

LEE COUNTY, FLORIDA

FINANCIAL REPORTS

FOR THE

FISCAL YEAR ENDED SEPTEMBER 30, 2020



PREPARED BY:

GENERAL ACCOUNTING OFFICE, FINANCE & RECORDS DEPARTMENT

CLERK TO BOARD OF COUNTY COMMISSIONERS

LINDA DOGGETT

LEE COUNTY, FLORIDA
FINANCIAL REPORTS
AS OF SEPTEMBER 30, 2020

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April 6, 2021

Ms. Sherrill F. Norman, Auditor General
Florida Auditor General's Office
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, Florida 32399-1450

Ms. Norman:

We are pleased to submit a copy of the Lee County, Florida *Comprehensive Annual Financial Report* for the fiscal year ended September 30, 2020, in addition to an electronic version.

The County's Comprehensive Annual Financial Report was presented to the Board of County Commissioners for acceptance on April 6, 2021, along with the Financial Assistance Report. The Management Letter, Independent Auditors' Report, and Single Audit Independent Auditors' Report were received on March 26, 2021.

Sincerely,

Michele Crowell

Michele Crowell
General Accounting Manager

MC/sms

Attachments

Comprehensive Annual Financial Report



**Lee County, Florida
Fiscal Year Ended September 30, 2020**

Lee County, Florida

Comprehensive Annual Financial Report

For the
Fiscal Year Ended September 30, 2020



Prepared by:
General Accounting Office, Finance & Records Department

Clerk to Board of County Commissioners

Linda Doggett

Lee County, Florida
PRINCIPAL OFFICIALS
As of September 30, 2020

Elected Officials

Board of County Commissioners, Port Commissioners:

Commissioner, District 1	John Manning	
Commissioner, District 2	Cecil Pendergrass	
Commissioner, District 3	Ray Sandelli	
Commissioner, District 4	Brian Hamman	* **
Commissioner, District 5	Frank Mann	

Appointed Officials

County Manager	Roger Desjarlais	
County Attorney	Richard Wm. Wesch	
Executive Director, Port Authority (Acting).....	Ben Siegel	
Hearing Examiner(s)	Donna Marie Collins Amanda L. Rivera	

* Chairman for Board of County Commissioners

** Chairman for Board of Port Commissioners

Photographs provided by Ed Clement Photographic Services, Inc., Lee County Public Resources, Lee County Visitor & Convention Bureau, Lee County Port Authority, Lee County Water & Wastewater System, Lee County Solid Waste System, Lee County Transportation Facilities, and Lee County Transit.

Lee County, Florida
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 September 30, 2020
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Introductory Section



March 22, 2021

To the Citizens of Lee County:

We are pleased to present to you the accompanying Comprehensive Annual Financial Report of Lee County (the County) for the fiscal year ended September 30, 2020. State law requires that a complete set of financial statements, presented in conformance with generally accepted accounting principles (GAAP), audited by licensed independent certified public accountants be released to the public within nine months of the fiscal year end. This report is being issued in fulfillment of these statutory requirements.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Circuit Court as Chief Financial Officer of the County. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the County, and that all disclosures necessary to enable the reader to obtain a comprehensive understanding of the County's financial activity have been included.

Internal Controls

The County has established a comprehensive internal control framework that is designed to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and ensure that the financial records for preparing financial statements and maintaining accountability for assets are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the County's internal controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

Independent Audit

In compliance with the laws of the State of Florida the County's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed independent certified public accountants. The audit was performed to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2020, are free of material misstatement. The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management; as well as evaluating the overall financial statement presentation. The independent auditor issued an unmodified opinion on the County's financial statements for the fiscal year ended September 30, 2020. The Independent Auditors' Report is presented in the Financial Section of this report. Governmental accounting and auditing principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Management's Discussion & Analysis (pages 17-27) can be found in the Financial Section immediately following the Independent Auditors' Report and should be read in conjunction with this transmittal letter.

County Structure and Services

Lee County was founded in 1887 and named in honor of General Robert E. Lee. The County is located on the Gulf of Mexico in the southwestern portion of Florida and encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico. Four incorporated municipalities are located on the mainland: Fort Myers (one of two county seats), Estero, Bonita Springs, and Cape Coral (second county seat). The Town of Fort Myers Beach is located on Estero Island and the City of Sanibel is situated on Sanibel Island. The unincorporated communities include Lehigh Acres, North Fort Myers, Tice, Alva, Matlacha, Bokeelia, St. James City, and Captiva Island. Lee County's climate can be classified as subtropical with average high temperatures of 92 degrees (F) in summer and 75 degrees (F) in winter, and average low temperatures of 75 degrees (F) in summer and 56 degrees (F) in winter.



Lee County is home to one of the fastest-growing populations in the nation and that trend looks to continue. With approximately 25 percent of its residents age 65 and older, the County is well known as a retirement destination. Lee County's population grew by approximately 21 percent between 2010 and 2020, and is projected to have a population of 1,000,000 by 2040. The Bureau of Economic and Business Research projects a 38 percent increase in Lee County's 25 to 54 age group by 2040. The estimated population in 2020 is 750,493.



County Services and Reporting Entity

The County provides its citizens with a wide range of services that include law enforcement, human and community assistance-related services, civil and criminal justice system services, road and bridge maintenance, park operation, library services, economic and physical environment, as well as other general and administrative support services. In addition, airport facilities, transit system, water and wastewater system, toll bridge facilities, and a waste-to-energy facility are provided under an enterprise concept with user charges set by the Board of County Commissioners.



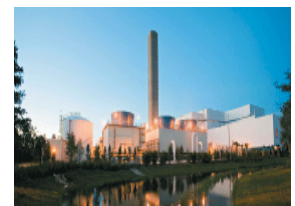
The Board of County Commissioners (the Board) is the legislative body for the County, having the responsibility of budgeting and providing all the funding used by the various County departments and the separate Constitutional Officers, with the exception of fees collected by the Clerk of Circuit Court, Property Appraiser, and Tax Collector. Under the direction of the Clerk of Circuit Court, the Finance & Records Department maintains the accounting system for the Board's operations. The other Constitutional Officers maintain their own accounting systems. For purposes of this report the operations of the County as a whole, including all Constitutional Officers, have been presented.



In addition to the divisions of the Board and the Constitutional Officers, the Lee County Port Authority, a blended component unit, is included in the Comprehensive Annual Financial Report.

Budgetary Controls

The adopted budget is controlled in accordance with Chapter 129, *Florida Statutes*, and a formal budget policy which is incorporated into the County's Administrative Code. The Assistant County Manager, on behalf of the County Manager, is responsible for the preparation of the Board's budget. The legally adopted total appropriation for a fund may only be changed by resolution of the Board. Full authority to transfer budgetary amounts other than these instances is delegated to the County Manager or the Assistant County Manager. When the Board adopts the program budget it is integrated into the reporting system for management reporting purposes. Budget-to-actual comparisons are provided in the report for each fund for which an appropriated annual budget has been adopted. Original and final budgets for major governmental funds are also provided. The Constitutional Officers'



budget control is retained at the fund level; the budgets of the Property Appraiser and Tax Collector are approved by the Florida Department of Revenue and those of the Clerk of the Circuit Court (excluding fees and court-related budgets), Sheriff, and Supervisor of Elections are approved by the Board. The court-related portion of the Clerk of Circuit Court’s budget is determined by the State of Florida’s legislature.

Financial Condition of the County

Local Economy

Lee County has long been a popular vacation and retirement spot with more than 50 miles of white sandy beaches that span from Gasparilla Island State Recreation Area to Barefoot Beach on Little Hickory Island. There are 18 miles of public parks on the beachfront and more than 100 public beach access points. Lee County contains more than 100 parks, beaches, wildlife refuges, including J.N. “Ding” Darling National Refuge on Sanibel Island; Lover’s Key/Black Island State Park; Lakes Park; and Six Mile Cypress Slough. Lee County contains more than 90 golf courses and ranks fifth in the nation for hole-per-person ratio. Each year, thousands of fans flock to Lee County to watch spring training for the Boston Red Sox and Minnesota Twins. Although Lee County experiences year-round tourism, the number of tourists increases in winter as does the retiree population. The region also has a long history of attracting innovators, including the families of Henry Ford and Thomas Edison.



In Lee County, tourism employs one out of every five people. Approximately 4.8 million visitors arrive every year and generate \$3 billion in economic impact. Fiscal year 2020 tourism was impacted by the COVID-19 pandemic. The Lee County Visitor and Convention Bureau reported tourist tax collections of \$37.9 million in fiscal year 2020, down 10.8 percent from fiscal year 2019. The tourism figures provided by Lee County’s Visitor and Convention Bureau for fiscal year 2020 showed that the number of visitors decreased 27.5 percent and spending by visitors decreased 15.1 percent year over year. Passenger traffic at Southwest Florida International Airport (“SWFIA”) reflected a 29.7 percent decrease from the previous fiscal year. Southwest Florida International Airport served approximately 7.0 million passengers in fiscal year 2020 and continues to rank among the 50 busiest airports in the nation, according to the U.S. Department of Transportation.



With no personal income tax, Florida consistently ranks as one of the best places to do business, and Lee County businesses benefit from Florida’s state tax structure. Florida’s tax code is the fourth most competitive in the country according to a study released this year by the nonprofit group Tax Foundation. Fort Myers was once again ranked one of the fastest growing cities in America by Wallet Hub in 2020. The annual list considers population, employment, wages, and economic output. In a 2019 study by SmartAsset, three areas (Cape Coral, Lehigh Acres, and Fort Myers) in Lee County are on the top 50 list of boomtowns due to their strong growth in population and number of local businesses. Lee County is home to several colleges, universities, and technical-vocational schools that provide a stream of talented workforce. Lee County is also home to a nationally recognized public school system.



Employment

Lee County is home to approximately 33,000 businesses and has become the coastal hub for business growth and talented workers. With the region’s business incentives and quality of life, more companies have relocated to the area. From fashion icon Chico’s, IT consulting and research company Gartner, manufacturing company Entertainment Metals, and cancer care service provider 21st Century Oncology to a handful of companies that have relocated to the region over the last several years, companies across multiple sectors have chosen Lee County.



The County continues to see a steady labor force. The Florida Department of Economic Opportunity projects a 13 percent increase in Lee County’s labor force by 2027. The labor force at September 30, 2020, 2019, and 2018 was 338,831, 348,608, and 338,104, respectively. Employment in the County as of September 30, 2020, is estimated at 317,292.

Lee County's economy was impacted by the COVID-19 pandemic. The unemployment rate increased from 2.8 percent in 2019 to 6.4 percent in 2020. The County's unemployment level is below Florida's rate of 7.2 percent and below the national rate of 7.9 percent.

According to the United States Department of Labor, Bureau of Labor Statistics, the non-agricultural employment for the Lee County Metropolitan Area was comprised of 19.7 percent in Trade, Transportation and Utilities, 16.0 percent in Government (Federal, State and Local), 12.1 percent in Leisure and Hospitality, 15.0 percent in Professional and Business Services, 11.6 percent in Education and Health Services, 15.2 percent in Mining, Logging, Construction and Manufacturing, and 10.4 percent in all other.

Economic Conditions

The mainstays of the County's economy are tourism and retirement, and their associated services, such as health, trade, and other service-orientated industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial service industries.



Overall, Lee County's housing market continues to be strong. Foreclosures filed in the County decreased, from 1,116 in fiscal year 2019 to 608 in fiscal year 2020 which represents a 46 percent decrease from prior year. The housing market saw a significant increase in median sales price and closings in single family homes compared to the same period a year ago. According to the Florida Realtors, the median sale price of an existing single-family home in Lee County increased 17.5 percent, from \$251,000 in September 2019 to \$295,000 in September 2020. New pending sales increased by 141.0 percent and closed sales increased by 33.5 percent, year over year. The median sale price for existing townhouses and condominiums in September 2020 and 2019 was \$215,500 and \$188,950, respectively, which represents a 14.1 percent increase. Townhouse and condo new pending sales increased 154.5 percent and closed sales increased 38.4 percent, year over year.

Current and Long-Term Capital Initiatives

The County's Capital Improvement Program (CIP) consists of capital projects which reflect the County's infrastructure needs over a five-year time frame and include assets with long-term value such as buildings, roads, bridges, and parks.



Significant capital projects and other initiatives completed in fiscal year 2020 include (total cost in millions):

- \$2.1 Upgrade and new equipment for the existing recycling facility
- \$3.5 Design and permitting for the Nalle Grade Stormwater project
- \$4.7 Expansion of the existing maintenance building at Southwest Florida International Airport (SWFIA)
- \$9.2 North Lee County Water Treatment Plant – deep injection well
- \$13.0 Design of the ticket counter and gate podium modernization at SWFIA
- \$13.6 Permitting, environmental approval, roadway, drainage, utility, landscaping, and signage for Skyplex Boulevard between Daniels Parkway and Chamberlin Parkway at SWFIA
- \$23.0 Construction of Alico Road widening project
- \$23.5 Automated meter reading system (AMI)
- \$24.0 Construction of Homestead Road widening

Significant projects currently in progress include the following (projected cost in millions):

Southwest Florida International Airport

- \$11.0 Design of rental car relocation facilities
- \$16.2 South quad hangars and ramp design and construction
- \$27.6 Design to rehabilitate roadways

- \$36.8 Replacement of twenty-seven passenger boarding bridges with more reliable equipment
- \$68.5 Design of the rehabilitation of airside pavements (taxiways and aircraft parking aprons)
- \$80.2 Final design and construction of a new Air Traffic Control Tower
- \$272.0 Design of the terminal expansion project to include consolidation of security checkpoints and increasing concession areas
- \$258.9 Parallel runway site preparation to include design of a 9,100 foot parallel runway, storm drainage system, environmental permitting and mitigation design

Transit

- \$5.0 Design and construction of the Lehigh Acres Park and Ride Transfer Center
- \$5.5 South County Park and Ride Transfer Station
- \$6.0 Design and construction of the Rosa Parks Transportation Center
- \$7.0 Land acquisition, design, and construction of the south area Transit/Multimodal transfer center

Water and Wastewater

- \$14.0 Relocate potable, reuse, force main, and raw transmission lines for Corkscrew Road widening
- \$13.1 Fort Myers Beach Water Reclamation Facility deep injection well
- \$15.6 Fiddlesticks water main replacement
- \$14.5 Fiesta Village Water Reclamation Facility deep injection well
- \$17.2 Estero Boulevard force main relocation
- \$17.9 RSW transmission Main-Ben Hill to Treeline
- \$24.5 North Lee County Wellfield expansion
- \$30.0 Increase potable water distribution capacity between State Road 80 north and south
- \$39.8 North Lee County Water Treatment Plant expansion
- \$94.0 SE Water Reclamation Facility

Transportation

- \$15.0 Design for widening of Littleton Road
- \$23.0 Construction of Ortiz Road widening from Colonial Boulevard to State Road 82
- \$56.0 Preliminary design and environmental study for the Big Carlos Pass Bridge
- \$68.0 Construction of the three segments of Burnt Store Road
- \$82.0 Construction of segment two and design of segments three through six of Estero Boulevard
- \$109.0 Project development and engineering for Alico Road extension
- \$125.0 Design and land acquisition for Three Oaks North

Culture and Recreation

- \$5.5 Expansion of Lehigh Community Park
- \$5.8 Larry Kiker Preserve
- \$6.9 Able Canal Greenway
- \$8.6 Causeway Islands Park shoreline stabilization

Natural Resources

- \$7.1 San Carlos Park drainage Improvements
- \$7.9 Captiva Island beach renourishment

Facilities

- \$6.6 Emergency generators for thirteen facilities
- \$8.0 Player Development Complex Fields
- \$18.5 Design and expansion of the Emergency Operations Center

Cash Management and Investments

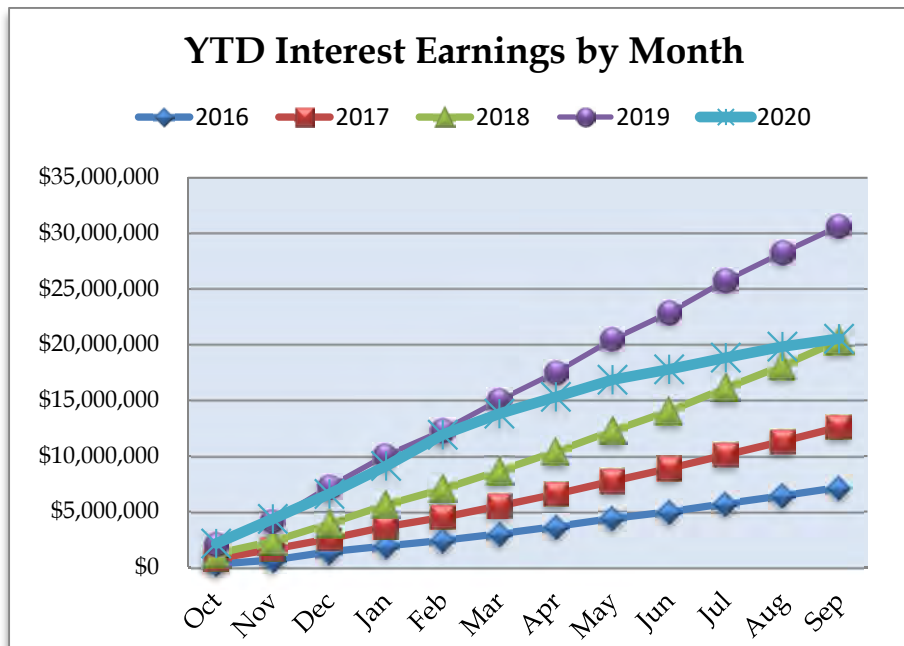
The cash needs of the County are monitored daily and cash that is temporarily idle during the year is invested in accordance with the County’s investment policy. The primary objective of the investment policy is the preservation of capital and the protection of investment principal. The investment portfolio as of September 30, 2020 was \$1,329,990,000.



Investments during the year were:

- Treasury bills and notes and government agencies and instrumentalities whose investments consist primarily of municipals and U.S. government obligations. At fiscal year-end the maturities of the investments ranged from one day to fourteen months and interest earned ranged from 1.63 percent to 2.78 percent.
- The State Board of Administration’s (“SBA”) Local Government Surplus Funds Investment Pool Trust Fund operates an investment pool for local governments. The average yield for the pool for the fiscal year was 1.18 percent.
- The County also participates in three additional investment pools. The average yield for the Florida Cooperative Liquid Assets Securities System (FLCLASS) was 1.17 percent, the Florida Fixed Income Trust (FLFIT) was 1.26 percent, and the Florida Surplus Asset Fund Trust (FLSAFE) was .34 percent.

The County earned a total of \$91.3 million in interest earnings over the last five years, of which \$20.5 million was earned in fiscal year 2020.



Risk Management

The Board maintains self-insurance programs to administer insurance activities related to property and casualty, county-wide employee health and dental programs, general liability, and worker’s compensation. The concept of the self-insurance programs is to allow the County to absorb losses up to a specific annual amount. Excess and other specific coverages are purchased from third-party carriers.

Funding for these programs is generated by charges to the operating departments based on management's annual estimates of claim loss funding and administration/operating costs. The Lee County Sheriff's Office does not participate in the County's insurance programs and maintains a separate self-insurance fund for their employee health and dental coverage. The Port Authority does not participate in the property and casualty self-insurance program.



Awards and Acknowledgments

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 35th consecutive year that the County has received this prestigious award. To be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report which satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and the various managers and fiscal officers of the County Departments. The efforts of Finance's General Accounting staff, specifically, Tracy Schatzman, Rose Hardt, Shelby Smith, Kirk Knowles, Stephanie Mulhall, Brian Cole, Kim Tester, and Vily Andre are especially noteworthy.

