construction costs. Since then credit has not been requested for environmental assessment expenses. As a result, Land Acquisition should determine the unclaimed amount incurred for environmental assessments and submit a claim credit for these expenses as construction costs.

Reconcile All In-Kind Credit Requests to Project Map and Financial System

We were unable to perform certain audit procedures to test the in-kind credit status of land acquisition related expenditures. Specifically, we planned to test whether all acquisitions could be accounted for and determine which completed acquisitions have been submitted to the USACE for credit/certification and which are pending submission. As a result, we requested the following information: listing of acquisitions and claims

submitted for in-kind credit; total amount of claims submitted for in-kind credit; claimed amounts approved by the USACE; and claims pending submission by the District. Land Acquisition provided some of the information we requested. However, the Land Acquisition Project Manager for the KRR project stated that data provided was not current and explained that they are taking steps to determine which tracts have been submitted to the USACE for credit and those that have not been submitted. Compiling this information could take a few months. As a result, we are planning to perform this test when Land Acquisition has completed its reconciliation. Our review of the claims submitted to the USACE for credit disclosed that the USACE takes years to certify District claims. Nevertheless, all completed acquisitions should be submitted for credit and tracked since the District is responsible for contributing 50 percent of the cost of the project and if the District's contribution is less than 50 percent of the total project costs, during the period of construction, the District will be required to contribute additional cash.

Total expenses charged to the KRR program per the District's financial system should be reconciled to total In-Kind Credit Requests, as illustrated in Exhibit 1 on page 5. This will help ensure that: 1) all eligible KRR expenses are submitted for in-kind credit, 2) expenses are claimed only once, and 3) ineligible expenses are identified and omitted from In-Kind Credit Requests. Although the Kissimmee Division's In-Kind Credit Requests for restoration costs have been reconciled to the District's financial system, this has not been performed for land acquisition costs or for the entire project.

RECOMMENDATIONS

1. **Revise and resubmit the credit requests previously submitted to the USACE for the restoration related expenses to reflect issues identified in this audit report.**

Management Response: Agree. Work is currently underway.

Responsible Department: Watershed Management Department and Land Acquisition and Management Department

Estimated Completion: January 30, 2008

2. **Submit future restoration In-Kind Credit Requests at least annually to the USACE for restoration expenses and land acquisition expenses not charged to specific tracts.**

Management Response: Agree.

Responsible Department: Watershed Management Department and Land Acquisition and Management

Estimated Completion: In-Kind Credit Submittals from the Watershed Department for the Restoration Evaluation component of the Project from fiscal years 1992-2004 will be revised to follow the Inspector General Office's recommendations by January 30, 2007. In-Kind Credit Submittals for fiscal years 2005 and 2006 for the Restoration Evaluation component of the Project need to be compiled and will be submitted to the USACE by Sept 30, 2007. In-Kind Credit Submittals for Restoration Evaluation from subsequent fiscal years will be submitted annually and within five months of the close of each fiscal year (by February 28th of the following year).

- 3. Remind the USACE that the District is awaiting a response to the request for approval to use the same fringe benefit and indirect cost rates as those approved for CERP.**

Management Response: Agree.

Responsible Department: Accounting and Financial Services

Estimated Completion: Monthly follow-up until issue is elevated and resolved.

- 4. Ensure that all eligible fringe benefit and indirect costs are claimed for in-kind credit in all future submissions.**

Management Response: Agree. Future submittals for Restoration Evaluation will also include the appropriate percentage for fringe benefits and indirect costs as calculated by the Accounting Division.

Responsible Department: Watershed Department, Land Acquisition and Management, and Construction and Engineering Department

Estimated Completion: Previous submittals will be addressed by January 2008. Land Acquisition and Management will submit a plan within five months of the preceding fiscal year. (October 2006 – September 2007 would be submitted by Feb 28, 2008.)

5. **Determine the amount of unclaimed expenses incurred for environmental assessments and submit a claim for these expenses as construction costs.**

Management Response: Agree.

Responsible Department: Land Acquisition and Management

Estimated Completion: Revise by September 30, 2007 and submit to USACE by December 2007.

6. **Ensure that all land acquisition expenses not charged to tract numbers are researched and linked to the appropriate tract numbers.**

Management Response: Agree.

Responsible Department: Land Acquisition and Management

Estimated Completion: Revise by September 30, 2007 and submit to USACE by December 2007.

7. **Instruct staff responsible for entering land acquisition expenses in the financial system to ensure that direct land acquisition expenses are charged to tract numbers.**

Management Response: Agree.

