

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE AND RELATED COMPLIANCE REPORTS

P&L Transportation, Inc. and Subsidiaries  
Year Ended December 31, 2013  
With Report of Independent Certified Public Accountants

Ernst & Young LLP



Building a better  
working world

P&L Transportation, Inc. and Subsidiaries  
Schedule of Expenditures of State Financial Assistance  
and Related Compliance Reports  
Year Ended December 31, 2013

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P&L Transportation, Inc. and Subsidiaries  
 Schedule of Expenditures of State Financial Assistance  
 Year Ended December 31, 2013

<b>Grantor Agency/Program</b>	<b>CSFA No.</b>	<b>Contract No.</b>	<b>Expenditures</b>
<b>State Financial Assistance</b>			
Florida Department of Transportation			
Rail Development Grants:			
Pollard Road	55.021	AQE88	\$ 1,174,261
Total Expenditures for CSFA 55.021			<u>1,174,261</u>
<b>Total Expenditures of State Financial Assistance</b>			<b><u><u>\$ 1,174,261</u></u></b>

*See accompanying notes.*

# P&L Transportation, Inc. and Subsidiaries

## Notes to Schedule of Expenditures of State Financial Assistance

December 31, 2013

### **1. Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) includes the state grant activity of P&L Transportation, Inc. and Subsidiaries (the Company) for the year ended December 31, 2013, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Section 215.97, *Florida Statutes*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **2. Contingency**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Company. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.



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## Report of Independent Certified Public Accountants on Compliance for Each Major State Project; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Section 215.97, *Florida Statutes*

The Audit Committee of the Board of Directors and Shareholders  
P&L Transportation, Inc. and Subsidiaries

### **Report on Compliance for Each Major State Project**

We have audited P&L Transportation, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of P&L Transportation, Inc. and Subsidiaries' major state projects for the year ended December 31, 2013. P&L Transportation, Inc. and Subsidiaries' major state projects are identified in the summary of auditor's 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 state projects.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of P&L Transportation, Inc. and Subsidiaries' major state projects 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Section 215.97, *Florida Statutes*. Those standards and Section 215.97, *Florida Statutes* 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 state project occurred. An audit includes examining, on a test basis, evidence about P&L Transportation, Inc. and Subsidiaries' 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 each major state project. However, our audit does not provide a legal determination of P&L Transportation, Inc. and Subsidiaries' compliance.

### ***Opinion on Each Major State Project***

In our opinion, P&L Transportation, Inc. and Subsidiaries' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended December 31, 2013.

### **Report on Internal Control Over Compliance**

Management of P&L Transportation, Inc. and Subsidiaries' 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 P&L Transportation, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Section 215.97, *Florida Statutes*, 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 P&L Transportation, Inc. and Subsidiaries' 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 state project 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 state project 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 state project 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 results of that testing based on the requirements of Section 215.97, *Florida Statutes*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Finance Assistance Required by Section 215.97, *Florida Statutes***

We have audited the financial statements of P&L Transportation, Inc. and Subsidiaries' as of and for the year ended December 31, 2013, and have issued our report thereon dated March 28, 2014, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Section 215.97, *Florida Statutes* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditure of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Ernst + Young LLP*

September 25, 2014

P&L Transportation, Inc.

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2013

**Section I—Summary of Auditor’s Results**

**Financial Statements Section**

Type of auditor’s report issued (unqualified, qualified, adverse or disclaimer):

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes X **no**

Significant deficiency(ies) identified?

\_\_\_\_\_ yes X **none reported**

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes X **no**

**State Awards Section**

Internal control over major state projects:

Material weakness(es) identified?

\_\_\_\_\_ yes X **no**

Significant deficiency(ies) identified?

\_\_\_\_\_ yes X **none reported**

Type of auditor’s report issued on compliance for major state projects (unqualified, qualified, adverse or disclaimer):

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 215.97, *Florida Statutes*?

\_\_\_\_\_ yes X **no**

P&L Transportation, Inc.

Schedule of Findings and Questioned Costs (continued)

**Section I—Summary of Auditor’s Results (continued)**

Identification of major state projects:

<b>CSFA number(s)</b>	<b>Name of state project</b>
55.021	Rail Development Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

P&L Transportation, Inc.

Schedule of Findings and Questioned Costs (continued)

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Florida single audit.

No findings noted.

**Section III – State Financial Assistance Findings and Questioned Costs**

This section identifies the audit findings required to be reported by Section 215.97, *Florida Statutes* (for example, material weaknesses, significant deficiencies and material instances of noncompliance, including questioned costs), as well as any abuse findings involving state projects that are material to a major program.

No findings noted.

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