Respectfully submitted,

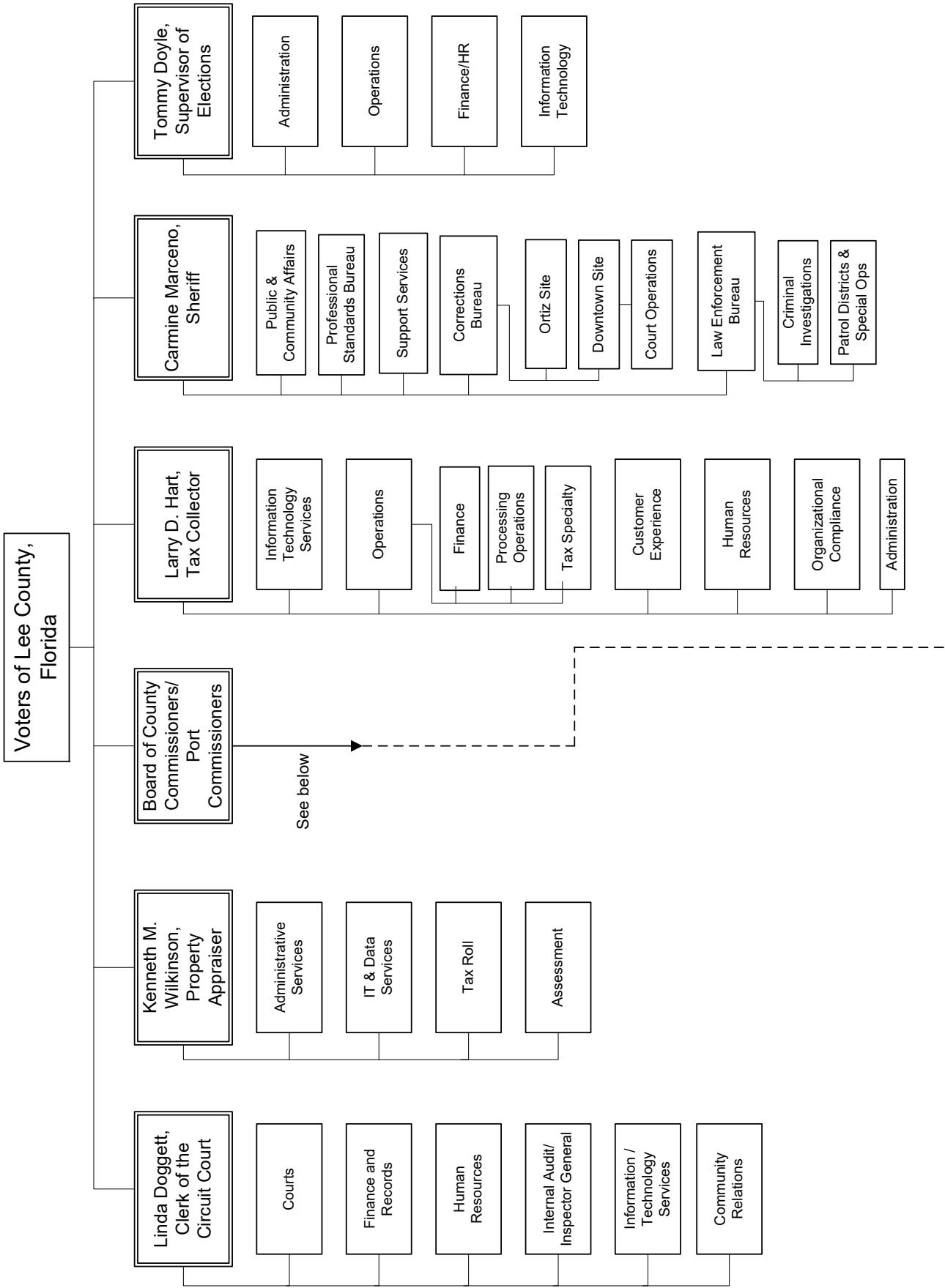
Linda Doggett
Clerk of Circuit Court

Terry Mallow, CPA
Chief Financial Control Officer

Michele Crowell
General Accounting Manager

Lee County Government

as of September 30, 2020



Board of County Commissioners/ Port Commissioners

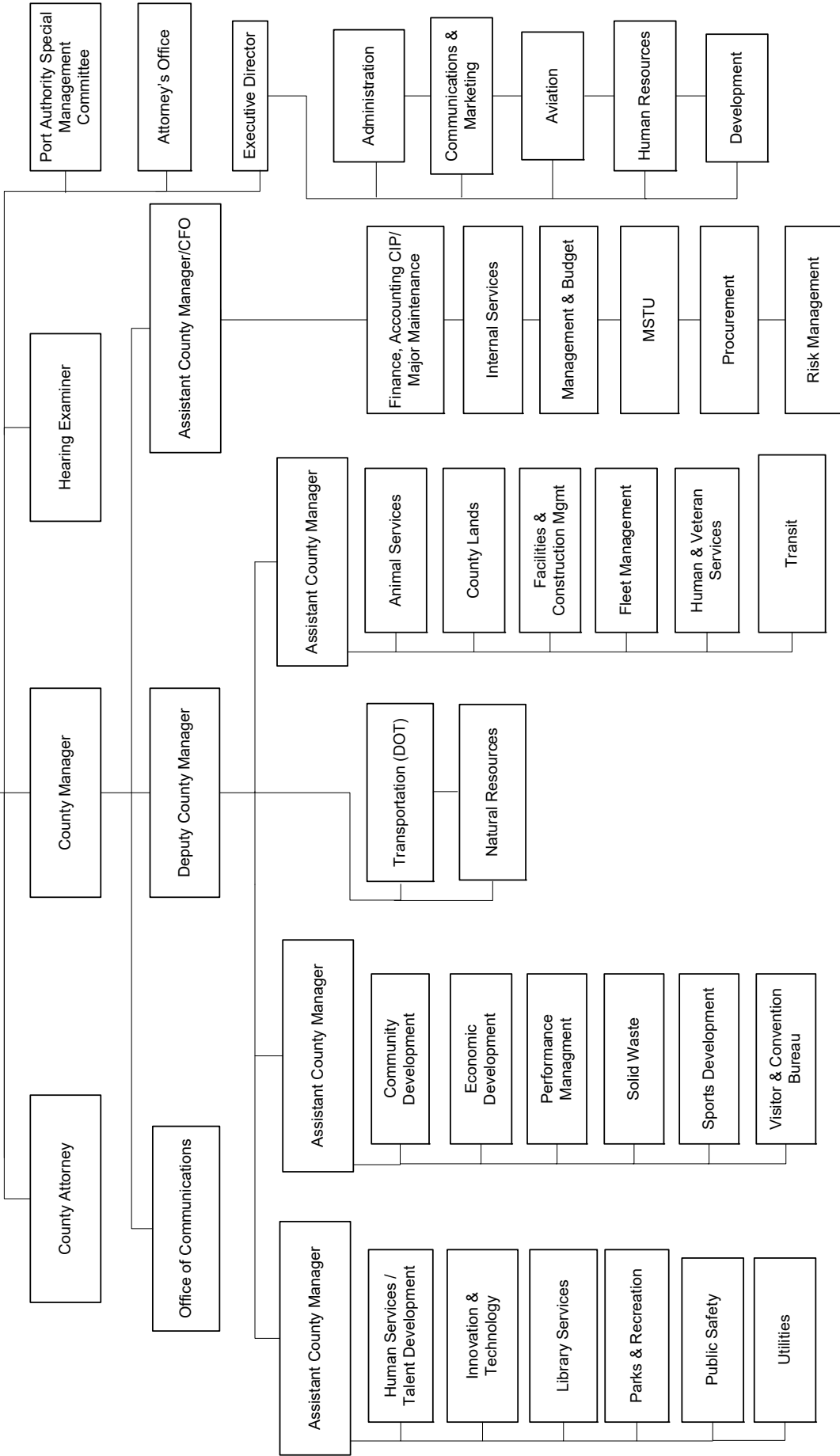
Commissioner, District 1
John Manning

Commissioner, District 2
Cecil Pendergrass

Commissioner, District 3
Ray Sandelli

Commissioner, District 4
Brian Hamman

Commissioner, District 5
Frank Mann





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Lee
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO



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Financial Section





INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida (County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of the Lee County Property Appraiser, the Lee County Sheriff, the Lee County Supervisor of Elections, and the Lee County Tax Collector, which represent the indicated percent of total assets, total revenues, and total net position and fund balance as presented in the table below. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those components, is based solely on the reports of other auditors.

	Percentage Audited by Other Auditors		
	Assets	Revenues	Net Position/ Fund Balance
Governmental Activities	2%	8%	1%
General Fund	10%	3%	0%
Aggregate Remaining Fund Information	7%	12%	4%

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditors' Responsibility (Continued)

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of total other postemployment benefit liability and schedules of the County's proportionate share of the net pension liability and of its contributions – pension plans on pages 17 to 27 and 102 to 105, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplemental financial information, statistical section, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, statistical section, and other supplemental information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida

March 22, 2021

Management's Discussion and Analysis (unaudited)

This discussion and analysis of Lee County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2020. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes to the financial statements. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights

- At the close of fiscal year 2020, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in total net position of \$2,930,262,000.
- The County's total net position increased \$17,236,000, or 0.6 percent, in comparison to prior year.
- The County's governmental activities total net position of \$1,362,045,000 increased \$18,527,000, or 1.4 percent, in comparison to prior year. The unrestricted net position is a deficit balance of \$636,341,000.
- The County's business-type activities total net position of \$1,568,217,000 decreased \$1,291,000, or 0.1 percent, in comparison to prior year. Approximately 7.9 percent of the total, or \$123,986,000 is unrestricted, and thus available for spending at the County's discretion.
- The County reported a liability of \$585,079,000 for its proportionate share of the FRS and HIS net pension liabilities.
- The County reported a total other postemployment benefits liability of \$807,852,000.
- Total revenues increased \$53,982,000, or 4.3 percent, in comparison to prior year.
- Total expenses increased \$45,970,000, or 3.7 percent, in comparison to prior year.

Government-wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 30-32) concentrate on the County as a whole and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. The governmental and business-type activities comprise the primary government. Fiduciary funds are not included in the government-wide financial statements.

General governmental and intergovernmental revenues support the governmental activities, whereas the business-type activities are primarily supported by user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to analyze the County's total financial position.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function or program. Taxes are reported under general revenue. The County maintains an allocation program for indirect expenses and, therefore, reports this allocation in a separate column on the government-wide statement of activities.

The effect of the inter-fund activity has been removed from the government-wide financial statements. However, the inter-fund services between functions are not eliminated. The internal service fund activity has been eliminated except for the outside activity on the government-wide financial statements.

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity or net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The County's funds are presented in separate fund financial statements. These funds are presented on a governmental fund financial statement and a proprietary fund financial statement. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* ("GASB 34"). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements. However, a non-major fund can be designated as a major fund if the County chooses to do so.

Annual budgets are adopted for all funds except agency funds, Sheriff's internal service and special revenue funds, and the Property Appraiser's special revenue fund. A budgetary comparison has been presented for the General Fund, which compares not only actual results to budget but also the original adopted budget to final budget.

Governmental Fund Financial Statements

Governmental fund financial statements (found on pages 33-37) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Although the activity of the internal service funds is reported with the governmental activities on the government-wide financial statements, they are not combined on the government fund financial statements.

Two of the County's governmental funds, the General Fund and the Transportation Capital Improvements Fund are classified as a major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds are found in combining statements as supplemental financial data.

Proprietary Fund Financial Statements

Proprietary fund financial statements (found on pages 38-44), like government-wide financial statements, are prepared on the full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

The County reports the Port Authority, Water and Wastewater, Transportation Facilities, and Solid Waste as major funds in the proprietary fund financial statements. These enterprise funds are used to present the same functions that are presented in the government-wide financial statements. The only non-major fund, Transit, is reported in a separate column. The internal service funds are presented in their entirety combined in a single column on the proprietary fund financial statements.

The internal service funds are used to account for data processing, risk management, radio communications, telecommunications, fleet management, and self-insurance for health and dental, and workers' compensation services on a cost reimbursement basis. Individual fund data is in the combining statements as supplemental financial data.

Fiduciary Fund Financial Statements

The fiduciary fund financial statement (found on page 45) is not included in the government-wide financial statements because the resources of those funds are not available to support the County's programs.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the County is in a better or worse financial condition from the prior year. The following is a condensed summary of net position for the primary government for fiscal years 2020 and 2019.

Summary of Net Position
September 30, 2020 and 2019
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and other assets	\$888,636	\$742,690	\$650,542	\$683,033	\$1,539,178	\$1,425,723
Capital assets	1,896,620	1,861,052	1,839,684	1,843,895	3,736,304	3,704,947
Total assets	2,785,256	2,603,742	2,490,226	2,526,928	5,275,482	5,130,670
Total deferred outflows of resources	285,061	236,083	63,326	63,641	348,387	299,724
Current liabilities	148,053	75,205	57,742	83,932	205,795	159,137
Non-current liabilities	1,426,450	1,257,456	898,645	903,745	2,325,095	2,161,201
Total liabilities	1,574,503	1,332,661	956,387	987,677	2,530,890	2,320,338
Total deferred inflows of resources	133,769	163,646	28,948	33,384	162,717	197,030
Net Position:						
Net investment in capital assets	1,664,219	1,617,775	1,247,707	1,205,238	2,911,926	2,823,013
Restricted	334,167	284,378	196,524	198,193	530,691	482,571
Unrestricted (deficit)	(636,341)	(558,635)	123,986	166,077	(512,355)	(392,558)
Total net position	\$1,362,045	\$1,343,518	\$1,568,217	\$1,569,508	\$2,930,262	\$2,913,026

Net investment in capital assets is the largest portion of the net position. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles and rolling stock, and infrastructure), net of accumulated depreciation and the outstanding related debt (less unspent proceeds) used to acquire the assets. The net investment in capital assets balance of \$2,911,926,000 (99.4 percent of total net position) increased \$88,913,000, or 3.1 percent, in comparison to prior year.

The restricted net position balance of \$530,691,000 (18.1 percent of total net position) increased \$48,120,000, or 10.0 percent, in comparison to prior year. This balance represents assets that are subject to external restrictions imposed by creditors, through bond covenants, by grantors, or by law on how they are used.

The unrestricted net position balance is a deficit balance of \$512,355,000 and increased \$119,797,000 or 30.5 percent, in comparison to prior year.

Lee County, Florida

The following schedule compares the revenues, expenses, and changes in net position for the primary government for the current and previous fiscal years.

Lee County, Florida Summary of Revenues, Expenses, and Changes in Net Positions For the Years Ended September 30, 2020 and 2019 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$131,958	\$134,980	\$352,015	\$383,472	\$483,973	\$518,452
Operating grants and contributions	103,754	36,030	50,781	10,784	154,535	46,814
Capital grants and contributions	21,755	28,071	44,475	59,398	66,230	87,469
General revenues:						
Taxes	481,967	463,535	4,649	4,469	486,616	468,004
Grants and contributions not restricted to specific programs	70,123	73,969	-	-	70,123	73,969
Other	26,198	31,072	11,348	19,261	37,546	50,333
Total revenues	835,755	767,657	463,268	477,384	1,299,023	1,245,041
Expenses:						
Program activities:						
General government	337,632	266,205			337,632	266,205
Public safety	294,391	295,823			294,391	295,823
Physical environment	16,458	21,132			16,458	21,132
Transportation	75,765	74,046			75,765	74,046
Economic environment	28,098	33,687			28,098	33,687
Human services	24,125	23,090			24,125	23,090
Culture and recreation	83,546	92,199			83,546	92,199
Interest on long-term debt	6,771	9,387			6,771	9,387
Indirect expenses	(5,000)	(4,277)	5,000	4,277	-	-
Business-type activities:						
Airport			122,825	118,739	122,825	118,739
Water and Wastewater			134,432	135,744	134,432	135,744
Transit			32,087	35,257	32,087	35,257
Transportation Facilities			22,650	25,607	22,650	25,607
Solid Waste			103,007	104,901	103,007	104,901
Total expenses	861,786	811,292	420,001	424,525	1,281,787	1,235,817
Total change in net position						
before transfers	(26,031)	(43,635)	43,267	52,859	17,236	9,224
Transfers	44,558	2,419	(44,558)	(2,419)	-	-
Change in net position	18,527	(41,216)	(1,291)	50,440	17,236	9,224
Net position October 1	1,343,518	1,384,734	1,569,508	1,519,068	2,913,026	2,903,802
Net position September 30	\$1,362,045	\$1,343,518	\$1,568,217	\$1,569,508	\$2,930,262	\$2,913,026

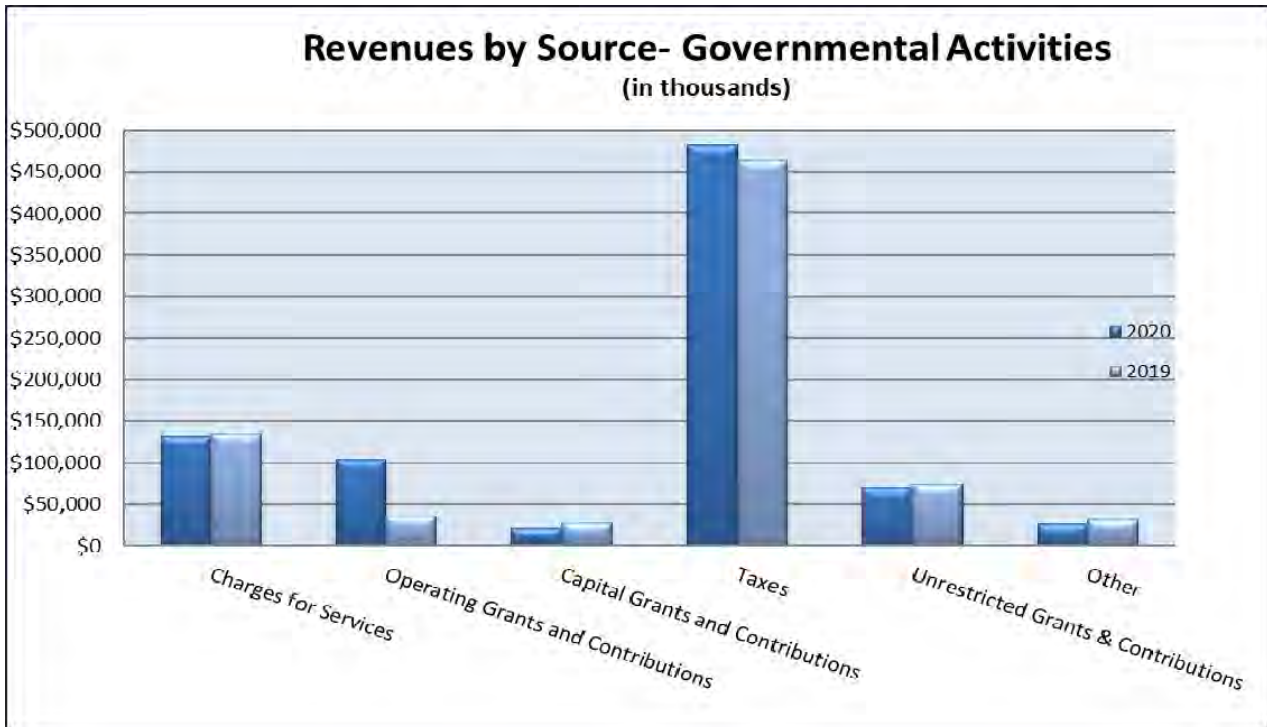
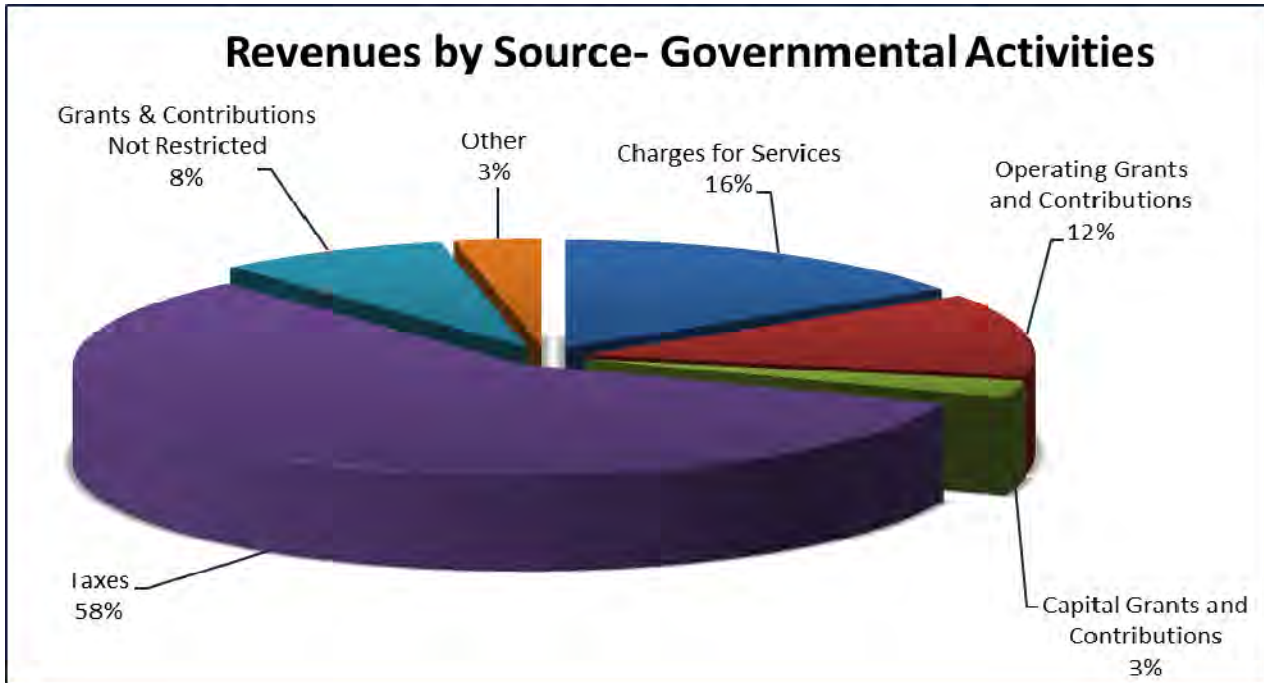
Total revenues increased \$53,982,000, or 4.3 percent, in comparison to prior year. Total expenses increased \$45,970,000, or 3.7 percent, in comparison to prior year.

Governmental Activities

The governmental activities increased or (decreased) the County's total assets, total deferred outflows of resources, total liabilities, total deferred inflows of resources, and total net position by \$181,514,000, \$48,978,000, \$241,842,000, (\$29,877,000), and \$18,527,000, respectively. The increase in the governmental activities' net investment in capital assets is \$46,444,000, or 2.9 percent, in comparison to prior year.

Lee County, Florida

Total revenues for governmental activities increased \$68,098,000 or 8.9 percent, in comparison to prior year. The following is a chart of revenues by source for governmental activities by percent of total revenues for fiscal year 2020 and a chart of revenues by source for 2020 and 2019.