Responsible Department: Land Acquisition and Management

Estimated Completion: Revise by June 30, 2007

8. **Land Acquisition should determine expenses incurred for all eligible mitigation in lieu of land acquisition projects and request credit from the USACE.**

Management Response: Agree.

Responsible Department: Watershed Management Department, Land Acquisition and Management, and Construction and Engineering Department

Estimated Completion: Watershed Management Department will revise prior (1992-2004) In-Kind Credit Restoration Evaluation Submittals to delete these expenditures by January 30, 2007.

9. **Ensure that Land Acquisition expedites its reconciliation to determine the claim status of completed acquisitions.**

Management Response: Agree.

Responsible Department: Land Acquisition and Management

Estimated Completion: Land Acquisition and Management will submit annual credit reconciliation status report within five months of the preceding fiscal year. (October 2006 – September 2007 would be submitted by February 28, 2008.)

- 10. Reconcile total expenditures charged to the KRR program per the District’s financial system (“F” program code) to total expenditures claimed for in-kind credit (or will be claimed in the future under the established process.)**

Management Response: Agree.

Responsible Department: Watershed Management Department, Land Acquisition and Management, and Construction and Engineering Department

Estimated Completion: Watershed Management now uses P3E project management software for the Kissimmee River Restoration Project and updates are made monthly to reflect budget expenditures.

Appendix 1

**Audit of the Kissimmee River Restoration Project In-Kind Credit Request Process
Eligible Restoration Expenditures Not Submitted to the USACE for In-Kind Credit
Fiscal Years 1992 - 2004**

FISCAL YEAR 1998						
Org	Activity	Object	Object Description	Amount	Actual Amount (Fringe + Indirect - if app.)	Comments
1180	FA02	5101	Salary	\$ 20,682.78	\$ 45,305.63	Kissimmee Division staff agreed that credit should be requested for this expense.
1180	FA02	5111	Overtime	1,216.88	2,079.89	
TOTAL					\$ 47,385.52	
FISCAL YEAR 1999						
7180	FZ99	5535	General Commodities	\$ 5,410.59	\$ 5,410.59	The Kissimmee Division also concluded that these expenses were eligible for cost share.
TOTAL					\$ 5,410.59	
FISCAL YEAR 2001						
4470	FF02	5101	Salary	\$ 573.03	\$ 1,182.16	Kissimmee Division staff agreed that credit should be requested for this expense.
TOTAL					\$ 1,182.16	
FISCAL YEAR 2002						
Various	Various	5111	Overtime	\$ 13,616.02	\$ 23,272.50	Credit was not requested for overtime expenses. Per Kissimmee Division staff, these expenses were omitted by error.
Various	FA01	5414	Parts/ Supplies Electrical	1,936.43	1,936.43	The credit request submitted to the USACE did not include these expenses. It appears that the Kissimmee Division also concluded that these expenses were eligible for in-kind credit. However, the request was not reviewed to ensure the expenses were included.
4470	FF01	5552	Dues and Subscription	125.00	125.00	
TOTAL					\$ 25,333.93	