The main components of the change in total revenues for governmental activities were as follows:

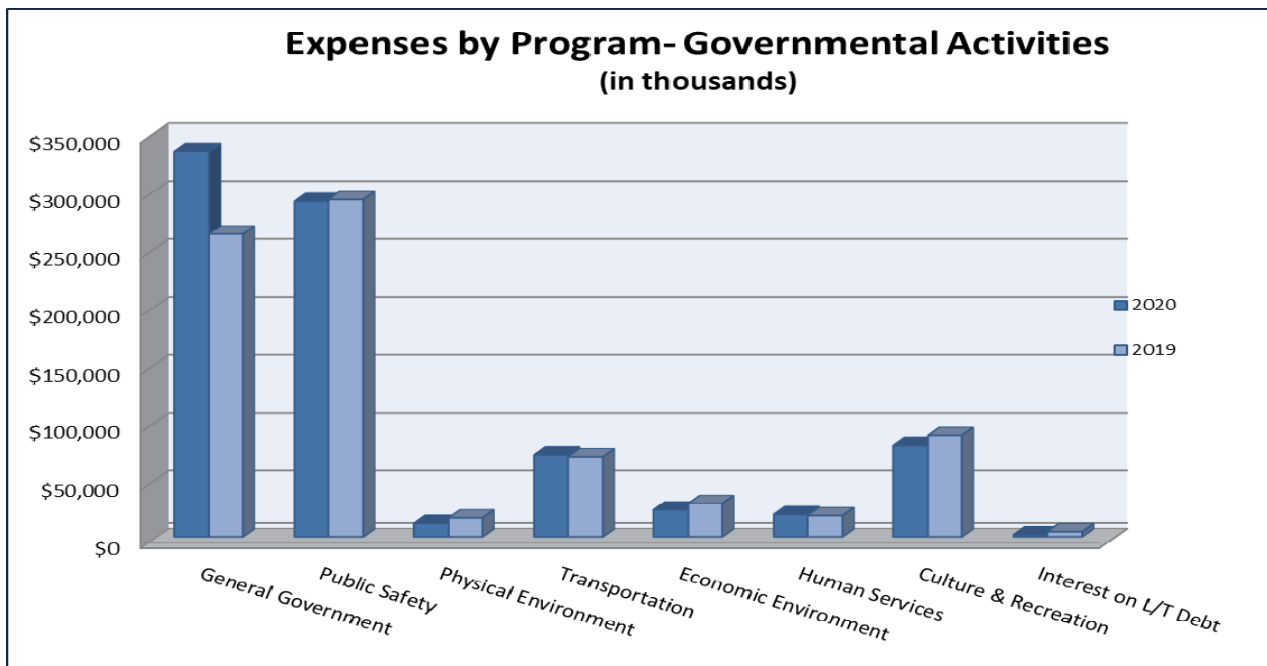
- Operating grants and contributions increased \$67,724,000, or 188.0 percent, in comparison to prior year primarily due to \$58,120,000 in Cares Act grant funding for community aid programs and COVID-19 expenses, \$1,845,000 in Cares Act grant funding for the Sheriff, \$2,895,000 from Florida Department of Environmental

Lee County, Florida

Protection (FDEP) for Gasparilla Island Beach restoration and \$1,911,000 from FDEP for the Nalle Grade Stormwater Park.

- Capital grants and contributions decreased \$6,316,000, or 22.5 percent, in comparison to prior year, primarily due to a decrease of \$9,825,000 in Florida Department of Transportation grants and \$2,110,000 in contributions for road projects offset by an increase of \$5,130,000 in Road Impact Fee Revenue.
- Taxes increased \$18,432,000, or 4.0 percent, in comparison to prior year, due to an increase of \$24,746,000 in Ad Valorem taxes collected as a result of an increase in the property value base offset by a decrease of \$4,595,000 in Tourist Tax revenue and a decrease of \$1,076,000 in gas taxes as a result of COVID-19 travel restrictions and safer at home order.
- Other revenue decreased \$4,874,000, or 15.7 percent, in comparison to prior year, primarily due to a decrease of \$5,152,000 in interest earnings, a decrease of \$3,266,000 in the fair market value of investments adjustment offset by \$3,934,000 in proceeds from the sale of equipment received by the Sheriff's office.

The following is a chart of expenses by program for governmental activities for fiscal years 2020 and 2019.



Total expenses for governmental activities increased \$50,494,000, or 6.2 percent, in comparison to prior year. The main components of the change in total expenses for governmental activities were as follows:

- General government expenses increased \$71,427,000 or 26.8 percent, primarily due to an increase of \$58,120,000 in expenses related to COVID-19 and the Community Aid programs, an increase of \$7,436,000 in other postemployment benefits expense and an increase of \$4,748,000 in pension expense.
- Physical environment expenses decreased \$4,674,000, or 22.1 percent, primarily due to a \$4,500,000 payment to the Army Corps of Engineers for sand renourishment on Gasparilla Island shorelines in the prior year.
- Economic environment expenses decreased \$5,589,000, or 16.6 percent, primarily due to a decrease of \$3,924,000 in tourist development promotional advertising from cancelled advertising campaigns and reduced retainers and \$1,040,000 in grants and aids to sub-recipients as a result of the COVID-19 pandemic.
- Culture and recreation expenses decreased \$8,653,000, or 9.4 percent, primarily due to a decrease of \$6,497,000 in other postemployment benefits expense and a decrease of \$1,560,000 in other professional services due to vegetation and exotic plant control projects in the prior year.

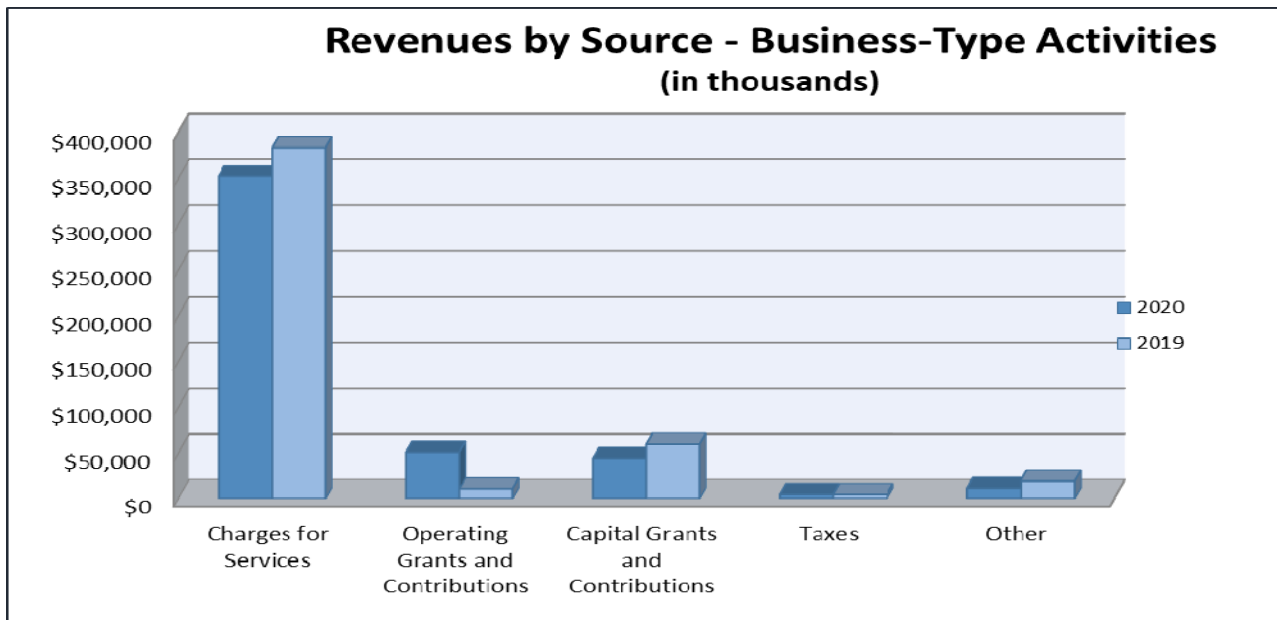
Business-Type Activities

The business-type activities increased or (decreased) the County’s total assets, total deferred outflows of resources, total liabilities, total deferred inflows of resources, and total net position by (\$36,702,000), (\$315,000), (\$31,290,000), (\$4,436,000), and (\$1,291,000), respectively. The increase in the business-type activities’ net investment in capital assets is \$42,469,000, or 3.5 percent, in comparison to prior year.

Total revenues reported in business-type activities decreased \$14,116,000, or 3.0 percent, in comparison to prior year. The decrease is primarily due to a decrease in charges for services of \$31,457,000, or 8.2 percent, capital grants and contributions of \$14,923,000 or 25.1 percent, other revenue of \$7,913,000, or 41.1 percent offset by an increase in operating grants and contributions of \$39,997,000 or 370.9 percent.

- Port Authority charges for services decreased \$23,540,000, or 19.1 percent, as a result of lower user fees and concession revenue due to air traffic impacted by the COVID-19 pandemic and a one month rent relief program to tenants.
- Transportation Facilities charges for services decreased \$4,345,000, or 9.3 percent, as a result of lower toll revenue due to the COVID-19 pandemic.
- Solid Waste charges for services decreased \$3,551,000, or 3.8 percent, primarily due to lower electric revenue as a result of a decrease in spot market pricing and fluctuations tied to natural gas market pricing.
- Port Authority capital grants and contributions decreased \$12,381,000, or 54.4 percent, due to lower grants received as a result of capital projects put on hold.
- Transit capital grants and contributions decreased \$1,928,000, or 43.2 percent, primarily due to capital grants received in the prior year for buses and a bus shelter project.
- Other revenue decreased \$7,913,000 or 41.1 percent, across all funds primarily due to lower interest earnings and a decrease in fair market value of investments in the amount of \$7,689,000.
- Port Authority operating grants and contributions increased \$10,516,000 or 1267.0 percent, primarily due to \$11,000,000 in Cares Act grant funding received in the current year.
- Solid Waste operating grants and contributions increased \$27,826,000, or 1260.2 percent, due to Hurricane Irma grant reimbursements received in the current year.

The following is a chart of revenues by source for business-type activities for fiscal years 2020 and 2019.

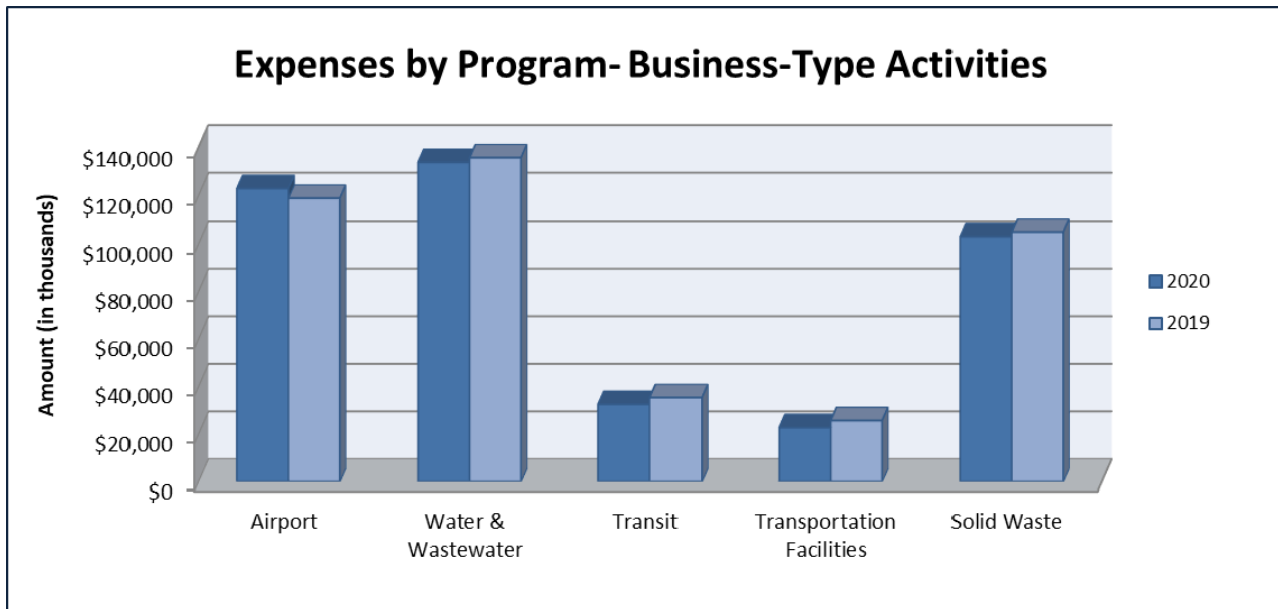


Lee County, Florida

Total business-type expenses decreased \$4,524,000, or 1.1 percent, in comparison to prior year. The decrease is primarily due to a decrease in Water and Wastewater expenses of \$1,312,000, or 1.0 percent, a decrease in Transit expenses of \$3,170,000 or 9.0 percent, a decrease in Transportation Facilities expense of \$2,957,000, or 11.5 percent, and a decrease in Solid Waste expenses of \$1,894,000, or 1.8 percent offset by an increase in Airport expenses of \$4,086,000, or 3.4 percent.

- Water and Wastewater contractual services, materials, and supplies expense decreased \$3,815,000 primarily due to lower costs associated with the City of Ft. Myers interlocal agreement, non-operating expenses decreased by \$1,964,000 primarily due to lower interest costs, and employee related expenses increased \$4,429,000 due to higher pension and other postemployment benefit expenses.
- Transit pension and other postemployment expense is \$1,611,000 lower, depreciation expense is \$815,000 lower, and a decrease of \$386,000 in grant and aid to Good Wheels.
- Transportation Facilities pension and other postemployment benefit expense is \$2,171,000 lower in the current year and contractual services, materials and supplies decreased \$871,000 due to costs for bridge maintenance and painting for the Cape Coral and Midpoint bridges in the prior year.
- Solid Waste contractual services, materials, and supplies decreased \$1,726,000 primarily due to final costs related to Hurricane Irma in the prior year and.
- Port Authority pension and other postemployment expense is \$8,844,000 higher due to the Port reinstating the subsidy for employees, and contractual services, materials, and supplies decreased \$4,150,000 due to reductions in janitorial services and parking lot management.

The following is a chart of expenses by program for business-type activities for fiscal years 2020 and 2019.



Financial Analysis of the Government's Funds

Governmental Funds

Governmental funds are comprised of the General Fund, special revenue funds, debt service funds, and capital projects funds. As noted earlier, governmental funds use the current financial resources measurement focus that focuses on near-term inflows and outflows. The General Fund is the general operating fund that is used to account for all financial resources, except those required to be accounted for in another fund.

Lee County, Florida

The following are noteworthy facts and changes from prior year for the General Fund and the Transportation Capital Improvements Fund, which are the only two governmental funds reported as major funds:

General Fund- Total revenues increased \$75,701,000, or 16.2 percent. Taxes increased \$19,626,000, or 6.0 percent, due to an increase of \$19,813,000 in Ad Valorem taxes as a result of higher assessed property values. Intergovernmental revenue increased \$56,404,000, or 70.7 percent, primarily due to \$58,120,000 in Cares Act grant funding for COVID-19 expenditures and community aid. Total expenditures increased \$62,834,000, or 15.5 percent, due to an increase of \$56,324,000 in general government operating expenditures primarily due to expenses of \$58,120,000 related to COVID-19 and community aid programs; and an increase of \$15,986,000 in public safety capital expenditures primarily due to radio equipment and vehicle purchases by the Sheriff.

Transportation Capital Improvements Fund- Total revenues decreased \$5,948,000, or 17.8 percent. Intergovernmental revenue decreased \$2,717,000, or 40.3 percent, due to a decrease in Florida Department of Transportation grants received for road projects. Miscellaneous revenue decreased \$2,632,000, or 54.9 percent, primarily due to lower interest earning and a contribution received in the prior year. Total expenses decreased \$1,048,000, or 2.0 percent, primarily due to a decrease in capital outlay as a result of large road projects completed in the prior year.

Proprietary Funds

Proprietary funds are comprised of enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. Internal service funds are those that provide a service, primarily within the government, and charge a recovery fee.

The following are noteworthy facts and changes from prior year for proprietary major funds:

Port Authority - Net operating revenue decreased \$17,312,000, or 16.7 percent, in comparison to prior year as a result of lower user fees and concession revenue due to air traffic impacted by the COVID-19 pandemic and a one month rent relief program to tenants. Total operating expenses increased \$5,341,000, or 5.1 percent, in comparison to prior year as a result of higher pension and other postemployment expense of \$8,844,000 and contractual services, materials, and supplies decreased \$4,150,000 due to reductions in janitorial services and parking lot management. Capital grants and contributions were \$12,381,000, or 54.4 percent, lower compared to the prior year due to due to grants received for the terminal expansion and north property utility projects in the prior year and current year projects put on hold.

Water and Wastewater – Net operating revenue increased \$1,185,000, or 1.0 percent, in comparison to prior year. Operating expenses increased \$1,769,000 or 1.4 percent, in comparison to prior year. Capital contributions were \$614,000, or 1.9 percent, lower compared to the prior year.

Transportation Facilities – Net operating revenue decreased by \$4,345,000, or 9.3 percent, in comparison to prior year as a result of lower toll revenue due to the COVID-19 pandemic. Total operating expenses decreased \$2,149,000, or 10.1 percent, in comparison to prior year primarily due to a decrease of \$2,171,000 in other postemployment benefit and pension expense.

Solid Waste – Net operating revenue decreased \$3,534,000, or 3.7 percent, in comparison to prior year primarily due to lower electric revenue as a result of a decrease in spot market pricing and fluctuations tied to natural gas market pricing. Total operating expenses decreased \$1,226,000, or 1.2 percent, in comparison to prior year primarily due higher contractual services, materials, and supplies expense related to Hurricane Irma in the prior year.

General Fund Budgetary and Actual Highlights

The difference between the original adopted and final amended budget expenditures in the General Fund is an increase of \$146,664,000. The changes include:

- \$134,460,000 increase for Cares Act grant funding.

Lee County, Florida

- \$1,623,000 increase for West Coast Inland Navigation District (WCIND) pass through grants for navigation related major maintenance projects.
- \$3,275,000 increase for the Low Income Home Energy Assistance Program (LIHEAP) grant.
- \$1,818,000 increase for the Cares Act Emergency Solutions Grant for homeless housing and planning for community needs.
- \$2,100,000 increase for grants received for housing assistance, homeless prevention projects, homeless housing and relocation services, and the Bob Janes Triage Center.

The remaining amendments are a combination of increases and decreases for various reasons which separately are not noteworthy.

The variance between the final amended budget and actual expenditure results for the General Fund is a favorable variance of \$133,711,000. The differences are across multiple departments and are mainly due to unspent budget for COVID-19 expenses and community aid, various projects, and conservative spending. Project costs are budgeted in the year they are anticipated to be obligated. In subsequent years the unused budget is re-appropriated until the project is completed.

Capital Assets

Non-depreciable capital assets include land, construction in progress, software in progress, and artwork. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, software, and infrastructure. The following is a schedule of the County's capital assets as of September 30, 2020 and 2019.

Lee County, Florida
Summary of Capital Assets
September 30, 2020 and 2019
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Artwork	\$323	\$323	\$293	\$293	\$616	\$616
Land	700,587	666,679	227,504	225,996	928,091	892,675
Construction in progress	72,451	82,623	146,098	147,408	218,549	230,031
Easements & rights of way	68,974	66,659	19,786	19,721	88,760	86,380
Software in progress	475	1,336	-	-	475	1,336
Buildings	622,603	618,889	675,990	671,951	1,298,593	1,290,840
Improvement other than buildings	233,275	251,670	624,466	572,697	857,741	824,367
Machinery & equipment	310,089	299,621	570,176	536,307	880,265	835,928
Software	20,943	18,517	8,037	7,374	28,980	25,891
Infrastructure	834,362	784,107	1,081,109	1,077,468	1,915,471	1,861,575
Total capital assets	2,864,082	2,790,424	3,353,459	3,259,215	6,217,541	6,049,639
Accumulated depreciation	(967,462)	(929,372)	(1,513,775)	(1,415,320)	(2,481,237)	(2,344,692)
Total	<u>\$1,896,620</u>	<u>\$1,861,052</u>	<u>\$1,839,684</u>	<u>\$1,843,895</u>	<u>\$3,736,304</u>	<u>\$3,704,947</u>

Noteworthy capital asset purchases/completed projects that took place in fiscal year 2020 were as follows:

- Expansion of Matanzas Pass Boardwalk
- Upgrade and new equipment for the existing recycling facility
- Design and permitting for the Nalle Grade stormwater project
- Expansion of the existing maintenance building at Southwest Florida International Airport (SWFIA)
- Design of the ticket counter and gate podium modernization at SWFIA
- Permitting, environmental approval, roadway, drainage, utility landscaping, and signage for Skyplex Boulevard

Lee County, Florida

- North Lee County Water Treatment Plant – deep injection well
- Automated meter reading system
- Construction of Alico Road widening and Homestead Road widening

Additional information on the County’s capital assets can be found in Note V on pages 63-66.

Debt Administration

At September 30, 2020, the County had \$701,745,000 of outstanding bonded debt. The revenue bonds, which are each payable from a specific revenue stream, had an outstanding balance of \$701,745,000, or 100 percent of the total bonded debt. The outstanding bond balance decreased \$39,713,000 or -5.4 percent, in comparison to prior year.

Total long-term liabilities of \$933,367,000, which includes bonds payable (net of unamortized discounts/premiums), notes payable, capital leases, self-insurance claims payable, compensated absences, and landfill closure and postclosure costs decreased by \$31,371,000, or -3.3 percent, in comparison to prior year.

The following is a schedule of outstanding bonds as of September 30, 2020 and 2019.

Lee County, Florida						
Summary of Outstanding Debt						
September 30, 2020 and 2019						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$179,895	\$190,053	\$521,850	\$551,405	\$701,745	\$741,458
Total	\$179,895	\$190,053	\$521,850	\$551,405	\$701,745	\$741,458

Standard and Poor’s Rating Group suggests that debt service should not exceed 10-15 percent of appropriations. The fiscal year 2020 debt service was 4.4 percent of appropriations, which is within the suggested guidelines. Additional information on the County’s long-term debt can be found in Note V on pages 69-80.

Economic Factors and Next Year’s Budget Rates

The following were factors considered when next year’s budget was prepared:

- Lee County had a 10.7 percent unemployment rate as compared to the State, which had an 11.5 percent unemployment rate, and the nation, which had a 10.2 percent unemployment rate, as reported by the Florida Research & Economic Database and Lee County Economic Development.
- There is a 3.0 percent salary increase in the County’s fiscal year 2020-2021 budget.
- There was an increase in the property values from fiscal year 2020, which is used for fiscal year 2021, of 7.0 percent, based upon values determined by the Property Appraiser.
- Lee County has \$76,323,000 in Cares Funding available for use in fiscal year 2021 to respond to the COVID-19 pandemic. The County expects to receive approximately \$150,000,000 from the American Rescue Plan Act of 2021 to address the continued impact of COVID-19.

Request for Information

This financial report is designed to provide the reader an overview of the County. Questions regarding any information provided in this report should be directed to: Lee County Clerk of Courts, Finance and Records Department, 2115 Second Street, 3rd Floor, Fort Myers, Florida, 33901, phone (239) 533-2100.



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Basic Financial Statements



Lee County, Florida
STATEMENT OF NET POSITION
As of September 30, 2020
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments	\$ 476,420	\$ 417,783	\$ 894,203
Receivables (net)	10,011	31,622	41,633
Due from other governments	7,900	761	8,661
Internal balances	63,380	(63,380)	-
Inventories	3,614	2,907	6,521
Prepays	4,335	1,646	5,981
Other assets	250	135	385
Restricted assets:			
Cash, cash equivalents and investments	312,157	257,597	569,754
Receivables	7,368	1,471	8,839
Due from other governments	2,785	-	2,785
Inventory	416	-	416
Capital assets:			
Non-depreciable	842,810	393,681	1,236,491
Depreciable, net	1,053,810	1,446,003	2,499,813
Total Assets	<u>2,785,256</u>	<u>2,490,226</u>	<u>5,275,482</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	4,541	10,615	15,156
Unamortized pension costs and subsequent contributions	148,955	26,636	175,591
Unamortized other postemployment benefits costs and subsequent contributions	131,565	26,075	157,640
Total Deferred Outflows of Resources	<u>285,061</u>	<u>63,326</u>	<u>348,387</u>
LIABILITIES			
Contracts and accounts payable	22,037	21,880	43,917
Accrued liabilities	6,696	1,325	8,021
Due to other governments	8,477	9,155	17,632
Customer deposits	3,429	1,046	4,475
Unearned revenues	76,661	1,178	77,839
Refunds and rebates	-	4,640	4,640
Net pension liability	960	243	1,203
Liabilities payable from restricted assets:			
Contracts and accounts payable	14,389	1,518	15,907
Accrued liabilities	380	-	380
Due to other governments	2,788	28	2,816
Customer deposits	4,855	2,496	7,351
Unearned revenue	2,911	1,861	4,772
Accrued interest payable	4,470	12,372	16,842
Noncurrent liabilities:			
Due within one year	35,685	41,636	77,321
Due in more than one year	245,642	610,404	856,046
Net pension liability	493,475	90,401	583,876
Other postemployment benefits liability	651,648	156,204	807,852
Total Liabilities	<u>1,574,503</u>	<u>956,387</u>	<u>2,530,890</u>

(continued)

Lee County, Florida
STATEMENT OF NET POSITION
As of September 30, 2020
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding of debt	152	176	328
Unamortized pension costs	8,561	1,709	10,270
Unamortized other postemployment benefits costs	125,056	27,063	152,119
Total Deferred Inflows of Resources	<u>133,769</u>	<u>28,948</u>	<u>162,717</u>
NET POSITION			
Net investment in capital assets	1,664,219	1,247,707	2,911,926
Restricted for:			
Capital projects	198,001	134,613	332,614
Debt service	11,777	36,201	47,978
Inventory for resale	416	-	416
Special revenue funds:			
Improvement districts	12,477	-	12,477
Culture & recreation	9,774	-	9,774
Economic development	31,048	-	31,048
Health, safety & welfare	23,843	-	23,843
Transportation roads	34,964	-	34,964
Court programs	2,184	-	2,184
Public records	5,817	-	5,817
Inmate welfare	1,832	-	1,832
Driver's education	793	-	793
Law enforcement activities	1,241	-	1,241
Renewal and replacement	-	25,710	25,710
Unrestricted (deficit)	<u>(636,341)</u>	<u>123,986</u>	<u>(512,355)</u>
Total Net Position	<u>\$ 1,362,045</u>	<u>\$ 1,568,217</u>	<u>\$ 2,930,262</u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020
(amounts expressed in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Indirect Expense Allocation	Program Revenue			Primary Government		Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 337,632	\$ (10,864)	\$ 74,626	\$ 66,469	\$ 94	\$ (185,579)	\$ -	\$ (185,579)
Public safety	294,391	612	44,933	11,473	126	(238,471)	-	(238,471)
Physical environment	16,458	159	2,529	4,976	418	(8,694)	-	(8,694)
Transportation	75,765	1,019	1,700	8,912	1,187	(64,985)	-	(64,985)
Economic environment	28,098	380	211	8,166	-	(20,101)	-	(20,101)
Human services	24,125	503	2,620	2,808	212	(18,988)	-	(18,988)
Culture and recreation	83,546	3,191	5,339	950	19,718	(60,730)	-	(60,730)
Interest on long-term debt	6,771	-	-	-	-	(6,771)	-	(6,771)
Total governmental activities	866,786	(5,000)	131,958	103,754	21,755	(604,319)	-	(604,319)
Business-type activities:								
Airport	122,825	776	99,562	11,346	10,370	-	(2,323)	(2,323)
Water and Wastewater	134,432	2,067	116,654	16	31,575	-	11,746	11,746
Transit	32,087	680	2,923	9,385	2,530	-	(17,929)	(17,929)
Transportation Facilities	22,650	588	42,461	-	-	-	19,223	19,223
Solid Waste	103,007	889	90,415	30,034	-	-	16,553	16,553
Total business-type activities	415,001	5,000	352,015	50,781	44,475	-	27,270	27,270
Total primary government	1,281,787	-	483,973	154,535	66,230	(604,319)	27,270	(577,049)
General revenues:								
Taxes:								
Property taxes						397,610	2,266	399,876
Gas taxes						20,364	-	20,364
Tourist taxes						37,990	-	37,990
Communication taxes						6,894	-	6,894
Franchise fees						18,176	2,383	20,559
Local business taxes						933	-	933
Grants and contributions not restricted to specific programs						70,123	-	70,123
Investment earnings						11,113	9,465	20,578
Miscellaneous						15,085	1,883	16,968
Transfers						44,558	(44,558)	-
Total general revenues and transfers						622,846	(28,561)	594,285
Change in net position						18,527	(1,291)	17,236
Net position - beginning						1,343,518	1,569,508	2,913,026
Net position - ending						\$ 1,362,045	\$ 1,568,217	\$ 2,930,262

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	General	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 241,855	\$ 135,463	\$ 341,172	\$ 718,490
Cash and cash equivalents with fiscal agent	-	-	8,056	8,056
Receivables (net)				
Accounts	6,966	-	491	7,457
Special assessments	-	-	2,891	2,891
Accrued interest	156	131	578	865
Due from other funds	1,455	50,753	4,774	56,982
Due from other governments	6,223	3,276	6,803	16,302
Inventory	779	-	2,788	3,567
Total assets	<u>257,434</u>	<u>189,623</u>	<u>367,553</u>	<u>814,610</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	12,838	10,626	7,991	31,455
Accrued liabilities	5,762	-	1,255	7,017
Due to other funds	4,739	67	2,090	6,896
Due to other governments	6,582	-	4,573	11,155
Deposits and overbids	3,354	-	4,855	8,209
Unearned revenues	76,661	-	2,911	79,572
Other	75	-	-	75
Total liabilities	<u>110,011</u>	<u>10,693</u>	<u>23,675</u>	<u>144,379</u>
Deferred Inflows of Resources:				
Accounts receivable	433	-	712	1,145
Grants receivable	580	1,633	25	2,238
Special assessment receivable	-	-	3,106	3,106
Total deferred inflows of resources	<u>1,013</u>	<u>1,633</u>	<u>3,843</u>	<u>6,489</u>
Fund Balances:				
Nonspendable	363	-	2,788	3,151
Restricted	416	177,297	161,203	338,916
Committed	-	-	175,495	175,495
Assigned	20,314	-	549	20,863
Unassigned	125,317	-	-	125,317
Total fund balances	<u>146,410</u>	<u>177,297</u>	<u>340,035</u>	<u>663,742</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 257,434</u>	<u>\$ 189,623</u>	<u>\$ 367,553</u>	<u>\$ 814,610</u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of September 30, 2020
(amounts expressed in thousands)

Fund balances - total governmental funds		\$ 663,742
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Non-depreciable governmental capital assets	836,397	
Depreciable governmental capital assets, net	<u>1,033,219</u>	1,869,616
Other assets are not available to pay for current period expenditures and are reported as deferred inflows in the funds.		
		6,489
Prepaid assets that are not recorded in governmental funds under the modified accrual basis of accounting are recorded in the statement of net position under full accrual accounting.		
		3,647
Deferred outflows of resources on the loss on refunding of debt are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		
		4,541
Net deferred outflows (inflows) of resources related to pensions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		
		139,044
Net deferred outflows (inflows) of resources related to other postemployment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		
		6,594
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bonds payable	(196,163)	
Accrued interest payable	(4,470)	
Capital lease payable	(12,492)	
Notes payable	(19,123)	
Net pension liability	(489,559)	
Total other postemployment benefits liability	(644,501)	
Compensated absences	<u>(28,528)</u>	(1,394,836)
Deferred inflows of resources on the gain on refunding of debt are not recognized in the governmental funds however they are recorded in the statement of net position under full accrual accounting.		
		(152)
Internal service funds are used by management to charge the cost of certain activities to the individual funds.		
Assets and liabilities of the internal service funds are reported with governmental activities.		
		<u>63,360</u>
Net position of governmental activities		<u><u>\$1,362,045</u></u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	General	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 344,356	\$ 20,364	\$ 117,247	\$ 481,967
Licenses and permits	569	910	11,380	12,859
Intergovernmental	136,160	4,031	37,505	177,696
Charges for services	48,291	20	35,387	83,698
Fines and forfeitures	96	-	655	751
Impact fees	-	-	19,756	19,756
Special assessments	-	-	1,178	1,178
Miscellaneous	13,210	2,159	10,924	26,293
Total revenues	<u>542,682</u>	<u>27,484</u>	<u>234,032</u>	<u>804,198</u>
EXPENDITURES				
Current				
General government	176,990	-	46,377	223,367
Public safety	223,395	-	31,119	254,514
Physical environment	4,839	-	7,806	12,645
Transportation	-	15,120	34,057	49,177
Economic environment	4,032	-	23,077	27,109
Human services	15,754	-	7,228	22,982
Culture and recreation	15,871	-	54,847	70,718
Capital outlay				
General government	4,777	-	15,095	19,872
Public safety	21,312	-	2,050	23,362
Physical environment	148	-	2,121	2,269
Transportation	-	36,841	7,310	44,151
Economic environment	-	-	63	63
Human services	4	-	70	74
Culture and recreation	458	-	2,911	3,369
Debt service				
Principal retirement	467	-	12,652	13,119
Interest and fiscal charges	114	-	9,479	9,593
Bond issuance costs	-	-	651	651
Total expenditures	<u>468,161</u>	<u>51,961</u>	<u>256,913</u>	<u>777,035</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>74,521</u>	<u>(24,477)</u>	<u>(22,881)</u>	<u>27,163</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	5,710	61,215	112,208	179,133
Transfers out	(76,542)	(709)	(62,324)	(139,575)
Capital lease	8,939	-	-	8,939
Bond premium	-	-	10,791	10,791
Debt issuance	-	-	450	450
Issuance of refunding debt	-	-	75,205	75,205
Payments to refunded debt escrow agent	-	-	(85,607)	(85,607)
Total other financing sources and (uses)	<u>(61,893)</u>	<u>60,506</u>	<u>50,723</u>	<u>49,336</u>
Net change in fund balances	12,628	36,029	27,842	76,499
Fund balances - beginning	133,782	141,268	312,193	587,243
Fund balances - ending	<u>\$ 146,410</u>	<u>\$ 177,297</u>	<u>\$ 340,035</u>	<u>\$ 663,742</u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020
(amounts expressed in thousands)

Net change in fund balances - total governmental funds:		\$ 76,499
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	93,160	
Less current year depreciation	<u>(61,777)</u>	31,383
The net effect of various miscellaneous transactions involving capital and intangible assets (i.e., disposals, transfers, donations) is to decrease net position.		
		(1,210)
Prepaid expenses that are not recorded in governmental funds under the modified accrual basis of accounting are recorded in the statement of activities under full accrual accounting.		
		319
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(3,476)
Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued. These amounts are deferred and amortized in the statement of activities.		
Long- term debt proceeds	(84,594)	
Bond premium	(10,791)	
Transfer to refunding escrow agent	85,607	
Principal payments	<u>13,119</u>	3,341
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Pension expense adjustment	(58,777)	
Other postemployment benefits	(31,634)	
Change in compensated absences	<u>(3,812)</u>	(94,223)
Interest on long-term debt in the statement of activities is recognized as the interest accrues, regardless of when it is due. In the governmental funds interest is recognized as an expenditure when it is due. Premiums and similar items are deferred and amortized in the statement of activities.		
Accrued interest on bonds	879	
Amortization of bond premiums, discounts, refunding gains and losses	<u>1,943</u>	2,822
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The net loss of the internal service funds is reported with governmental activities		<u>3,072</u>
Change in net position of governmental activities		<u><u>\$18,527</u></u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 336,753	\$ 336,753	\$ 344,356	\$ 7,603
Licenses and permits	375	375	569	194
Intergovernmental	81,351	226,210	212,916	(13,294)
Charges for services	69,241	70,152	65,603	(4,549)
Fines and forfeitures	160	160	96	(64)
Miscellaneous	8,279	9,558	9,568	10
Total revenues	<u>496,159</u>	<u>643,208</u>	<u>633,108</u>	<u>(10,100)</u>
EXPENDITURES				
Current				
General government	158,757	295,693	193,977	101,716
Public safety	242,656	239,917	223,395	16,522
Physical environment	6,543	8,185	4,839	3,346
Economic environment	6,395	12,820	4,044	8,776
Human services	16,361	18,488	15,754	2,734
Culture and recreation	19,925	19,924	15,871	4,053
Capital outlay				
General government	2,273	1,611	4,777	(3,166)
Public safety	6,386	8,682	8,664	18
Physical environment	146	146	148	(2)
Human services	70	70	4	66
Culture and recreation	47	106	458	(352)
Debt service				
Principal retirement	-	467	467	-
Interest and fiscal charges	-	114	114	-
Total expenditures	<u>459,559</u>	<u>606,223</u>	<u>472,512</u>	<u>133,711</u>
Excess of revenues over expenditures	<u>36,600</u>	<u>36,985</u>	<u>160,596</u>	<u>123,611</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	240,383	240,634	239,395	(1,239)
Transfers out	(307,587)	(308,332)	(309,735)	(1,403)
Total other financing sources (uses)	<u>(67,204)</u>	<u>(67,698)</u>	<u>(70,340)</u>	<u>(2,642)</u>
Net change in fund balance	(30,604)	(30,713)	90,256	120,969
Fund balances - beginning	<u>133,528</u>	<u>133,529</u>	<u>145,476</u>	<u>11,947</u>
Fund balances - ending	<u><u>\$ 102,924</u></u>	<u><u>\$ 102,816</u></u>	<u><u>\$ 235,732</u></u>	<u><u>\$ 132,916</u></u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	
ASSETS							
Current Assets:							
Cash, cash equivalents and investments	\$ 119,836	\$ 149,779	\$ 59,214	\$ 86,968	\$ 1,986	\$ 417,783	\$ 62,031
Restricted assets							
Cash, cash equivalents and investments	-	9,979	1,889	29	-	11,897	-
Cash and cash equivalents with fiscal agent	18,177	12,881	7,888	7,316	-	46,262	-
Receivables (net)	6,369	12,212	2,149	5,662	5,230	31,622	455
Due from other funds	-	138	35	241	166	580	97
Due from other governments	63	-	266	33	399	761	94
Inventories	142	2,236	529	-	-	2,907	463
Other	1,188	190	123	30	115	1,646	938
Total current assets	<u>145,775</u>	<u>187,415</u>	<u>72,093</u>	<u>100,279</u>	<u>7,896</u>	<u>513,458</u>	<u>64,078</u>
Noncurrent Assets:							
Restricted assets							
Cash, cash equivalents and investments	76,150	98,025	2,397	22,866	-	199,438	-
Receivables (net):	1,350	105	3	13	-	1,471	-
Capital assets:							
Non-depreciable	239,487	71,911	44,485	28,454	9,344	393,681	6,413
Depreciable	874,615	1,259,814	313,947	419,224	92,178	2,959,778	67,382
Less accumulated depreciation	(364,475)	(705,321)	(151,393)	(255,583)	(37,003)	(1,513,775)	(46,791)
Unamortized bond insurance	-	-	135	-	-	135	-
Total noncurrent assets	827,127	724,534	209,574	214,974	64,519	2,040,728	27,004
Total assets	<u>972,902</u>	<u>911,949</u>	<u>281,667</u>	<u>315,253</u>	<u>72,415</u>	<u>2,554,186</u>	<u>91,082</u>
DEFERRED OUTFLOWS OF RESOURCES							
Loss on refunding of debt	4,806	4,673	976	160	-	10,615	-
Unamortized pension costs and subsequent contributions	12,311	5,972	1,394	2,536	4,423	26,636	1,439
Unamortized other postemployment benefits costs	10,712	5,532	1,635	2,456	5,740	26,075	1,167
Total deferred outflows of resources	<u>27,829</u>	<u>16,177</u>	<u>4,005</u>	<u>5,152</u>	<u>10,163</u>	<u>63,326</u>	<u>2,606</u>

(continued)

Lee County, Florida
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Port Authority	Business-type Activities - Enterprise Funds						Total Enterprise Funds	Governmental Activities Internal Service Funds
		Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit				
LIABILITIES									
Current liabilities:									
Contracts and accounts payable	8,987	3,524	277	8,081	1,011		21,880	4,971	
Accrued liabilities	734	255	54	111	171		1,325	59	
Refunds and rebates	4,640	-	-	-	-		4,640	-	
Due to other funds	-	-	50,753	-	-		50,753	10	
Due to other governments	396	8,339	123	225	72		9,155	110	
Customer deposits	1,023	-	-	23	-		1,046	-	
Unearned revenues	612	566	-	-	-		1,178	-	
Self-insurance claims payable	-	-	-	-	-		-	13,408	
Compensated absences	1,588	75	20	28	41		1,752	20	
Net pension liability	80	59	17	26	61		243	12	
Current liabilities payable from restricted assets:									
Contracts and accounts payable	-	1,489	-	29	-		1,518	-	
Accrued liabilities	6,172	2,906	2,053	1,241	-		12,372	-	
Due to other governments	-	-	28	-	-		28	-	
Customer deposits	-	2,496	-	-	-		2,496	-	
Unearned revenues	-	-	1,861	-	-		1,861	-	
Notes payable - current	-	5,579	-	-	-		5,579	-	
Revenue bonds payable - current	12,005	10,390	5,835	6,075	-		34,305	-	
Total current liabilities	36,237	35,678	61,021	15,839	1,356		150,131	18,590	
Noncurrent liabilities:									
Self-insurance claims payable	-	-	-	-	-		-	11,294	
Compensated absences	394	1,164	312	443	634		2,947	299	
Notes payable	11,000	69,324	-	-	-		80,324	-	
Revenue bonds payable	226,482	144,673	87,013	48,173	-		506,341	-	
Landfill closure and postclosure costs	-	-	-	20,652	-		20,652	-	
Net pension liability	40,759	20,407	4,877	8,703	15,655		90,401	4,864	
Total other postemployment benefits liability	62,144	33,872	10,012	15,040	35,136		156,204	7,147	
Other	-	140	-	-	-		140	-	
Total noncurrent liabilities	340,779	269,580	102,214	93,011	51,425		857,009	23,604	
Total liabilities	377,016	305,258	163,235	108,850	52,781		1,007,140	42,194	

(continued)

Lee County, Florida
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	
DEFERRED INFLOWS OF RESOURCES							
Gain on refunding of debt	-	-	176	-	-	176	-
Unamortized pension costs	587	411	118	181	412	1,709	89
Unamortized other postemployment benefits costs	10,590	5,932	1,753	2,634	6,154	27,063	1,252
Total deferred inflows of resources	<u>11,177</u>	<u>6,343</u>	<u>2,047</u>	<u>2,815</u>	<u>6,566</u>	<u>28,948</u>	<u>1,341</u>
NET POSITION							
Net investment in capital assets	525,617	397,751	114,989	145,546	63,804	1,247,707	24,788
Restricted							
Capital projects	51,776	82,837	-	-	-	134,613	-
Debt service	12,007	12,282	5,836	6,076	-	36,201	-
Renewal and replacement	500	19,966	2,399	2,845	-	25,710	-
Unrestricted (deficit)	22,638	103,689	(2,834)	54,273	(40,573)	137,193	25,365
Total net position	<u>\$ 612,538</u>	<u>\$ 616,525</u>	<u>\$ 120,390</u>	<u>\$ 208,740</u>	<u>\$ 23,231</u>	<u>\$ 1,581,424</u>	<u>\$ 50,153</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (13,207)
Net position of business-type activities \$ 1,568,217