Org	Activity	Object	Object Description	Amount	Actual Amount (Fringe + Indirect - if app.)	Comments
FISCAL YEAR 2003						
3732	FB99	5101	Salary	\$ 4,288.45	\$ 9,227.46	Kissimmee Division staff agreed that credit should be requested for this expense.
4110, 4130, 4810, 4920, 6870	FZ99	5101	Salary	189,147.72	406,989.15	
4130, 4810, 4920						
						Salary for various employees. Kissimmee Division staff agreed that credit should be requested for these expenses.
4920	FZ99	5535	General Commodities	1,975.79	1,975.79	Kissimmee Division staff also concluded that these expenses were eligible for in-kind credit. However, the request was not reviewed to ensure the expenses were included.
6340	FA01	5319	Other Contractual Services -	56,138.00	56,138.00	
				19,000.00	19,000.00	
			\$93,543.64	18,405.64	18,405.64	
4643	FZ01	5321	Computer Programming Services	34,861.55	34,861.55	Based on our review of the credit request submitted to the USACE, these expenses were not included. It appears that the Kissimmee Division also concluded that these expenses were eligible for in-kind credit. However, the request was not reviewed to ensure the expenses were included.
6340	FA01	5414	Parts /Supplies Electrical	12,237.65	12,237.65	
4920	FF01	5555	Travel - Training	243.00	243.00	
4810	FZ99	5559	Professional License	125.00	125.00	KRR project related, credit should be requested.
TOTAL					\$ 563,603.04	
FISCAL YEAR 2004						
3732	FB99	5322	Comp. Software License	\$ 3,200.00	\$ 3,200.00	Kissimmee Division staff agreed that credit should be requested for these expense.
3732	FB99	5419	Parts/ Supplies - Expense Office	1,525.10	1,525.10	
4713	FZ99	5322	Comp. Software License	4,532.80	4,532.80	
4750	FZ99	5407	Books and Reference Materials	32.90	32.90	The Kissimmee Division staff also concluded that these expenses were eligible for cost share.
4750	FZ99	5552	Dues and Subscription	345.00	345.00	
4920	FF01	5599	Freight	26.70	26.70	
5310	FB03	5415	Parts/ Supplies/ Other Equipment	3,100.00	3,100.00	Per Kissimmee Division staff, credit not requested because of missing invoice. Invoice is on file, thus, credit should be requested.
5430	FA02	5416	Parts/ Supplies/ Lab	779.24	779.24	Per Kissimmee Division staff, credit not requested because of missing invoice. Nevertheless, we recommend that credit be requested for expenses, since very small % of expenditures are missing back-up.
5310	FB03	5422	Lumber & Wood Products	1,805.00	1,805.00	
TOTAL					\$ 15,346.74	
GRAND TOTAL					\$ 658,261.98	

Appendix 2

**Audit of the Kissimmee River Restoration Project In-Kind Credit Request Process
Analysis of Mitigation In Lieu of Land Acquisition Expenses
Fiscal Year 1997**

Mitigation In Lieu of Land Acquisition Expense Categories	Amount	Comments
Add: Eligible Mitigation Expenses Not Claimed in Kissimmee Division's In-Kind Credit Requests	\$ 2,080,483.00	We noted that non-salary expenses totaling \$2,480,565 for the Hatchineha Estates Project were charged to activity codes designated for both restoration and land acquisition expenses. (These expenses were also linked to tract 18124304.) However, the Kissimmee Division claimed only those expenses (\$400,082) charged to the activity codes designated for restoration expenses. Thus, expenses charged to the land acquisition activity codes were not reflected in the Kissimmee Division's request.
Less: Land Acquisition Related Salary Expenses Linked to Tract Numbers (<i>Results in Double Billing</i>)	(114,294.00)	The Kissimmee Division's fiscal year 1997 credit request included \$351,567 in salary expenses classified as Hatchineha Estates expenses. However, our analysis disclosed the following: (a) \$227,262 were land acquisition related and charged to either a project level tract number or not charged to any tract number; (b) \$114,294 were linked to track numbers and Land Acquisition has already submitted claims to the USACE for many of these expenses. Requesting credit for expenses linked to specific tract number could result in a double claim for the same expenses since Land Acquisition's claims are tract based; and (c) \$10,011 were for salary expenses not related to KRR Project.
Less: Non-KRR Project Salary Expenses Claimed as Mitigation Salary Expenses (<i>Results in Billing for Ineligible Expenses</i>)	(10,011.00)	
Less: Land Acquisition Related Environment Risk / Consultant Services Expenses Linked to Tract Numbers (<i>Results in Double Billing</i>)	(316,460.00)	We also noted that \$316,460 in environment risk/consultant services expenses were classified as Hatchineha Estates Project expenses. However, our analyses disclosed that these expenses were also linked to tract numbers and Land Acquisition has submitted claims for some of these expenses. As a matter of fact, the USACE has denied \$99,058 of the claims submitted.
Net Additional Mitigation In Lieu of Land Acquisition Expenses	\$ 1,639,718.00	

Appendix 3

**Audit of the Kissimmee River Restoration Project In-Kind Credit Request Process
Land Acquisition Related or Non-Creditable Expenses to be
Excluded from Kissimmee Division's Credit Requests
Fiscal Years 1992 - 2004**