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Total Enterprise Funds	Other Non-Major Transit	Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste					
OPERATING REVENUES									
User fees	\$ 44,408	\$ 114,693	\$ -	\$ 83,686	\$ 2,746	\$ 245,533		\$ 145,013	
Tolls	-	-	41,796	-	-	41,796		-	
Rentals and franchise fees	8,133	212	-	2,383	175	10,903		-	
Concessions	34,775	-	-	-	-	34,775		-	
Miscellaneous	213	1,749	665	6,729	2	9,358		-	
Total operating revenues	87,529	116,654	42,461	92,798	2,923	342,365		145,013	
Less: Rebates	(1,481)	-	-	-	-	(1,481)		-	
Net operating revenues	86,048	116,654	42,461	92,798	2,923	340,884		145,013	
OPERATING EXPENSES									
Salaries and wages	25,600	16,684	3,787	7,070	11,646	64,787		3,780	
Employee benefits	7,862	6,180	1,614	2,707	5,506	23,869		1,279	
Pension and OPEB expense (benefit)	17,639	7,360	(497)	3,368	4,391	32,261		2,553	
Contractual services, materials and supplies	22,996	31,755	2,887	68,433	3,432	129,503		21,262	
Utilities	4,386	6,061	248	1,255	442	12,392		1,894	
Repairs and maintenance	2,480	5,930	218	2,186	1,137	11,951		4,419	
Insurance	1,687	831	1,013	453	537	4,521		6,758	
Insurance claims	-	-	-	-	-	-		102,250	
Other	2,404	4,212	2,220	1,631	1,048	11,515		1,523	
Depreciation	25,433	49,522	7,620	14,568	4,641	101,784		3,509	
Total operating expenses	110,487	128,535	19,110	101,671	32,780	392,583		149,227	
Operating income (loss)	(24,439)	(11,881)	23,351	(8,873)	(29,857)	(51,699)		(4,214)	
NON-OPERATING REVENUES (EXPENSES)									
Investment earnings	2,483	4,057	1,041	1,803	81	9,465		709	
Taxes	-	-	-	2,266	-	2,266		-	
Grants	11,346	16	-	29,397	9,327	50,086		(134)	
Interest expense	(12,920)	(6,615)	(2,939)	(1,137)	-	(23,611)		-	
Excess fees - City of Sanibel	-	-	(1,104)	-	-	(1,104)		-	
Gain (loss) on disposal of capital assets	100	(21)	(10)	163	141	373		322	
Loss on discontinued projects	-	-	-	(572)	-	(572)		-	
Passenger facility charges	13,514	-	-	-	-	13,514		-	
Other revenues	3	672	1,106	96	6	1,883		407	
Other expenses	(61)	(765)	(1)	-	-	(827)		-	
Total non-operating revenues (expenses)	14,465	(2,656)	(1,907)	32,016	9,555	51,473		1,304	

(continued)

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	
Income (loss) before contributions and transfers	(9,974)	(14,537)	21,444	23,143	(20,302)	(226)	(2,910)
Capital grants and contributions	10,370	31,575	-	-	2,530	44,475	-
Transfers in	-	-	-	153	14,351	14,504	5,000
Transfers out	-	-	(59,062)	-	-	(59,062)	-
Total contributions and transfers	10,370	31,575	(59,062)	153	16,881	(83)	5,000
Change in net position	396	17,038	(37,618)	23,296	(3,421)	(309)	2,090
Total net position - beginning	612,142	599,487	158,008	185,444	26,652	1,581,733	48,063
Total net position - ending	\$ 612,538	\$ 616,525	\$ 120,390	\$ 208,740	\$ 23,231	\$ 1,581,424	\$ 50,153
						Change in net position	(309)
						Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(982)
						Change in net position of business-type activities	\$ (1,291)

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds						Governmental
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 84,156	\$ 117,461	\$ 40,480	\$ 94,729	\$ 2,928	\$ 339,754	\$ 17,877
Receipts from interfund services provided	-	-	-	-	-	-	128,348
Cash received from customer deposits	310	52	-	-	-	362	-
Cash returned from customer deposits	(82)	(284)	-	-	-	(366)	-
Payments to suppliers	(35,333)	(51,756)	(5,310)	(72,753)	(4,919)	(170,071)	(143,484)
Payments to employees	(30,669)	(18,690)	(4,611)	(8,728)	(14,430)	(77,128)	(2,969)
Payments for interfund services used	(6,536)	(8,623)	(1,878)	(2,711)	(5,880)	(25,628)	(1,380)
Net cash provided by (used in) operating activities	11,846	38,160	28,681	10,537	(22,301)	66,923	(1,608)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grants received	10,549	211	-	31,981	3,857	46,598	-
Non-capital grants issued	-	-	(1,584)	(637)	(58)	(2,279)	(134)
Transfers in	-	-	-	17	14,248	14,265	5,000
Transfers out	-	-	(16,893)	-	-	(16,893)	-
Net cash provided by (used in) noncapital financing activities	10,549	211	(18,477)	31,361	18,047	41,691	4,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	11,000	555	-	-	-	11,555	-
Proceeds from special assessments	-	50	-	-	-	50	-
Proceeds from capital grants	11,665	13,687	-	-	3,683	29,035	-
Proceeds from passenger facilities charges	14,969	-	-	-	-	14,969	-
Capital asset purchases	(57,934)	(25,607)	(283)	(3,725)	(2,241)	(89,790)	(8,699)
Principal paid on bonds, loans, and leases	(20,280)	(13,487)	(5,560)	(5,775)	-	(45,102)	-
Interest paid on bonds, loans, and leases	(13,274)	(8,283)	(4,246)	(2,627)	-	(28,430)	-
Proceeds from sale of capital assets	224	90	-	243	157	714	387
Net cash provided by (used in) capital and related financing activities	(53,630)	(32,995)	(10,089)	(11,884)	1,599	(106,999)	(8,312)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	2,483	4,379	1,122	1,862	95	9,941	781
Net cash provided by investing activities	2,483	4,379	1,122	1,862	95	9,941	781
Net increase (decrease) in cash and cash equivalents and investments	(28,752)	9,755	1,237	31,876	(2,560)	11,556	(4,273)
Cash and cash equivalents at beginning of year	242,915	260,909	70,151	85,303	4,546	663,824	66,304
Cash and cash equivalents at end of year	\$ 214,163	\$ 270,664	\$ 71,388	\$ 117,179	\$ 1,986	\$ 675,380	\$ 62,031
Classified as:							
Current assets							
Cash, cash equivalents and investments	\$ 119,836	\$ 149,779	\$ 59,214	\$ 86,968	\$ 1,986	\$ 417,783	\$ 62,031
Restricted assets	18,177	22,860	9,777	7,345	-	58,159	-
Non-current							
Restricted assets	76,150	98,025	2,397	22,866	-	199,438	-
Totals	\$ 214,163	\$ 270,664	\$ 71,388	\$ 117,179	\$ 1,986	\$ 675,380	\$ 62,031

(continued)

Lee County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other	Total Enterprise Funds	
					Non-Major Transit		
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Purchase of capital assets on account	\$ 2,749	\$ 2,151	\$ 1	\$ 166	\$ 696	\$ 5,763	\$ 2,207
Contributions of capital assets	-	17,888	-	-	167	18,055	-
Loss on disposal of capital assets	(125)	-	(10)	(652)	(16)	(803)	(65)
Bond proceeds deposited directly to an irrevocable trust	-	104,121	-	-	-	104,121	-
Issuance cost paid directly from bond proceeds	-	159	-	-	-	159	-
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ (24,439)	\$ (11,881)	\$ 23,351	\$ (8,873)	\$ (29,857)	\$ (51,699)	\$ (4,214)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	25,433	49,522	7,620	14,568	4,641	101,784	3,509
Other revenues	3	672	1,106	2,362	6	4,149	407
(Increase) decrease in accounts receivable	3,404	143	(2,076)	(593)	-	878	53
(Increase) decrease in due from other funds	-	(138)	25	(12)	-	(125)	635
(Increase) decrease in due from other governments	(63)	200	1	150	-	288	119
(Increase) decrease in inventories	38	79	(79)	-	-	38	(71)
(Increase) decrease in other assets	86	(23)	29	(4)	(30)	58	(63)
Increase (decrease) in contracts and accounts payable	(1,556)	(602)	(354)	(1,012)	144	(3,380)	553
Increase (decrease) in accrued liabilities	117	(398)	(110)	(171)	(308)	(870)	(89)
(Decrease) in refunds and rebates	(4,483)	-	-	-	-	(4,483)	-
(Decrease) in due to other funds	(336)	(56)	-	(12)	(35)	(439)	(3,066)
Increase (decrease) in due to other governments	3	(4,964)	(18)	(56)	(126)	(5,161)	(24)
Increase (decrease) in customer deposits	228	(232)	-	-	-	(4)	-
Increase (decrease) in unearned revenues	(374)	53	51	-	-	(270)	-
Increase in compensated absences	473	199	36	71	156	935	104
Increase in net pension liability	7,126	4,092	380	1,909	2,231	15,738	1,515
(Increase) in deferred outflows of resources related to pensions	(860)	(692)	(4)	(356)	(280)	(2,192)	(348)
(Decrease) in deferred inflows of resources related to pensions	(1,699)	(755)	(215)	(308)	(588)	(3,565)	(150)
Increase (decrease) in total other postemployment benefits liability	7,177	2,508	(1,192)	1,240	1,295	11,028	999
Decrease in deferred outflows of resources related to other postemployment benefits	1,456	564	542	226	838	3,626	28
Increase (Decrease) in deferred inflows of resources related to other postemployment benefits	112	(131)	(412)	(34)	(388)	(853)	63
Increase in landfill closure and postclosure costs	-	-	-	1,442	-	1,442	-
(Decrease) in other liabilities	-	-	-	-	-	-	(1,568)
Total adjustments	36,285	50,041	5,330	19,410	7,556	118,622	2,606
Net cash provided by (used in) operating activities	\$ 11,846	\$ 38,160	\$ 28,681	\$ 10,537	\$ (22,301)	\$ 66,923	\$ (1,608)

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
As of September 30, 2020
(amounts expressed in thousands)

ASSETS	
Cash, cash equivalents and investments	\$ 42,109
Accounts receivable (net)	1
Due from other governments	1,161
Total Assets	43,271
LIABILITIES	
Contracts and accounts payable	63
Due to individuals	1,788
Due to other governments	25,312
Bonds and deposits	16,108
Total Liabilities	\$ 43,271

The notes to the financial statements are an integral part of this statement.



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Notes to the Financial Statements



Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Lee County (the "County") was founded in 1887 as a political subdivision of the State of Florida established by Article VIII, Section 1(f), *Florida Constitution*. In 1996 by adoption of Lee County Ordinance No. 96-01 the County became a charter county as allowed by Article VIII, Section 1(c), *Florida Constitution*, and Chapter 125.82, *Florida Statutes*. Pursuant to Article VIII, Section 1(g), *Florida Constitution*, as a charter county the County has all powers of self-government not inconsistent with general law, or with special law approved by vote. It also gives the County authority to enact ordinances that are not inconsistent with general law.

The County is governed by an elected Board of County Commissioners (the "Board"), which is governed by Title XI, Chapters 124-164, *Florida Statutes*, and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the entity as a whole, by major fund, and non-major funds in aggregate, that are governed by the Board and the Constitutional Officers of Lee County, Florida.

As required by generally accepted accounting principles ("GAAP"), the financial statements of the reporting entity include those of Lee County (the primary government) and its component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit may be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The departments and divisions of the Board and the Constitutional Officers, as well as the Lee County Port Authority (the "Port Authority"), a blended component unit, are included in Lee County's *Comprehensive Annual Financial Report*.

Blended Component Unit

The Port Authority is a dependent political subdivision of the County as defined in Chapter 189, *Florida Statutes*. The Port Authority was created by Chapter 63-1541, *Laws of Florida*, and by adoption of Resolution No. PA-87-8-9. The legal authority by which the Port Authority operates is found in Chapter 63-1541, *Laws of Florida*, and Chapters 125 and 332, *Florida Statutes*. The Port Authority is included in the County's reporting entity as a blended component unit due to the significance of the operational and financial relationships with the County.

Although it is a legally separate agency, financial support has been pledged and its financial and operational policies may be significantly influenced by the County. The Board of Port Commissioners is substantively the same governing body as the Board of County Commissioners. The Port Authority is accounted for as if it was a part of the County's operations and reported as a County Enterprise Fund.

Complete financial statements of the Port Authority component unit can be obtained as follows:

Lee County Port Authority
11000 Terminal Access Road, Suite 8671
Fort Myers, Florida 33913

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Government-Wide and Fund Financial Statements

The government-wide financial statements and the major-fund financial statements along with the notes to the financial statements comprise the basic financial statements. The government-wide financial statements (the statement of net position and the statement of activities) concentrate on the County as a whole and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. The governmental activities and business-type activities comprise the primary government. Neither fiduciary funds nor component units that are fiduciary in nature are included. General governmental and inter-governmental revenues support the governmental activities, whereas the business-type activities are primarily supported by user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to determine if the County is in a better or worse financial position than the prior year.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue.

The County's major funds are presented in separate columns on the governmental fund financial statements and the proprietary fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* ("GASB 34"). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

The County allocates indirect expenses and therefore reports this allocation in a separate column on the government-wide statement of activities.

The effect of interfund activity has been removed from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Internal service fund activity is reported in full on the proprietary fund financial statements. The internal service funds are combined and thus reported in a single summary column on the proprietary fund financial statements. However, the internal service fund activity has been eliminated - except for the outside activity - and is combined with the governmental activities on the government-wide financial statements. The outside activities are premiums paid from outside entities for insurance, employees' portion of insurance, auto and equipment repair, and participating governments in the radio program for the government communications network.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity or net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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The government-wide financial statements are prepared on a full accrual basis using the economic resources measurement focus, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all of the eligibility requirements have been met. Fiduciary fund financial statements are also prepared on an accrual basis.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund that include user fees, tolls, rental and franchise fees, and concessions. Non-operating revenues are not related to the operations of the proprietary fund and include taxes, interest earnings, grants, and passenger facility charges. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses, such as interest expense, are not related to operations.

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The County considers all revenues, except grants, available if they are collected within sixty days after year-end. Grants are recorded as earned if collected within ninety days after year-end. Primary revenues, such as property taxes, special assessments, inter-governmental revenues, charges for services, sales and franchise taxes, rents, and interest are treated as susceptible to accrual under the modified accrual basis and so have been recognized as revenues. Expenditures reported in governmental fund financial statements are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule includes principal and interest on general long-term debt, which is recognized when due, and compensated absences which are accrued when matured.

When both restricted and unrestricted resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed. When using the unrestricted resources, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The County reports the following major funds in the governmental fund financial statements:

General Fund - The General Fund is the general operating fund of the County that is used to account for all financial resources, except those required to be accounted for in another fund.

Transportation Capital Improvements - The Transportation Capital Improvements Fund is used to account for financial resources restricted for the acquisition or construction of major transportation-related infrastructure.

The County reports the following major funds in the proprietary fund financial statements:

Port Authority - The Lee County Port Authority is used to account for the activities related to the operation of the County owned aviation facilities, including Southwest Florida International Airport and Page Field General Aviation Airport.

Water and Wastewater - The Lee County Water and Wastewater System is used to account for the activities related to the operation of the County owned water and wastewater system.

Transportation Facilities - The Lee County Transportation Facilities fund is used to account for the activities related to the operation of the County owned bridges connecting Sanibel and Captiva Islands to the mainland and the Cities of Cape Coral and Fort Myers.

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Solid Waste - The Lee County Solid Waste System is used to account for the provision of refuse disposal facilities to the general public.

The County reports the following other fund types:

Non-major Governmental Funds - The non-major governmental funds are a combination of special revenue, debt service, and capital projects.

Non-major Enterprise Funds - The only non-major enterprise fund is Lee County Transit. Lee County Transit is used to account for the activities related to the operation of the Lee Tran bus system, a countywide public transportation service.

Internal Service Funds - The internal service funds are used to account for data processing, risk management, health, dental and liability self-insurance, radio communications, and fleet management services on a cost reimbursement basis.

Agency Funds - The agency funds are used to account for assets collected and held by the County as an agent for individuals, organizations, or other governments, such as fire impact fees, school impact fees for the Lee County School Board, or license plate tag fees collected on behalf of the State of Florida.

Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets at the date of the financial statements. Preparation of the financial statements also requires management to make a number of estimates and assumptions relating to the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Budgetary Information

Budgets and Budgetary Accounting

Budgets have been adopted by the Board for all Board funds except for agency funds. The budgets of the Property Appraiser and the Tax Collector are approved by the Florida Department of Revenue. The Sheriff and Supervisor of Elections prepare budgets for their general funds, which are submitted to and approved by the Board. The Clerk of Circuit Court (to the extent of her function as ex-officio Clerk to the Board) prepares a budget for her general fund (noncourt-related activities), which is submitted to and approved by the Board. In addition, the Clerk prepares a portion of her noncourt-related and special revenue budgets based on anticipated fees. The Clerk also prepares a court-related budget, which is submitted to and approved by the Florida State Legislature in the General Appropriations Act. No budget is prepared for the Property Appraiser's special revenue fund, and the Sheriff's special revenue and internal service funds.

Capital projects costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is reappropriated until the project is completed. Proprietary funds are budgeted on a basis consistent with GAAP, except that capital and debt related transactions are based upon cash receipts and disbursements. Estimated beginning fund balances are considered in the budgetary process. Differences between estimated beginning fund balances and actual fund balances, if material, are submitted to the Board as budget amendments. The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. The Board must approve all budget amendments, which change the legally adopted total

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appropriation for a fund, or amount of a Constitutional Officers' draw. Authority to transfer budget within a fund is delegated to the County Manager or Budget Director.

If, during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, the Board may make supplemental appropriations by resolution for the year up to the amount of such excess. During the fiscal year the Board, in accordance with Florida Statutes, approved various supplemental appropriations. Appropriations lapse at fiscal year-end.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash, Cash Equivalents, and Investments

The County considers cash, cash equivalents, and investments to be cash on hand, demand deposits, highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased, and those included in the internal investment pool.

For accounting and investment purposes, the County maintains a cash and investment pool that is available for use by all funds except those whose cash and investments must be segregated due to legal or other restrictions. Investments within this pool are treated as a demand deposit account by the various funds of the County that participate. Interest earned on investments in the pool is allocated to the various funds based upon each fund's equity balance in the pool during the allocation period.

For purposes of the Statements of Cash Flows, the County considers cash and cash equivalents and investments (restricted and unrestricted), and restricted cash and cash equivalents with fiscal agent to be cash and cash equivalents.

The County reports all investments at fair value, with the exception of the State Board of Administration's ("SBA") Florida Local Government Surplus Trust Fund Investment Pool (Florida PRIME) which is reported at amortized cost and approximates fair value. The County also participates in the Florida Cooperative Liquid Assets Securities System (FLCLASS) investment pool, the Florida Fixed Income Trust (FLFIT), and the Florida Surplus Asset Fund Trust (FLSAFE) investment pool which are measured at net asset value per share. The investment pools were created under sections 218.405 and 218.415, Florida Statutes and governed by Part IV of Chapter 218, Florida Statutes.

Accounts Receivable

The trade accounts receivable of the County are recorded in the government-wide, governmental, and proprietary fund financial statements and are net of an allowance for doubtful accounts, which generally is equivalent to the receivables that are over 90 days, plus any amounts to be submitted to the Board for write-off due to known uncollectible amounts.

Special assessment receivables that are not expected to be collected in the current year are reported as Deferred Inflows - unavailable revenue in the governmental fund statements. Delinquent special assessments receivable are expected to be recovered, ultimately through liens or foreclosures.

Due From/Due To

During the course of operations, the County has activity between funds for various purposes. Any residual balances at year-end are reported as due from/to other funds. While these balances are reported in the fund

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financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net position as “internal balances.”

Inventory

Inventories reported within governmental and proprietary funds consisting of materials and supplies held for consumption are valued at cost using the first-in, first-out method (FIFO). These inventories are recorded as expenditures, or expenses, as they are used (consumption method). Such inventories reported within governmental funds are classified as non-spendable. Inventory held for resale consists of real estate holdings which the County intends to sell as part of a Neighborhood Stabilization grant program and are reported at the lower of cost or market. The inventory is classified as a restricted asset, which indicates it does not constitute available resources.

Prepaid Items

Some payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaids are not recorded in governmental funds.

Capital Assets

Capital assets include artwork, property, buildings, furniture, equipment, vehicles, software, easements and rights of way, and infrastructure assets. Infrastructure assets are defined as public domain capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The threshold for capitalizing property, plant, and equipment is \$1,000. The threshold for capitalizing software and infrastructure is \$100,000. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

<u>Asset</u>	<u>Years</u>
Buildings	30-50
Improvements other than buildings	6-50
Machinery and Equipment	3-35
Software	3-5
Infrastructure	20-50

Florida Statutes require that the Board maintain accountability for all capital assets used in operations, except those separately accounted for by the Sheriff.

Capital Lease Obligations

In the government-wide financial statements and proprietary fund financial statements, capital lease obligations and the related cost of assets acquired are reflected in the Statement of Net Position. For capital lease obligations in governmental funds, expenditure for the asset and the offsetting other financing source is reflected in the fund financial statements in the year of inception.

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Unearned Revenues

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered.

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. The County's policy requires employees to bank unused sick pay benefits. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. The exception to this policy is the Lee County Port Authority, which has a mandatory annual buyback of unused leave. This is accounted for pursuant to GASB Statement Number 16, *Accounting for Compensated Absences*. Payments for compensated absences are made by the respective fund.

Unamortized Bond Premiums and Discounts

Bond premiums and discounts related to long-term debt are amortized over the life of the debt, principally by the effective-interest method. Notes payable and revenue bonds payable in the government-wide and proprietary fund financial statements are shown net of unamortized discounts and premiums. Premiums and discounts related to general long-term debt in the governmental fund financial statements are recorded as expenditures or other financing sources when paid or received and, therefore, are not accounted for in subsequent periods.

Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The deferred outflows of resources reported in the County's Statement of Net Position represents other postemployment benefit related balances for the difference between expected and actual experience, changes in actuarial assumptions, and subsequent contributions; pension related balances for changes in actuarial assumptions, the difference between expected and actual economic experience, changes in the proportion and differences between the County's contributions and proportionate share of contributions, the net difference between projected and actual earnings, and the County's contributions subsequent to the measurement date. These amounts will be recognized as increases in expense in future years. The County also reports a deferred outflow of resources for the losses on refunded debt that result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized using the effective-interest method in the government-wide and proprietary fund financial statements over the shorter of the life of the old bonds or the life of the new bonds.

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of resources that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until then. In governmental funds, revenues not received within sixty days of year-end are deferred until collected as they do not meet the availability criteria. The County currently has unavailable revenue for special assessments, grants, and accounts receivables. The deferred inflows of resources reported in the County's Statement of Net Position represents other postemployment benefits related balances for the difference between expected and actual experience and changes in actuarial assumptions; pension related balances for changes in actuarial assumptions, the difference between expected and actual economic experience, and changes in the proportion and differences between the County's contributions and proportionate share of

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contributions relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in expense in future years. Also included in deferred inflows of resources are gains on refunded debt that result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized using the effective-interest method in the government-wide and proprietary fund financial statements over the shorter of the life of the old bonds or the life of the new bonds.

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In the government-wide and proprietary fund financial statements net position is categorized as net investment in capital assets, restricted and unrestricted. Restricted net position indicates amounts that have constraints on their use externally imposed by creditors, through debt covenants, by grantors, or by law. Restricted assets are being reported for: capital projects; debt service; inventory held for resale; special revenue funds; and renewal and replacement. The government-wide statement of net position reports \$334,167,000 of governmental activities restricted net position, of which \$315,256,000 is restricted by enabling legislation.

Fund Balances

In the governmental fund financial statements the County reports fund balances as either non-spendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints.

Non-spendable balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, for example inventories and prepaids. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification.

Spendable fund balances are classified as follows:

Restricted Fund Balance – Amounts that are constrained for a specific purpose imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations, or through constitutional provisions or enabling legislation.

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Committed Fund Balance – Amounts constrained for a specific purpose imposed by a formal action of adopting an ordinance by the Board, the highest level of decision making authority, for the County. Once adopted, an ordinance can only be modified, rescinded, or replaced in the same manner, by another ordinance of the Board.

Assigned Fund Balance – Amounts that are intended to be used for specific purposes as determined by the Board, but that are neither restricted nor committed. Per the Board’s administrative code, only the Board is authorized to assign fund balance.

Unassigned Fund Balance – Amount represents the residual fund balances for the County’s General Fund that does not meet the other fund balance classification requirements and amounts reported as deficit fund balances in other governmental funds.

NOTE II. DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

General Fund – Emergency Medical Services (EMS) ambulance fees are budgeted on a cash basis; the adjustment to record the remaining outstanding fees to accounts receivable for the year is not budgeted. Changes in fair market value (FMV) of investments, grant revenues not received within ninety days of year-end, and inventory adjustments are not budgeted.

The following adjustments were necessary to present actual data on a budgetary basis (Non-GAAP) for the fiscal year ended September 30, 2020 (dollars in thousands):

Net change in fund balance (GAAP basis)	\$12,628
Basis Difference:	
EMS ambulance fees not reported on a cash basis	313
Fair market value adjustment	67
Unavailable revenues	931
Unearned revenues – Cares Act	76,323
Expenditures associated with inventory	<u>(6)</u>
Net change in fund balance non-GAAP	<u>\$90,256</u>

NOTE III. PROPERTY TAXES

Property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year. No accrual for the property tax levy becoming due in November 2020 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. There were no significant delinquent property tax receivables at September 30, 2020.

Important dates in the property tax cycle are as follows:

- Assessment roll certified- July 1

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- Millage resolution approved- no later than 95 days following receipt of the certified preliminary assessment roll
- Beginning of fiscal year for which taxes have been levied- October 1
- Taxes due and payable (levy date)- November 1
- Property taxes payable (maximum discount of 4 percent)- 30 days after levy date
- Due date- March 31
- Taxes become delinquent (lien date)- April 1
- Tax certificate sold- prior to June 1

NOTE IV. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

Management believes there were no violations of finance related legal and contractual provisions.

Deficit Net Position

At September 30, 2020, the Self Insurance General Liability Fund had a deficit unrestricted net position balance of \$3,011,000. Claims will exceed charges in any given year and are charged out to departments on a cash basis. The net position will be a deficit balance until charges are recaptured.

NOTE V. DETAIL NOTES ON ALL FUNDS

Cash and Equity in Pooled Cash and Investments, and Investments

Investment Portfolio

As of September 30, 2020, the County had the following deposits, investments, and maturities (amounts in thousands):

Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
Cash on hand	N/A	\$ 1,973			N/A
Cash with Fiscal Agent	N/A	54,320			N/A
Demand Deposits	N/A	235,728			N/A
Local Government Investment Pool					
FLCLASS	51 days	21,394			AAAm
FLFIT	127 days	21,091			AAAf/S1
FLSAFE	54 days	45,910			AAAm
SBA- Florida PRIME	48 days	863,880			AAAm
U.S. Treasury Note	12/31/2020	20,081			N/A
U.S. Treasury Note	1/31/2021	20,082			N/A
U.S. Treasury Note	2/28/2021	20,084			N/A

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Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
U.S. Treasury Note	3/31/2021	20,115			N/A
U.S. Treasury Note	4/30/2021	20,148			N/A
U.S. Treasury Note	5/31/2021	20,169			N/A
U.S. Treasury Note	6/30/2021	20,223			N/A
U.S. Treasury Note	8/31/2021	20,179			N/A
U.S. Treasury Note	11/30/2021	20,314			N/A
Federal Farm Credit	2/20/2020	20,284			AA+
Federal Home Loan Bank	11/9/2020	20,000			AA+
Federal National Mortgage Assoc.	2/19/2021	20,045			AA+
Federal National Mortgage Assoc.	9/17/2021	20,046			AA+
Total		\$ 1,506,066			

Reconciliation of cash, cash equivalents and investments, from the schedule of deposits and investments to the basic financial statements (dollars in thousands):

Primary Government:

Cash, cash equivalents and investments	\$ 894,203
Restricted cash, cash equivalents and investments	569,754

Agency Funds:

Cash, cash equivalents and investments	42,109
Total	\$ 1,506,066

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established in Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurements and Application*. The hierarchy is based on valuation inputs used to measure the fair value of the asset.

Level 1 – Valuation is based on quoted prices for identical instruments traded in active markets. At September 30, 2020, the County held no such assets.

Level 2 – Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. The County invests in U.S. Treasury and Agency Securities which were valued using a matrix pricing model and determined to be Level 2 inputs.

Level 3 – Valuation is based on model-based techniques that use significant inputs and assumptions not observable in the market. These unobservable inputs and assumptions reflect the Reserve Banks’ estimates of inputs and assumptions that market participants would use in pricing the assets and liabilities. Valuation techniques include the use of option pricing models, discounted cash flow models, and similar techniques. At September 30, 2020, the County held no such assets.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

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The County has the following recurring fair value measurements as of September 30, 2020 (dollars in thousands):

<i>Investments by fair value level (Level 2)</i>	
Debt securities	
U.S. Treasury securities	\$ 181,395
Agency securities	80,375
Total debt securities	261,770
Total Investments by fair value level	261,770
<i>Investments measured at the net asset value (NAV)</i>	
Florida Cooperative Liquid Assets Securities System (FLCLASS)	21,394
Florida Fixed Income Trust (FLFIT)	21,091
Florida Surplus Asset Fund Trust (FLSAFE)	45,910
Total investments measured at the NAV	\$ 88,395

Additional information for investments measured at NAV or its equivalent (amounts in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
Florida Cooperative Liquid Assets Securities System (FLCLASS)	\$ 21,394	\$ -	Daily	3:00 p.m. EST (same day)	None
Florida Fixed Income Trust (FLFIT)	21,091	-	Daily	1:00 p.m. EST (same day)	None
Florida Surplus Asset Fund Trust (FLSAFE)	45,910	-	Daily	1:00 p.m. EST (same day)	None
Total investments measured at the NAV	\$ 88,395	\$ -			

Additional information for investments measured at amortized cost:

The State Board of Administration's ("SBA") Florida Local Government Surplus Trust Fund Investment Pool (Florida PRIME) is reported at amortized cost and approximates fair value. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares. The Florida PRIME investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 17.8 percent of Florida PRIME's portfolio at September 30, 2020.

With regard to redemption gates, Section 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Section 218.409(4), *Florida Statutes* provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

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As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

The Board's Investment Policy (Policy) limits credit risk by restricting authorized investments for their investment portfolio to the following:

- A.) Direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government.
- B.) U.S. Government sponsored enterprises.
- C.) U.S. Government Agencies.
- D.) Florida Local Government Surplus Funds Trust Fund (Florida PRIME) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- E.) Interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, in national banks organized under the laws of the United States and doing business and situated in Florida. Savings and loan associations which are under federal law and supervision, provided deposits are secured by collateral as may be prescribed by law. The institution must be fully insured by Federal Deposit Insurance Corporation, or Federal Savings and Loan Insurance Corporation, and are approved by the State Treasurer as a qualified public depository.
- F.) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided their portfolio is limited to United States Government obligations and repurchase agreements fully collateralized by such United States Government obligations.
- G.) Term and overnight repurchase agreements with any primary brokers/ dealers that are fully collateralized by direct obligations of United States, or United States government sponsored corporation/ instrumentalities, or United States government agencies. Collateral for overnight and term repurchase agreements must maintain a minimum price of 101 percent on U.S. Treasuries and 102 percent on Agencies and Instrumentalities not to exceed five (5) years, and must be "marked to market" on a weekly basis.
- H.) Bonds, notes or obligations of any state of the United States, any municipality, political subdivision, agency or authority of this state which are exempt from federal income taxation, and are rated by any nationally recognized rating agency for municipal bonds in any of the two highest classifications.
- I.) SEC - registered, no-load money market mutual funds whose portfolios consist of tax exempt securities and repurchase agreements, whose shares of the mutual fund must be rated in the highest category by a nationally recognized rating service.
- J.) Florida Local Government Investment Trust (FLGIT).
- K.) SEC registered money market mutual funds with average portfolio maturities under 120 days, whose portfolios consist of United States Government securities and repurchase agreements secured by such securities.

The Board's Policy requires that the obligations of any state or municipality be rated by at least one of the nationally recognized rating agencies in any one of the two (2) highest classifications, and that investments in money market mutual funds must be rated in the highest category by a nationally recognized rating service.

The Clerk does not have a formal written investment policy and thereby is required to follow Section 218.415, *Florida Statutes*, when investing surplus funds. This statute limits investing of surplus funds to the Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, or direct obligations of the U.S. Treasury. All other Constitutional Officers, except the Clerk, follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds and the investment of surplus funds, in addition to Section 218.415, *Florida Statutes*.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Custodial Credit Risk

The Board's Policy requires that bank deposits be secured as provided by Chapter 280, *Florida Statutes*, and that the banks must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) and approved by the State Treasurer as a public depository. At September 30, 2020, all of the County's bank deposits, including the Constitutional Officers', were in qualified public depositories.

The Board's Policy requires execution of a third-party custodial safekeeping agreement for all purchased securities and collateral, and requires that they be held in the County's name.

Interest Rate Risk

The Board's Policy requires an average minimum dollar amount equivalent to eight weeks of expenditures shall be held in a liquid investment, and securities will not be directly invested in or accepted as collateral that have a maturity date greater than five (5) years from the settlement date.

Concentration of Credit Risk

The Board's Policy establishes the following guidelines on portfolio composition in order to control concentration of credit risk:

United States Treasuries/ Agencies	100%
Local Government Surplus Funds Trust Fund and other investment pools	50%
Term Repurchase agreements	20%
Money Market Mutual Funds (no individual fund family over 30%)	65%
CD's and Savings Accounts (10% per institution)	30%
FLGIT	5%

No more than 25 percent of the total portfolio can be invested with one Investment Company.

Receivables

At September 30, 2020, receivables for the County's major funds and all other funds in aggregate were as follows (dollars in thousands):

	General Fund	Transportation Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
Accounts	\$ 88,571	\$ -	\$ 491	\$ 89,062
Special assessments	-	-	2,891	2,891
Accrued interest	156	131	578	865
Less: allowance for bad debt	(81,605)	-	-	(81,605)
Total net receivables	\$ 7,122	\$ 131	\$ 3,960	\$ 11,213

	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Accounts	\$ 3,628	\$ 11,893	\$ 3,170	\$ 5,558	\$ -	\$ 24,249	\$ 403
Grants	4,591	-	-	-	5,227	9,818	-
Special assessments	-	605	-	-	-	605	-
Accrued interest	-	271	71	117	3	462	52
Less: allowance for bad debt	(500)	(452)	(1,089)	-	-	(2,041)	-
Total net receivables	\$ 7,719	\$ 12,317	\$ 2,152	\$ 5,675	\$ 5,230	\$ 33,093	\$ 455

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2020, was as follows (dollars in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Artwork	\$ 323	\$ -	\$ -	\$ 323
Land	666,679	33,909	(1)	700,587
Construction in progress	82,623	70,429	(80,601)	72,451
Easements & rights of way	66,659	2,315	-	68,974
Software in progress	1,336	-	(861)	475
Total capital assets not being depreciated	<u>817,620</u>	<u>106,653</u>	<u>(81,463)</u>	<u>842,810</u>
Capital assets being depreciated:				
Buildings	618,889	3,825	(111)	622,603
Improvements other than buildings	251,670	9,211	(27,606)	233,275
Machinery and equipment	299,621	38,181	(27,713)	310,089
Software	18,517	2,616	(190)	20,943
Infrastructure	784,107	50,255	-	834,362
Total capital assets being depreciated	<u>1,972,804</u>	<u>104,088</u>	<u>(55,620)</u>	<u>2,021,272</u>
Less accumulated depreciation for:				
Buildings	213,618	13,129	(82)	226,665
Improvements other than buildings	144,304	13,081	(1,020)	156,365
Machinery and equipment	216,551	17,822	(26,863)	207,510
Software	16,282	1,189	(190)	17,281
Infrastructure	338,617	21,024	-	359,641
Total accumulated depreciation	<u>929,372</u>	<u>66,245</u>	<u>(28,155)</u>	<u>967,462</u>
Total capital assets being depreciated, net	<u>1,043,432</u>	<u>37,843</u>	<u>(27,465)</u>	<u>1,053,810</u>
Total governmental activities capital assets, net	<u>\$ 1,861,052</u>	<u>\$ 144,496</u>	<u>\$ (108,928)</u>	<u>\$ 1,896,620</u>

Business-Type Activities:

Capital assets not being depreciated:

Artwork				
Port Authority	\$ 293	\$ -	\$ -	\$ 293
Total artwork	<u>293</u>	<u>-</u>	<u>-</u>	<u>293</u>
Land				
Port Authority	132,659	-	-	132,659
Water and Wastewater	26,487	794	-	27,281
Transportation Facilities	30,367	-	(1)	30,366
Solid Waste	27,384	715	-	28,099
Other non-major - Transit	9,099	-	-	9,099
Total land	<u>225,996</u>	<u>1,509</u>	<u>(1)</u>	<u>227,504</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-Type Activities (continued):</i>				
Construction in progress				
Port Authority	91,677	49,661	(34,906)	106,432
Water and Wastewater	53,655	21,826	(36,415)	39,066
Solid Waste	2,060	1,579	(3,284)	355
Other non-major - Transit	16	299	(70)	245
Total construction in progress	<u>147,408</u>	<u>73,365</u>	<u>(74,675)</u>	<u>146,098</u>
Easements & rights of way				
Port Authority	103	-	-	103
Water and Wastewater	5,499	65	-	5,564
Transportation Facilities	14,119	-	-	14,119
Total easements and rights of way	<u>19,721</u>	<u>65</u>	<u>-</u>	<u>19,786</u>
Total capital assets not being depreciated	<u>393,418</u>	<u>74,939</u>	<u>(74,676)</u>	<u>393,681</u>
Capital assets being depreciated:				
Buildings				
Port Authority	357,732	3,855	-	361,587
Water and Wastewater	136,145	-	-	136,145
Transportation Facilities	11,185	-	(3)	11,182
Solid Waste	126,561	152	-	126,713
Other non-major - Transit	40,328	35	-	40,363
Total buildings	<u>671,951</u>	<u>4,042</u>	<u>(3)</u>	<u>675,990</u>
Improvements other than buildings				
Port Authority	21,672	12,459	-	34,131
Water and Wastewater	508,323	39,670	(390)	547,603
Transportation Facilities	5,045	-	-	5,045
Solid Waste	34,976	-	-	34,976
Other non-major - Transit	2,681	70	(40)	2,711
Total improvements other than buildings	<u>572,697</u>	<u>52,199</u>	<u>(430)</u>	<u>624,466</u>
Machinery and equipment				
Port Authority	89,291	5,872	(1,071)	94,092
Water and Wastewater	174,143	25,516	(866)	198,793
Transportation Facilities	6,456	259	(115)	6,600
Solid Waste	222,965	3,171	(1,153)	224,983
Other non-major - Transit	43,452	9,051	(6,795)	45,708
Total machinery and equipment	<u>536,307</u>	<u>43,869</u>	<u>(10,000)</u>	<u>570,176</u>
Software				
Port Authority	3,761	-	-	3,761
Water and Wastewater	2,227	164	-	2,391
Transportation Facilities	482	-	-	482
Other non-major - Transit	904	499	-	1,403
Total software	<u>7,374</u>	<u>663</u>	<u>-</u>	<u>8,037</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-Type Activities (continued):</u></i>				
Infrastructure				
Port Authority	366,442	14,602		381,044
Water and Wastewater	385,843	-	(10,961)	374,882
Transportation Facilities	290,638	-	-	290,638
Solid Waste	32,552	-	-	32,552
Other non-major - Transit	1,993	-	-	1,993
Total infrastructure	<u>1,077,468</u>	<u>14,602</u>	<u>(10,961)</u>	<u>1,081,109</u>
Total capital assets being depreciated	<u>2,865,797</u>	<u>115,375</u>	<u>(21,394)</u>	<u>2,959,778</u>
Less accumulated depreciation for:				
Buildings				
Port Authority	105,529	7,236	-	112,765
Water and Wastewater	23,480	2,640	-	26,120
Transportation Facilities	6,623	254	(2)	6,875
Solid Waste	77,361	3,652	-	81,013
Other non-major - Transit	6,011	817	-	6,828
Total buildings	<u>219,004</u>	<u>14,599</u>	<u>(2)</u>	<u>233,601</u>
Improvements other than buildings				
Port Authority	17,147	1,862	-	19,009
Water and Wastewater	306,642	26,739	(360)	333,021
Transportation Facilities	3,976	212	-	4,188
Solid Waste	22,380	1,740	-	24,120
Other non-major - Transit	1,436	181	(24)	1,593
Total improvements other than buildings	<u>351,581</u>	<u>30,734</u>	<u>(384)</u>	<u>381,931</u>
Machinery and equipment				
Port Authority	51,515	6,815	(965)	57,365
Water and Wastewater	91,720	10,205	(785)	101,140
Transportation Facilities	4,747	256	(105)	4,898
Solid Waste	130,609	8,118	(1,074)	137,653
Other non-major - Transit	24,204	3,479	(14)	27,669
Total machinery and equipment	<u>302,795</u>	<u>28,873</u>	<u>(2,943)</u>	<u>328,725</u>
Software				
Port Authority	3,697	53	-	3,750
Water and Wastewater	1,336	477	-	1,813
Transportation Facilities	480	2	-	482
Other non-major - Transit	643	114	-	757
Total software	<u>6,156</u>	<u>646</u>	<u>-</u>	<u>6,802</u>
Infrastructure				
Port Authority	162,119	9,467	-	171,586
Water and Wastewater	233,766	10,042	(581)	243,227
Transportation Facilities	128,054	6,896	-	134,950
Solid Waste	11,739	1,058	-	12,797
Other non-major - Transit	106	50	-	156
Total infrastructure	<u>535,784</u>	<u>27,513</u>	<u>(581)</u>	<u>562,716</u>
Total accumulated depreciation	<u>1,415,320</u>	<u>102,365</u>	<u>(3,910)</u>	<u>1,513,775</u>
Total capital assets being depreciated, net	<u>1,450,477</u>	<u>13,010</u>	<u>(17,484)</u>	<u>1,446,003</u>
Total business-type activities capital assets, net	<u>\$ 1,843,895</u>	<u>\$ 87,949</u>	<u>\$ (92,160)</u>	<u>\$ 1,839,684</u>

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Capital Assets (continued)

Depreciation expense was charged to functions as follows (dollars in thousands):

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
General government	\$ 18,353	Port Authority	\$ 25,433
Public safety	7,898	Water and Wastewater	49,522
Physical environment	2,404	Transportation Facilities	7,620
Transportation	23,743	Solid Waste	14,568
Economic environment	369	Other non-major - Transit	<u>4,641</u>
Human services	147	Total depreciation for	
Culture and recreation	<u>12,372</u>	business-type activities	<u>\$ 101,784</u>
Total depreciation for			
governmental activities	<u>\$ 65,286</u>		

Note: Total depreciation expense by function may not agree with the related disclosed accumulated depreciation because of asset transfers. Asset transfers may occur between asset categories such as Improvements Other Than Buildings and Infrastructure. The related accumulated depreciation for the asset transfer is reported in the Increase and/or Decrease columns on the schedule of capital assets; therefore, the increase in accumulated depreciation can be different from the current year's depreciation.