FISCAL YEAR 1992								
Org	Rpt. Cat./ Activity	Object	Object Description	Amount	Actual Amount (Includes Fringe or overtime rates + Indirect rates - if app.)	Creditable - Should be Claimed Land Acquisition	Not Eligible for Credit	Comments
1120, 1130	1020	5101	Salary	\$ 3,058.07	\$ 6,698.57	\$ 6,698.57	-	Expenses are linked to Kissimmee Chain of Lakes (KCOL) and Kissimmee River (KR) project level job numbers - 18000000 and 19000000 respectively. Should be claimed by Land Acquisition.
FISCAL YEAR 1994								
1110, 1120, 1130, 0520	1070	5101	Salary	97,997.38	214,643.66	209,340.22	5,303.44	Expenses are linked to KCOL (18000000) and KR (19000000) project level job numbers and reporting category 1070 (Land Acquisition). Thus, should be claimed by Land Acquisition. Further, charges to 0520 (Office of Counsel) are not eligible for credit - as they part of the indirect cost pool used to calculate the overhead rate.
1120	1070	5354	Travel - District Business	4,298.50	4,298.50	4,298.50	-	
FISCAL YEAR 1995								
1120	1070	5354	Travel - District Business	16,527.40	16,527.40	16,527.40	-	Expenses are linked to KCOL (18000000) project level job number and reporting category 1070 (Land Acquisition). Thus, should be claimed by Land Acquisition.
1130	1070	5811	Interagency Expenses - State of Florida	50,000.00	50,000.00	50,000.00	-	Expenses are linked to the KRR project level job numbers and reporting category 1070 (Land Acquisition). Thus, should be claimed by Land Acquisition to avoid duplicating credit request.
1120	6112	5101	Salary	168.03	368.12	368.12	-	Expense linked to tract number 18117002. Land Acquisition has already submitted a claim for expenses associated with this tract.
FISCAL YEAR 1996								
1120	6112	5101	Salary	2,713.68	5,944.20	5,944.20	-	Expense linked to specific KCOL specific job numbers and the KCOL project level job number. Thus, should be claimed by Land Acquisition.

Org	Rpt. Cat./ Activity	Object	Object Description	Amount	Actual Amount (Includes Fringe or overtime rates + Indirect rates - if app.)	Creditable - Should be Claimed Land Acquisition	Not Eligible for Credit	Comments
FISCAL YEAR 1997								
2073	FA01	5101	Salary	5,074.72	11,115.97	-	11,115.97	Organization 2073 - Loss Prevention, is part of the indirect cost pool, thus, expense is not creditable.
1130	FA99	5101, 5111	Salary, Overtime	24,999.86	54,618.71	54,618.71	-	Expenses is land acquisition related, thus should be claimed by Land Acquisition
FISCAL YEAR 1998								
7180	FA01	5306	Professional Fees (CCNA)	5,650.00	5,650.00	-	5,650.00	Expenses charged to 1130 - Land Acquisition related. However, not KRR project related.
FISCAL YEAR 1999								
1130	FC02	5386	Leased Employees Contract Services	34,168.25	34,168.25	34,168.25	-	Expenses charged to 1130 - Land Acquisition related. Furthermore, most expenses linked to tract numbers. Creditable expenses should be claimed by Land Acquisition. <i>Note</i> : Similar expenses incurred in FY 1998 were not included by the Kissimmee Division in its FY 1998 submission to the USACE.
1130	FC02	5322	Computer Software Lic. Fees	11.80	11.80	11.80	-	
1130	FA01	5306	Professional Fees (CCNA)	1,497.24	1,497.24	1,497.24	-	
FISCAL YEAR 2002								
4610	FF01	5319	Other Contractual Services	3,520.00	3,520.00	-	3,520.00	Based on Kissimmee Division's records, this expense is not creditable.
FISCAL YEAR 2004								
9800	FB03	5508	Capital Lease Annual Payments	41,020.92	41,020.92	-	41,020.92	Expenses charged to agency 980 are part of the indirect cost pool used to determine the overhead rate. Thus, this expense is not creditable.
TOTAL					\$ 450,083.34	\$ 383,473.01	\$ 66,610.33	

APPENDIX 4

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 1992					FY 1993				
	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim
Salary Expenses Submitted / Pending Submission to the USACE for Credit:										
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>	323,754.61 (65.99%)	NA - Actual Fringe Expenses are being Claimed	210,213.87		210,213.87	183,804.59 (50.93%)	NA - Actual Fringe Expenses are being Claimed	119,344.32		119,344.32
Salary Expenses Never Submitted to the USACE for Credit:										
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>	59,905.02 (12.21%)	32,420.60	38,896.33		131,221.95	86,708.80 (24.02%)	46,926.80	56,300.02		189,935.63
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>	106,200.91 (21.65%)	57,475.93	68,956.25		232,633.09	89,385.86 (24.77%)	48,375.63	58,038.24		195,799.73
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>										
Overtime Expenses	756.40 (0.15%)	NA - Fringe not Allowable	491.13	127.08	1,374.61	1,026.72 (0.28%)	NA - Fringe not Allowable	666.65	172.49	1,865.86
Total Charges Related to KRR Project	490,616.94	89,896.53	528,771.45	127.08	\$ 575,443.51	360,925.97	95,302.43	353,693.55	172.49	\$ 506,945.53
Total Additional Creditable Salary Expenses										