Construction Commitments

The County has active construction projects as of September 30, 2020. The significant commitments for remaining contracts were as follows (dollars in thousands):

	<u>Contract Amount</u>	<u>Amount Spent-to-date</u>	<u>Remaining Commitment</u>	<u>Retainage</u>
Port Authority	\$ 113,681	\$ 82,412	\$ 31,269	\$ 1,802
Water and Wastewater	62,490	39,675	22,815	879
Solid Waste	2,065	116	1,949	-
Transportation	154,430	94,430	60,000	2,221
Other	<u>34,230</u>	<u>23,881</u>	<u>10,349</u>	<u>434</u>
Total	<u>\$ 366,896</u>	<u>\$ 240,514</u>	<u>\$ 126,382</u>	<u>\$ 5,336</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Interfund Transactions

Due To/From Other Funds

Interfund balances for the year ended September 30, 2020, consisted of the following (dollars in thousands):

	<i>Funds Reporting Due From Balances</i>								
	General Fund	Transportation Capital Improvements	Non-Major Gov't Funds	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Internal Service Funds	Total
<i>Funds Reporting Due To Balances:</i>									
General Fund	\$ -	\$ -	\$ 4,155	\$ 138	\$ 25	\$ 241	\$ 108	\$ 72	\$ 4,739
Transportation Capital Improvements	-	-	9	-	-	-	58	-	67
Non-Major Governmental Funds	1,445	-	610	-	10	-	-	25	2,090
Transportation Facilities	-	50,753	-	-	-	-	-	-	50,753
Internal Service Funds	10	-	-	-	-	-	-	-	10
	<u>\$ 1,455</u>	<u>\$ 50,753</u>	<u>\$ 4,774</u>	<u>\$ 138</u>	<u>\$ 35</u>	<u>\$ 241</u>	<u>\$ 166</u>	<u>\$ 97</u>	<u>\$ 57,659</u>

The majority of interfund balances as of September 30, 2020 are due to interfund billings for services and return of excess fees from the Constitutional Officers. There is one notable interfund balance of \$50,753,000 for the Transportation Facilities excess toll revenue transferred at year-end to the Transportation Capital Improvements fund.

Interfund Transfers

Interfund transfers for the year ended September 30, 2020, consisted of the following (dollars in thousands):

	<i>Funds Reporting Transfers In</i>						Total
	General Fund	Transportation Capital Improvements	Non-Major Gov't Funds	Solid Waste	Other Non-Major Transit	Internal Service Funds	
<i>Funds Reporting Transfers out:</i>							
General Fund	\$ -	\$ 10,462	\$ 47,844	\$ 153	\$ 13,083	\$ 5,000	\$ 76,542
Transportation Capital Improvements	-	-	-	-	709	-	709
Non-Major Governmental Funds	5,710	-	56,055	-	559	-	62,324
Transportation Facilities	-	50,753	8,309	-	-	-	59,062
	<u>\$ 5,710</u>	<u>\$ 61,215</u>	<u>\$ 112,208</u>	<u>\$ 153</u>	<u>\$ 14,351</u>	<u>\$ 5,000</u>	<u>\$ 198,637</u>

The majority of interfund transfers were for recurring annual transfers. There were notable non-recurring transfers from the Transportation Facilities Fund to the Transportation Capital Improvement fund in the amount of \$35,747,089 for future roadway projects. Electronic Franchise Fees in the amount of \$15,000,000 were transferred out of the General fund to Non-Major Gov't funds.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Governmental Fund Balances

At September 30, 2020, the County's governmental fund balances were classified as follows (dollars in thousands):

	General Fund	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	\$ 363	\$ -	\$ 2,788	\$ 3,151
Total nonspendable	<u>363</u>	<u>-</u>	<u>2,788</u>	<u>3,151</u>
Restricted For:				
Improvement districts	-	-	9,478	9,478
Culture & recreation	-	-	14,451	14,451
Economic development	416	-	31,048	31,464
Health, safety & welfare	-	-	24,263	24,263
Transportation roads	-	177,297	48,831	226,128
Debt service	-	-	21,265	21,265
Court programs	-	-	2,184	2,184
Public records	-	-	5,817	5,817
Inmate welfare	-	-	1,832	1,832
Driver's education	-	-	793	793
Law enforcement activities	-	-	1,241	1,241
Total restricted	<u>416</u>	<u>177,297</u>	<u>161,203</u>	<u>338,916</u>
Committed:				
MSTU	-	-	25,701	25,701
Capital improvements	-	-	118,522	118,522
Court programs	-	-	6,545	6,545
Culture & recreation	-	-	24,152	24,152
Health, safety & welfare	-	-	575	575
Total committed	<u>-</u>	<u>-</u>	<u>175,495</u>	<u>175,495</u>
Assigned to:				
General government	6,983	-	-	6,983
Public safety	1,349	-	-	1,349
Physical environment	607	-	-	607
Economic environment	224	-	-	224
Human services	2,735	-	-	2,735
Culture & recreation	221	-	2	223
Transportation roads	-	-	547	547
Economic development	8,195	-	-	8,195
Total assigned	<u>20,314</u>	<u>-</u>	<u>549</u>	<u>20,863</u>
Unassigned:				
Total fund balances	<u>\$ 146,410</u>	<u>\$ 177,297</u>	<u>\$ 340,035</u>	<u>\$ 663,742</u>

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Long-Term Obligations

Leases

Operating Leases

The County is currently committed to various operating leases with terms in excess of one year. The future minimum rental payments as of September 30, 2020, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Amount</u>
2021	\$2,458
2022	2,104
2023	1,554
2024	932
2025	598
2026-2030	2,737
2031-2035	1,904
2036-2040	388
2041-2045	240
Total	<u>\$12,915</u>

For all operating leases, rental expense is recorded with separate amounts for minimum rentals, contingent rentals, and sublease rentals. The following schedule shows the total rental expense for all operating leases, including those with terms of less than one year, for the year ended September 30, 2020 (dollars in thousands):

Minimum rentals	\$2,319
Contingent rentals	43
Short-term leases	776
Total rent expense	<u>\$3,138</u>

An operating lease has a contingent rental when the amount of the rental payment may change based on the occurrence of certain events. For example, rental payments may increase due to additional usage or a change in the Consumer Price Index (CPI) rate or other economic indicators. Most operating leases have the option to renew for either a one or two year term. In most cases, the County expects to renew or replace all operating leases.

Capital Leases

Capitalized leases payable at September 30, 2020 amounted to \$12,492,000. These obligations, which are collateralized by equipment and vehicles, have total annual installments ranging from \$50,000 to \$1,409,000 including interest ranging from 2.37 percent to 3.89 percent and mature through 2026. As of year-end, equipment currently leased under capital leases in the governmental activities had a historical cost of \$14,643,000 and accumulated depreciation of \$2,242,000. Equipment currently leased under capital leases in the business-type activities had a historical cost of \$1,649,000 and accumulated depreciation of \$1,649,000.

Future minimum capital lease obligations as of September 30, 2020 were as follows (dollars in thousands):

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Fiscal Year	Governmental Activities
2021	2,157
2022	2,157
2023	2,105
2024	1,989
2025	1,989
2026-2027	3,399
Total	\$ 13,796
Less Interest:	(1,304)
Present Value:	\$ 12,492

Revenue Bonds

The County issued revenue bonds for both governmental and business-type activities. The descriptions and balances of the outstanding revenue bonds as of September 30, 2020, were as follows:

Governmental Activities

The Tourist Development Tax Revenue Bonds were issued for the construction and capital improvements of the Hammond and the JetBlue baseball stadiums. The bonds are secured by a lien on and a pledge of tourist development tax, gross revenues of the baseball stadiums, and investment earnings. The Tourist Development Tax Revenue Bonds, Series 2010A and Series 2010B is also secured by federal direct subsidy payments on these Build America Bonds. For the current year, pledged revenues collected were \$39,670,000 and federal subsidies received to offset the interest expense were \$886,000. The total principal and interest paid for the current year was \$6,909,000 which includes the fully refunded Series 2010B. The total principal and interest remaining to be paid is \$176,322,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Tourist Development Tax Revenue Bonds, Series 2010A (Partially Refunded October 3, 2019)	2020	4.10% to 6.09%	5.79%	\$ 42,480,000	\$ 1,630,000
Tourist Development Tax Revenue Bonds, Series 2013 (Partially Refunded October 3, 2019)	2043	3.00% to 5.00%	4.02%	41,475,000	33,975,000
Tourist Development Tax Refunding Revenue Bonds, Series 2019A	2033	3.00% to 5.00%	2.52%	30,865,000	30,865,000
Tourist Development Tax Refunding Revenue Bonds, Series 2019B	2040	3.00% to 4.00%	3.22%	35,820,000	35,820,000
Tourist Development Tax Refunding Revenue Bonds, Series 2019C	2043	2.18% to 3.50%	4.21%	8,520,000	8,520,000
					\$ 110,810,000

Non-Ad Valorem bonds are secured by a lien on and a pledge of non-ad valorem funds including ambulance service receipts, building permits, zoning fees, data processing fees, excess County Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, and sales tax. Principal and interest paid for the current year and pledged revenues collected were \$5,807,000 and \$126,871,000, respectively. The total principal and interest remaining to be paid is \$84,229,000.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Non-Ad Valorem Refunding Revenue Bonds, Series 2012	2024	2.00% to 5.00%	2.21%	\$ 48,385,000	\$ 27,010,000
Non-Ad Valorem Refunding Revenue Bonds, Series 2015	2026	5.00%	3.18%	48,640,000	42,075,000
					\$ 69,085,000

Business-Type Activities

The Airport Revenue Bonds were issued for various capital projects. The bonds are secured by a lien on and a pledge of net revenues of the Southwest Florida International Airport. Principal and interest paid for the current year and pledged revenues collected were \$33,102,000 and \$22,169,000, respectively. Principal paid includes early redemption of Airport Revenue Refunding Bonds, Series 2010A of \$8,590,000 paid with moneys received from the CARES Act. Moneys received is not included in pledged revenue. The total principal and interest remaining to be paid is \$333,925,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Airport Revenue Refunding Bonds, Series 2010A	2022	3.00% to 5.50%	5.25%	\$ 119,350,000	\$ 28,200,000
Airport Revenue Refunding Bonds, Series 2011A	2032	3.00% to 5.63%	5.53%	174,450,000	172,960,000
Airport Revenue Refunding Bonds, Series 2015	2033	5.00%	4.65%	33,425,000	33,425,000
					\$ 234,585,000

The Water and Sewer Revenue Bonds were issued for various capital projects. The bonds are secured by a lien on and a pledge of the net revenues of the Lee County Water and Wastewater System. Principal and interest paid for the current year and net pledged revenues collected were \$15,167,000 and \$47,546,000 respectively. The total principal and interest remaining to be paid is \$189,059,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Water and Sewer Refunding Revenue Bonds, Series 2011 (Partially Refunded December 19, 2019)	2022	3.00% to 5.25%	4.29%	\$ 74,855,000	\$ 15,880,000
Water and Sewer Revenue Bonds, Series 2013A (Partially Refunded December 19, 2019)	2024	2.00% to 5.00%	3.48%	11,605,000	6,185,000
Water and Sewer Refunding Revenue Bonds, Series 2013B	2027	2.00% to 5.00%	4.45%	53,755,000	25,920,000
Water and Sewer Refunding Revenue Bonds, Series 2019	2043	1.69% to 3.30%	3.17%	104,835,000	104,835,000
					\$ 152,820,000

The Transportation Facilities Revenue Bonds were issued for various capital projects. The bonds are secured by a lien on and pledge of the net revenues of the Sanibel Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. Principal and interest paid for the current year and net pledged revenues collected were \$9,805,000 and \$32,217,000, respectively. The total principal and interest remaining to be paid is \$112,787,000.

Lee County, Florida
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Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Transportation Facilities Refunding Revenue Bonds, Series 2014	2035	2.00% to 5.00%	3.18%	\$ 106,570,000	\$ 84,790,000

The Solid Waste Revenue Bonds were issued for various capital projects. The bond is secured by a lien on and a pledge of net revenues of the Lee County Solid Waste System. Principal and interest paid for the current year and net pledged revenues collected were \$8,402,000 and \$13,782,000, respectively. The total principal and interest remaining to be paid is \$58,839,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Solid Waste System Refunding Revenue Bonds, Series 2016	2026	2.00% to 5.00%	2.05%	\$ 66,160,000	\$ 49,655,000

The annual debt service requirements for revenue bonds at September 30, 2020, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 4,100	\$ 7,812	\$ 34,305	\$ 23,100	\$ 38,405
2022	3,925	7,629	27,195	21,638	31,120	29,267
2023	12,825	7,225	37,610	20,073	50,435	27,298
2024	13,535	6,568	40,110	18,229	53,645	24,797
2025	14,905	5,864	41,955	16,331	56,860	22,195
2026-2030	44,910	20,063	198,715	53,031	243,625	73,094
2031-2035	23,205	14,235	115,520	16,813	138,725	31,048
2036-2040	32,220	8,921	15,735	2,824	47,955	11,745
2041-2044	30,270	2,339	10,705	721	40,975	3,060
Total	<u>\$ 179,895</u>	<u>\$ 80,656</u>	<u>\$ 521,850</u>	<u>\$ 172,760</u>	<u>\$ 701,745</u>	<u>\$ 253,416</u>

Fiscal Year(s)	Port Authority		Water and Wastewater		Transportation Facilities		Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 12,005	\$ 12,050	\$ 10,390	\$ 4,759	\$ 5,835	\$ 3,960	\$ 6,075
2022	3,835	11,659	10,855	4,299	6,120	3,661	6,385	2,019
2023	13,125	11,236	11,335	3,798	6,435	3,347	6,715	1,692
2024	14,305	10,515	11,860	3,352	6,880	3,015	7,065	1,347
2025	15,095	9,707	12,220	2,977	7,215	2,662	7,425	985
2026-2030	88,755	34,969	63,815	9,263	30,155	7,989	15,990	810
2031-2035	87,465	9,204	10,035	4,350	18,020	3,259	-	-
2036-2040	-	-	11,605	2,720	4,130	104	-	-
2041-2044	-	-	10,705	721	-	-	-	-
Total	<u>\$ 234,585</u>	<u>\$ 99,340</u>	<u>\$ 152,820</u>	<u>\$ 36,239</u>	<u>\$ 84,790</u>	<u>\$ 27,997</u>	<u>\$ 49,655</u>	<u>\$ 9,184</u>

Bond Resolutions

The resolutions for the following bonds established certain accounts and determined the order in which certain revenues are to be deposited into those accounts. In addition, there are various other covenants established by

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the official statements and County resolutions, including such items as debt service coverage, reporting requirements, and maintenance of facilities. Management believes that it has complied, in all material respects, with these covenants. All required balances at September 30, 2020, were maintained on all issues. The following issues are still outstanding:

Revenue Bonds

- Tourist Development Tax Revenue Bonds, Series 2010A
- Tourist Development Tax Revenue Bonds, Series 2013
- Tourist Development Tax Refunding Revenue Bonds, Series 2019A
- Tourist Development Tax Refunding Revenue Bonds, Series 2019B
- Tourist Development Tax Refunding Revenue Bonds, Series 2019C
- Non-Advalorem Refunding Revenue Bonds, Series 2012
- Non-Advalorem Refunding Revenue Bonds, Series 2015
- Airport Revenue Refunding Bonds, Series 2010A
- Airport Revenue Refunding Bonds, Series 2011A
- Airport Revenue Refunding Bonds, Series 2015
- Water and Sewer Refunding Revenue Bonds, Series 2011
- Water and Sewer Revenue Bonds, Series 2013A
- Water and Sewer Refunding Revenue Bonds, Series 2013B
- Water and Sewer Refunding Revenue Bonds, Series 2019
- Transportation Facilities Refunding Revenue Bonds, Series 2014
- Solid Waste System Refunding Revenue Bonds, Series 2016

Debt Refunding

Tourist Development Tax Refunding Revenue Bonds, Series 2019A

On October 3, 2019, the County issued Tourist Development Tax Refunding Revenue Bonds, Series 2019A, in the amount of \$30,865,000 at interest rates ranging from 3 percent to 5 percent maturing on October 1, 2033. Proceeds of the bonds were used to partially advance refund \$36,655,000, a portion of outstanding Tourist Development Tax Revenue Bonds, Series 2010A, at an interest rates ranging from 4.95 percent to 6.09 percent on current interest paying bonds maturing on October 1 in years 2021 through 2033.

The advance refunding resulted in a reduction of future debt service payments by approximately \$4,993,000 over the next 15 years and obtained an economic gain of \$4,208,000.

On the date of issuance of the Series 2019A Bonds, the County purchased U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for payment in full of the redemption price of the refunded Series 2010A Bonds. As a result, the refunded portion of the Tourist Development Tax Revenue Bonds, Series 2010A is considered defeased as of October 3, 2019, and the liability has been removed from the financial statements.

Tourist Development Tax Refunding Revenue Bonds, Series 2019B

On October 3, 2019, the County issued Tourist Development Tax Refunding Revenue Bonds, Series 2019B, in the amount of \$35,820,000 at interest rates ranging from 3 percent to 4 percent maturing on October 3, 2040. Proceeds of the bonds were used to advance refund \$37,403,000 of outstanding Tourist Development Tax Revenue Bonds, Series 2010B, at an interest of 6.29 percent on current interest paying bonds maturing on October 1 in years 2033 through 2040.

The advance refunding resulted in a reduction of future debt service payments by approximately \$2,894,000 over the next 22 years and obtained an economic gain of \$1,923,000.

Lee County, Florida
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On the date of issuance of the Series 2019B Bonds, the County purchased U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for payment in full of the redemption price of the refunded Series 2010B Bonds. As a result, the refunded Tourist Development Tax Revenue Bonds, Series 2010B is considered defeased as of October 3, 2019, and the liability has been removed from the financial statements.

Tourist Development Tax Refunding Revenue Bonds, Series 2019C

On October 3, 2019, the County issued Tourist Development Tax Refunding Revenue Bonds, Series 2019C, in the amount of \$8,520,000 at interest rates ranging from 2.18 percent to 3.50 percent maturing on October 1, 2043. Proceeds of the bonds were used to partially advance refund \$7,500,000 a portion of outstanding Tourist Development Tax Revenue Bonds, Series 2013, at an interest rate of 5.0 percent on current interest paying bonds maturing on October 1 in years 2039 through 2043.

The advance refunding resulted in a reduction of future debt service payments by approximately \$1,363,000 over the next 25 years and obtained an economic gain of \$ 758,000.

On the date of issuance of the Series 2019C Bonds, the County purchased U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for payment in full of the redemption price of the refunded Series 2013 Bonds. As a result, the refunded portion of the Tourist Development Tax Revenue Bonds, Series 2013 is considered defeased as of October 3, 2019, and the liability has been removed from the financial statements.

Water and Sewer Refunding Revenue Bonds, Series 2019

On December 19, 2019, the County issued Water and Sewer Refunding Revenue Bonds, Series 2019, in the amounts of \$104,835,000 at interest rates ranging from 1.69 percent to 3.30 percent maturing on October 1, 2043.

Proceeds of the bonds were used to partially and fully advance refund the following:

- \$25,040,000, a portion of outstanding Water and Sewer Refunding Revenue Bonds, Series 2011 at an interest rates ranging from 4.25 percent to 5.25 percent on current interest paying bonds maturing on October 1 in years 2023 through 2026.
- \$19,990,000 of outstanding Water and Sewer Refunding Revenue Bonds, Series 2012A at an interest rate of 5.00 percent on current interest paying bonds maturing on October 1 in years 2027 through 2029.
- \$7,490,000 of outstanding Water and Sewer Refunding Revenue Bonds, Series 2012B at an interest rate of 5.00 percent on current interest paying bonds maturing on October 1 in years 2028 through 2029.
- \$42,150,000, a portion of outstanding Water and Sewer Revenue Bonds, Series 2013A at an interest rates ranging from 4.00 percent to 5.00 percent on current interest paying bonds maturing on October 1 in years 2025 through 2043.

The advance refunding resulted in a reduction of future debt service payments of approximately \$13,196,000 over the next 24 years and obtained an economic gain of \$9,714,000.

On the date of issuance of the Series 2019 Bonds, the County purchased U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for payment in full of the redemption price of the above refunded Water and Sewer Revenue Bonds. As a result, the above listed refunded Water and Sewer Revenue Bonds are considered defeased as of December 19, 2019, and the liability has been removed from the financial statements.