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 1994					FY 1995				
	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim
Salary Expenses Submitted / Pending Submission to the USACE for Credit:										
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>	187,729.27 (61.29%)	NA - Actual Fringe Expenses are being Claimed	121,892.62		121,892.62	206,959.65 (56.07%)	NA - Actual Fringe Expenses are being Claimed	134,378.90		134,378.90
Salary Expenses Never Submitted to the USACE for Credit:										
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>	57,221.31 (18.68%)	30,968.17	37,153.80		125,343.28	118,056.93 (31.98%)	63,892.41	76,654.36		258,603.70
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>	61,292.57 (20.01%)	33,171.54	39,797.27		134,261.37	43,530.49 (11.79%)	23,558.70	28,264.35		95,353.54
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>										
Overtime Expenses	53.74 (0.02%)	NA - Fringe not Allowable	34.89	9.03	97.66	575.29 (0.16%)	NA - Fringe not Allowable	373.54	96.65	1,045.47
Total Charges Related to KRR Project	306,296.89	64,139.71	320,771.19	9.03	\$ 381,594.93	369,122.36	87,451.11	374,050.05	96.65	\$ 489,381.61
Total Additional Creditable Salary Expenses										

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 1996					FY 1997				
	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim
Salary Expenses Submitted / Pending Submission to the USACE for Credit:										
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>	202,545.17 (59.42%)	NA - Actual Fringe Expenses are being Claimed	131,512.58		131,512.58	131,498.56 (38.17%)	NA - Actual Fringe Expenses are being Claimed	85,382.02		85,382.02
Salary Expenses Never Submitted to the USACE for Credit:										
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>	56,155.01 (16.47%)	30,391.09	36,461.45		123,007.55	50,466.97 (14.65%)	27,312.72	32,768.20		110,547.90
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>	81,213.60 (23.83%)	43,952.80	52,731.99		177,898.39	61,509.57 (17.85%)	33,288.98	39,938.16		134,736.71
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>						101,072.50 (29.33%)	54,700.44	65,626.37		221,399.31
Overtime Expenses	950.40 (0.28%)	NA - Fringe not Allowable	617.09	159.67	1,727.16					
Total Charges Related to KRR Project	340,864.18	74,343.89	352,835.69	159.67	\$ 434,145.68	344,547.60	115,302.14	309,096.77		\$ 552,065.94
Total Additional Creditable Salary Expenses										

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 1998					FY 1999				
	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim	Salary and Overtime Expenses	Fringe % (54.12)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim
Salary Expenses Submitted / Pending Submission to the USACE for Credit:										
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>	60,100.50 (30.12%)	NA - Actual Fringe Expenses are being Claimed	39,023.25		39,023.25	90,470.22 (36.07%)	NA - Actual Fringe Expenses are being Claimed	58,742.31		58,742.31
Salary Expenses Never Submitted to the USACE for Credit:										
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>	29,118.40 (14.59%)	15,758.88	18,906.58		63,783.86	24,755.46 (9.87%)	13,397.65	16,073.72		54,226.83
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>	43,542.75 (21.82%)	23,565.34	28,272.31		95,380.39	53,547.40 (21.35%)	28,979.85	34,768.33		117,295.58
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>	64,173.50 (32.16%)	34,730.70	41,667.85		140,572.05	80,123.65 (31.94%)	43,362.92	52,024.29		175,510.86
Overtime Expenses	2,592.14 (1.30%)	NA - Fringe not Allowable	1,683.08	435.48	4,710.70	1,948.10 (0.78%)	NA - Fringe not Allowable	1,264.90	327.28	3,540.29
Total Charges Related to KRR Project	199,527.29	74,054.91	168,576.32	435.48	\$ 343,470.25	250,844.83	85,740.43	221,615.86	327.28	\$ 409,315.87
Total Additional Creditable Salary Expenses										

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 2000					FY 2001				
	Salary and Overtime Expenses	Fringe % (54.12%)	Indirect % (64.93%)	Overtime % (16.80%)	Possible Additional Claim	Salary and Overtime Expenses	Fringe % (46.07%)	Indirect % (60.23%)	Overtime % (16.80%)	Possible Additional Claim
Salary Expenses Submitted / Pending Submission to the USACE for Credit:										
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>	75,983.04 (27.70%)	NA - Actual Fringe Expenses are being Claimed	49,335.79		49,335.79	79,723.36 (35.72%)	NA - Actual Fringe Expenses are being Claimed	48,017.38		48,017.38
Salary Expenses Never Submitted to the USACE for Credit:										
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>	26,987.67 (9.84%)	14,605.73	17,523.09		59,116.49	27,869.41 (12.49%)	12,839.44	16,785.75		57,494.60
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>	70,056.09 (25.54%)	37,914.36	45,487.42		153,457.87	82,213.33 (36.84%)	37,875.68	49,517.09		169,606.10
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>	101,279.99 (36.92%)	54,812.73	65,761.10		221,853.82	33,372.21 (14.95%)	15,374.58	20,100.08		68,846.87
Overtime Expenses										
Total Charges Related to KRR Project	274,306.79	107,332.81	227,443.19		\$ 483,763.96	223,178.31	66,089.70	186,184.67		\$ 343,964.95
Total Additional Creditable Salary Expenses										

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 2002					FY 2003				
	Salary and Overtime Expenses	Fringe % (45.49%)	Indirect % (60.51%)	Overtime % (14.95%)	Possible Additional Claim	Salary and Overtime Expenses	Fringe % (44.44%)	Indirect % (70.73%)	Overtime % (13.41%)	Possible Additional Claim
Salary Expenses Submitted / Pending Submission to the USACE for Credit:										
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>	129,240.53 (30.97%)	NA - Actual Fringe Expenses are being Claimed	78,203.44		78,203.44	13,883.72 (3.50%)	NA - Actual Fringe Expenses are being Claimed	9,819.96		9,819.96
Salary Expenses Never Submitted to the USACE for Credit:										
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>	41,034.79 (9.83%)	18,666.73	24,830.15		84,531.67	12,450.23 (3.13%)	5,532.88	8,806.05		26,789.16
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>	78,073.79 (18.71%)	35,515.77	47,242.45		160,832.01	15,530.17 (3.91%)	6,901.61	10,984.49		33,416.27
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>	168,534.28 (40.39%)	76,666.24	101,980.09		347,180.62	355,368.63 (89.46%)	157,925.82	251,352.23		764,646.68
Overtime Expenses	404.17 (0.10%)	NA - Fringe not Allowable	244.56	60.42	709.16					
Total Charges Related to KRR Project	417,287.56	130,848.74	336,416.58	60.42	\$ 671,456.89	397,232.75	170,360.31	289,977.42		\$ 834,672.06
Total Additional Creditable Salary Expenses										

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Analysis of the KRR Project Land Acquisition
Related Salary Expenses
Fiscal Years 1992 - 2004**

	FY 2004				FY 1992 - 2004	
	Salary and Overtime Expenses	Fringe % (45.58%)	Indirect % (67.92%)	Overtime % (13.04%)	Possible Additional Claim	Total
Salary Expenses Submitted / Pending Submission to the USACE for Credit:						
<i>Salaries Charged to Tract Numbers (To date only actual salary and fringe expenses are being claimed; credit has never been claimed for indirect expenses.) See Note 1</i>						\$ 1,085,866.43
Salary Expenses Never Submitted to the USACE for Credit:						
<i>Salaries Charged to Project Number 18000000 - Kissimmee Chain of Lakes</i>						1,284,602.60
<i>Salaries Charged to Project Number 19000000 - Kissimmee River</i>						1,700,671.05
<i>Salaries Charged to KRR Land Acquisition Activity Code, but Job Number not Indicated</i>						3,131,415.33
	558,034.72	254,352.23	379,017.18		1,191,405.12	3,131,415.33
Overtime Expenses		NA - Fringe not Allowable	1,522.79	292.10	4,054.94	19,125.84
	2,240.05					
Total Charges Related to KRR Project	560,274.77	254,352.23	380,539.97	292.10	\$ 1,195,460.06	
Total Additional Creditable Salary Expenses					\$ 7,221,681.26	\$ 7,221,681.26

Note 1

Credit has not been requested for all salary expenses linked to tract numbers. Our calculations were based on the assumption that credit will be claimed for all salary expenses linked to tract numbers and that actual fringe benefit expenses will also be requested. Thus, we applied only the overhead percentages.

Calculations may reflect rounding differences