Lee County, Florida
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Defeased Bonds

The County defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. The amount of defeased bonds outstanding at September 30, 2020, consisted of the following (dollars in thousands):

Gulf Environmental Services, Inc. Water and Sewer System Revenue Bonds, Series 1998	\$32,575,000
Tourist Development Tax Revenue Bonds, Series 2010A	36,665,000
Tourist Development Tax Revenue Bonds, Series 2010B	37,403,000
Tourist Development Tax Revenue Bonds, Series 2013	7,500,000
Water and Sewer System Refunding Revenue Bonds, Series 2011	25,040,000
Water and Sewer System Refunding Revenue Bonds, Series 2012A	19,990,000
Water and Sewer System Refunding Revenue Bonds, Series 2012B	7,490,000
Water and Sewer System Revenue Bonds, Series 2013A	42,150,000

Notes Payable from Direct Placement, Direct Borrowings, and Variable Debt

Direct Borrowing - Variable Debt – Governmental Activities

The County entered into a \$3,700,000 non-revolving line of credit agreement on May 21, 2020 with a final maturity on May 20, 2022 with a commercial bank. The line of credit is to be used for initial financing of MSBU projects that are later secured with long-term financing, at an interest rate of London Interbank Offered Rates (“LIBOR”) plus 195 basis points, but not less than 2.745 percent or greater than 5.58 percent. Interest is payable monthly beginning June 1, 2020, on the unpaid balance until final maturity on May 20, 2022. Principal for all draws made against the line of credit is due on May 20, 2022. The County covenanted to budget and appropriate legally available non-ad valorem revenues. There was no outstanding balance as of September 30, 2020 and no interest was incurred during the current year. The unused line of credit as of September 30, 2020 was \$3,700,000.

The line of credit contains a provision in the event of default of non-payment for ten days of the scheduled payment date, the loan will bear an interest at the default rate of the lessor of 5 percent in excess of the bank’s prime rate or the maximum legal interest rate. The default rate will remain in effect until the default is cured by the County.

Direct Borrowing - Variable Debt – Business-Type Activities

The Port Authority entered into a \$50,000,000 taxable subordinate revolving credit facility agreement on May 6, 2020 with a final maturity on May 6, 2025 with a commercial bank. The line of credit is to be used to finance certain airport-related capital projects at an interest rate of London Interbank Offered Rates (“LIBOR”) plus 61 basis points. On September 30, 2020, the rate was .757 percent. The rate is variable based on the bond rating. Interest is payable monthly beginning June 1, 2020, on the unpaid balance until final maturity on May 6, 2025. The unused portion of the line of credit is subject to a non-refundable fee currently at .25 percent per annum for each day the line is unused. No fee will be issued on the days either the advances are suspended or the outstanding principal is greater than 50 percent of the maximum principal amount. The applicable margins for the interest rate and credit facility fee is based on the table below.

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Interest Applicable Margin and Applicable Credit Facility Fee Margin - rate per annum associated with the Level corresponding to the lowest long-term unenhanced debt rating assigned by:

Level	Moody's Rating	S&P Rating	Fitch Rating	Interest Rate Applicable Margin	Applicable Credit Facility Fee Margin
Level 1	A2	A	A	0.61%	0.25%
Level 2	A3	A-	A-	0.68%	0.30%
Level 3	Baa1	BBB+	BBB+	0.87%	0.35%
Level 4	Baa2	BBB+	BBB+	1.18%	0.45%
Level 5	Baa3 or below	BBB- or below	BBB- or below	Default Rate	Default Rate

Default rate is 4% per annum

Principal for all draws made against the line of credit is due on May 6, 2025. The line of credit is solely collateralized by a lien on and a pledge of the net revenues of Southwest Florida International Airport. The outstanding balance and unused line of credit as of September 30, 2020 was \$11,000,000 and \$39,000,000 respectively. Interest paid for the current year was \$5,000.

If an event of default occurs, the notes shall bear interest at the applicable interest rate plus 4 percent per annum until the default is cured to the satisfaction of the lender. A late fee equal to 4 percent of the amount due will be accessed if the amount due is not paid within 15 days of the due date.

The annual debt service requirements for variable debt at September 30, 2020, were as follows (dollars in thousands):

Fiscal Year(s)	Business-type Activities	
	Notes from Direct Borrowings	
	Principal	Interest
2021	\$ -	\$ 83
2022	-	83
2023	-	83
2024	-	83
2025	11,000	50
	<u>\$ 11,000</u>	<u>\$ 382</u>

Direct borrowing - Notes Payable - Governmental Activities

The County has entered into loan agreements with three commercial banks to provide long-term financing for certain capital projects. The loans are collateralized by special assessments levied against the benefited property owners of certain MSBU of the County. Interest is payable semi-annually. Principal is payable in equal annual installments maturing in fiscal years 2021 through 2034. Principal and interest paid for the current year and pledged revenues collected were \$489,000 and \$511,000 respectively. The total principal and interest remaining to be paid out on the MSBU notes payable is \$3,534,000.

The loans contain a provision in the event of default of non-payment for ten days of the scheduled payment date, the loan will bear an interest at the default rate of the lessor of 5 percent in excess of the bank's prime rate or the maximum legal interest rate. The default rate will remain in effect until the default is cured by the County.

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Issue	Issue Date	Interest Rate	Amount Issued	Outstanding Balances
Briarcrest Sewer	August 10, 2007	6.70%	\$ 324,000	\$ 44,000
Emily Lane	August 19, 2009	4.85%	457,000	117,000
McGregor Villages	June 23, 2010	4.06%	116,000	32,000
San Carlos	June 30, 2010	3.85%	458,000	135,000
Airport Woods Sewer	October 10, 2012	2.85%	451,000	135,000
Port Carlos Dredge	August 9, 2013	3.10%	84,000	11,000
Cherry Estates	November 4, 2014	4.16%	1,985,000	879,000
Harbor Drive	February 8, 2017	4.12%	476,000	346,000
Western Acres	February 8, 2017	4.12%	808,000	588,000
Cherry Estates Side Streets	February 28, 2019	4.86%	211,000	197,000
Oak Creek Road Repaving	October 3, 2019	4.51%	163,000	163,000
Burgundy Farm Road Paving	April 9, 2020	4.51%	286,000	286,000
			\$	2,933,000

Direct placement - Note Payable - Governmental Activities

On August 14, 2013, the County entered into a loan agreement for \$35,540,000 with a commercial bank to refund the Capital and Transportation Facilities Refunding Revenue Bonds, Series 2003. The County covenanted to budget and appropriate legally available non-ad valorem revenues reduced by General Government and Public Safety expenditures. The total principal and interest remaining to be paid out is \$16,530,000. Principal and interest paid for the current year and pledged revenues collected were \$8,265,000 and \$126,871,000, respectively.

The note contains a provision that in the event of default, the lender may immediately declare principal and interest and other outstanding amounts become immediately due and payable.

Issue	Maturity	Interest Rate	Amount Issued	Outstanding Balances
Non-Ad Valorem Refunding Revenue Bond, Series 2013	2021	2.09%	\$ 35,540,000	\$ 16,190,000

Direct Borrowing - Notes Payable - Business-type Activities

The Lee County Water and Wastewater System entered into agreements with the Florida Department of Environmental Protection to borrow funds for various capital projects. The loans are secured solely by a pledge of the net revenues of the Lee County Water and Wastewater System after the satisfaction of annual debt obligations of the senior debt. Loan payments are due semi-annually. Principal and interest paid for the current year and pledged revenues collected were \$6,168,000 and \$48,176,000, respectively. The total principal and interest remaining to be paid out on the Florida Department of Environmental Protection loans is \$82,934,000.

In the event of default, the State may by action or suit require a full accounting, apply to a court of competent jurisdiction to appoint a receiver, sue for payment of amounts due, intercept the delinquent amount plus a penalty from unobligated funds due to the Local Government under any revenue or tax sharing fund (except as provided by the State Constitution), and impose a penalty not to exceed 18 percent per annum, and accelerate repayment schedule or increase the financing rate on unpaid principal to as much as 1.667 times the financing rate.

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Issue	Purpose	Maturity	Interest Rate	Loan Amount Issued	Outstanding Balances
Drinking Water State Revolving Loan Agreement DW3610 010 Executed June 15, 2005	Construction of the North Lee County Water Treatment Plant	2028	2.57% to 2.77%	\$ 26,255,000	\$ 11,616,000
Clean Water State Revolving Fund Loan Agreement WW392330 Executed March 3, 2009	Various construction projects	2030	2.22% to 3.17%	34,518,000	19,663,000
Clean Water State Revolving Fund Construction Loan Agreement WW360200 Executed December 4, 2015	Three Oaks Wastewater Treatment Plant Oxidation Ditch Improvements	2038	0.95%	28,002,000	26,075,000
Drinking Water State Revolving Fund Construction Loan Agreement DW3602A0 Executed February 28, 2017	Advanced Water Meter Installation project	2035	1.08%	18,107,000	17,549,000
					\$ 74,903,000

The annual debt service requirements for notes payable at September 30, 2020, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Direct Borrowings and Direct Placements		Direct Borrowings			
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 8,420	\$ 379	\$ 5,579	\$ 1,245	\$ 13,999	\$ 1,624
2022	8,579	192	5,688	1,136	14,267	1,328
2023	378	90	5,800	1,024	6,178	1,114
2024	327	75	5,914	910	6,241	985
2025	278	61	6,031	793	6,309	854
2026-2030	1,085	138	27,601	2,226	28,686	2,364
2031-2035	56	6	13,001	597	13,057	603
2036-2039	-	-	5,289	100	5,289	100
	\$ 19,123	\$ 941	\$ 74,903	\$ 8,031	\$ 94,026	\$ 8,972

Other Obligations

Self-Insurance Claims Payable

Self-insurance claims payable are fully described in Note IX. Since the self-insurance activity is accounted for in an internal service fund, it has been categorized in the governmental activities on the government-wide Statement of Net Position. The balance at September 30, 2020, consisted of the following (dollars in thousands):

Self-insurance group health & dental	\$7,519
Sheriff internal service fund	4,329
Self-insurance general liability	12,854
Total self-insurance claims payable	\$24,702

Arbitrage Rebate Payable

Any excess interest earnings on tax-exempt bond proceeds must be remitted to the federal government in five-year intervals. Even though a payment may not be required until several years into the future, the liability is recognized as it is probable and measurable. The obligation recorded in the business-type activities as of September 30, 2020 is \$140,000.

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Changes in Long-Term Debt

Changes in bonded and other indebtedness of the County for the year ended September 30, 2020, were as follows (dollars in thousands):

<u>Governmental Activities:</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 190,053	\$ 75,205	\$ (85,363)	\$ 179,895	\$ 4,100
Less/plus deferred amounts:					
Unamort discount/premium	7,890	10,791	(2,413)	16,268	-
Total bonds payable	197,943	85,996	(87,776)	196,163	4,100
Direct borrowing -Variable debt	406	-	(406)	-	-
Direct borrowing and direct placement notes payable	26,883	450	(8,210)	19,123	8,420
Other:					
Self-insurance claims payable	26,269	100,683	(102,250)	24,702	13,408
Capital Lease	4,251	8,939	(698)	12,492	1,820
Compensated absences	24,931	23,682	(19,766)	28,847	7,937
Total governmental activity long-term liabilities	<u>\$ 280,683</u>	<u>\$ 219,750</u>	<u>\$ (219,106)</u>	<u>\$ 281,327</u>	<u>\$ 35,685</u>

Other long-term liabilities are typically liquidated by the individual fund to which the liability is directly associated. The liability for compensated absences is liquidated primarily by the General Fund, with other governmental funds and internal service funds liquidating less than 10 percent each on an annual basis. The entire claims liability is reported in the Self-Insurance Group Health and Dental Fund and will be liquidated by that fund.

<u>Business-Type Activities:</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Port Authority</u>					
Bonds payable:					
Revenue bonds	\$ 254,485	\$ -	\$ (19,900)	\$ 234,585	\$ 12,005
Less/plus deferred amounts:					
Unamort discount/premium	4,435	-	(533)	3,902	-
Total bonds payable	258,920	-	(20,433)	238,487	12,005
Direct borrowing - Variable debt	-	11,000	-	11,000	-
Capital Leases	380	-	(380)	-	-
Compensated absences	1,510	2,981	(2,509)	1,982	1,588
Total Port Authority long-term liabilities	<u>\$ 260,810</u>	<u>\$ 13,981</u>	<u>\$ (23,322)</u>	<u>\$ 251,469</u>	<u>\$ 13,593</u>

Water and Wastewater

Bonds payable:					
Revenue bonds	\$ 151,140	\$ 104,835	\$ (103,155)	\$ 152,820	\$ 10,390
Less/plus deferred amounts:					
Unamort discount/premium	9,404	-	(7,161)	2,243	-
Total bonds payable	160,544	104,835	(110,316)	155,063	10,390
Direct borrowing - Notes payable	79,821	-	(4,918)	74,903	5,579
Arbitrage rebate payable	78	62	-	140	-
Capital Lease	84	-	(84)	-	-
Compensated absences	1,038	1,726	(1,525)	1,239	75
Total Water and Wastewater long-term liabilities	<u>\$ 241,565</u>	<u>\$ 106,623</u>	<u>\$ (116,843)</u>	<u>\$ 231,345</u>	<u>\$ 16,044</u>

Lee County, Florida
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September 30, 2020

Changes in Long-Term Debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Transportation Facilities</u>					
Bonds payable:					
Revenue bonds	\$ 90,350	\$ -	\$ (5,560)	\$ 84,790	\$ 5,835
Less/plus deferred amounts:					
Unamort discount/premium	9,489	-	(1,431)	8,058	-
Total bonds payable	99,839	-	(6,991)	92,848	5,835
Compensated absences	296	410	(374)	332	20
Total Transportation Facilities long-term liabilities	<u>\$ 100,135</u>	<u>\$ 410</u>	<u>\$ (7,365)</u>	<u>\$ 93,180</u>	<u>\$ 5,855</u>
<u>Solid Waste</u>					
Bonds payable:					
Revenue bonds	\$ 55,430	\$ -	\$ (5,775)	\$ 49,655	\$ 6,075
Less/plus deferred amounts:					
Unamort discount/premium	5,987	-	(1,394)	4,593	-
Total bonds payable	61,417	-	(7,169)	54,248	6,075
Landfill closure & postclosure costs	19,210	1,442	-	20,652	-
Compensated absences	400	612	(541)	471	28
Total Solid Waste long-term liabilities	<u>\$ 81,027</u>	<u>\$ 2,054</u>	<u>\$ (7,710)</u>	<u>\$ 75,371</u>	<u>\$ 6,103</u>
<u>Other Non-Major - Transit</u>					
Compensated absences	\$ 518	\$ 966	\$ (809)	\$ 675	\$ 41
Total Other Non-Major long-term liabilities	<u>\$ 518</u>	<u>\$ 966</u>	<u>\$ (809)</u>	<u>\$ 675</u>	<u>\$ 41</u>
<u>Total Business-Type Activities</u>					
Bonds payable:					
Revenue bonds	\$ 551,405	\$ 104,835	\$ (134,390)	\$ 521,850	\$ 34,305
Less/plus deferred amounts:					
Unamort discount/premium	29,315	-	(10,519)	18,796	-
Total bonds payable	580,720	104,835	(144,909)	540,646	34,305
Direct borrowing - Variable debt	-	11,000	-	11,000	-
Direct borrowing - Notes payable	79,821	-	(4,918)	74,903	5,579
Less unamortized loss					
Total variable debt and notes payable					
Landfill closure & postclosure costs	19,210	1,442	-	20,652	-
Arbitrage rebate payable	78	62	-	140	-
Capital leases	464	-	(464)	-	-
Compensated absences	3,762	6,695	(5,758)	4,699	1,752
Total business-type activity long-term liabilities	<u>\$ 684,055</u>	<u>\$ 124,034</u>	<u>\$ (156,049)</u>	<u>\$ 652,040</u>	<u>\$ 41,636</u>

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NOTE VI. SEGMENT INFORMATION

Segment Information- Port Authority

The County has outstanding revenue bonds which are financed by Southwest Florida International Airport revenues. These activities, and the activities of the Page Field General Aviation and other Port Authority activities, are accounted for in a single fund (Lee County Port Authority). Summary financial information for the Southwest Florida International Airport is presented below (dollars in thousands) as of September 30, 2020.

	Southwest Florida International Airport
<u>Condensed Statement of Net Position</u>	
Assets	
Current assets	\$ 60,576
Restricted assets	44,033
Capital assets (net)	677,754
Total assets	782,363
Deferred outflows of resources	25,801
Liabilities	
Current liabilities	17,619
Current liabilities payable from restricted assets	18,177
Noncurrent liabilities	331,559
Total liabilities	367,355
Deferred inflows of resources	10,136
Net position	
Net investment in capital assets	453,757
Restricted	12,640
Unrestricted (deficit)	(35,724)
Total net position	\$ 430,673
<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating revenues	
User fees	\$ 37,836
Rentals	4,834
Concessions	34,563
Miscellaneous	188
Less: Rebates	(1,481)
Total operating revenues	75,940
Operating expenses	
Depreciation	21,722
Other operating expenses	74,359
Total operating expenses	96,081
Operating loss	(20,141)

Lee County, Florida
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Segment Information- Port Authority (continued)

	Southwest Florida International Airport
Non-operating revenues (expenses)	
Investment earnings	1,117
Interest expense	(12,916)
Other non-operating	11,327
Total non-operating revenues (expenses)	(472)
Loss before capital contributions and transfers	(20,613)
Capital contributions	8,867
Transfers	20,283
Change in net position	8,537
Beginning net position	422,136
Ending net position	\$ 430,673
<u><i>Condensed Statement of Cash Flows</i></u>	
Net cash provided (used) by:	
Operating activities	\$ 11,983
Noncapital financing activities	29,877
Capital and related financing activities	(69,187)
Investing activities	1,117
Net increase	(26,210)
Beginning cash, cash equivalents and investments	123,405
Ending cash, cash equivalents and investments	\$ 97,195

Certain funds that relate to activities at both the Southwest Florida International Airport and Page Field are not included in the segmented statements, including the K-9 donation fund and the discretionary fund. In addition, all of the funds related to the passenger facility charges and Page Field activities are omitted from the segmented statements.

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NOTE VII. OTHER POSTEMPLOYMENT BENEFITS

The County maintains two single-employer, defined benefit other postemployment benefits plans (“OPEB”), the Group Health Program for Lee County administered by Aetna and the Lee County Sheriff Health Care Plan administered by the Self-Insured Benefit Administrator.

Pursuant to provisions of Section 112.08, *Florida Statutes*, former employees and eligible dependents who retire from the local government unit may continue to participate in the group or self-insurance plan for comprehensive health and hospitalization at a premium cost not to exceed the premium cost for active employees. Contribution requirements of the County and Sheriff Office are established and may be amended by the employer.

Group Health Program for Lee County

Plan Description

The Group Health Program for Lee County (“GHPLC”) provides medical, dental, vision and life insurance benefits (OPEB) to County retirees and their spouses. All the Constitutional Officers, except the Lee County Sheriff, participate in GHPLC. At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of 3,748 current active plan members, 974 retirees and 398 eligible dependents receiving postemployment health care benefits. In addition, Medicare eligible retirees and their Medicare eligible dependents may enroll in the Medicare Advantage Plan (MAP), a fully funded insurance plan administered by Aetna.

A publicly available financial report that includes financial statements and required supplementary information is not available for this plan.

Funding Policy

The County subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees. On October 1, 2018, the County, and on January 1, 2020, the Port reinstated the subsidy program that had been discontinued on October 1, 2008. The subsidy program offers retirees with six or more years of consecutive employment prior to retirement a direct subsidy of 60 percent for MAP participants and 50 percent for Aetna participants. A \$96 discount is applied for plan members enrolled in Medicare Part B for the self-insurance plan. No discount is offered for MAP. The same subsidy is offered to the Constitutional Officers with the exception of the Clerk of Circuit Court who requires retirees to have eight or more years of consecutive employment prior to retirement. Vision and dental insurance are offered to retirees; however, they are not subsidized by the County. The plan also allows retirees the option to continue to participate in the GHPLC life insurance policy. The life insurance is only available to the retiree, and has a face value of \$5,000. The following table summarizes the retirees’ monthly contribution rates for 2020. The Plan is funded on a pay-as-you-go basis.

Lee County, Florida
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	General Employee Retirees after subsidy		General Employee Retirees without subsidy	
	<u>Aetna</u>	<u>MAP</u>	<u>Aetna</u>	<u>MAP</u>
Medical/ Prescriptions:				
Retiree Only				
Pre 65 Years Old	\$490	N/A	\$980	N/A
Medicare Eligible	394	152	787	380
Retiree plus Spouse				
Pre 65 Years Old	888	N/A	1,775	N/A
Medicare Eligible	695	304	1,389	760
Retiree Plus dependent				
Pre 65 Years Old	873	N/A	1,745	N/A
Medicare Eligible	680	304	1,359	760
Retiree plus family				
Pre 65 Years Old	895	N/A	1,790	N/A
Medicare Eligible (3) (spouse + one dep)	702	456	1,404	1,139
Life:				
Individual Coverage	5		5	
Spouse	N/A		N/A	

Actuarial Methods and Assumptions

At September 30, 2020, the County's GHPLC total OPEB liability of \$505,013,000 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Inflation Rate	2.5%
Salary Increases	N/A
Discount Rate	2.21%
Healthcare Cost Trend Rate	7.90% pre 65 8.80% at least 65 9.60% MAP
Retirees' share of benefit cost, percent of premium:	
Subsidy Eligible	40% MAP 50% Aetna

The discount rate was based on the 20 Year Municipal Bond Rate at September 30, 2020, in the Bond Buyer GO 20-Bond Municipal Bond Index. The discount rate changed from 2.66 percent at September 30, 2019.

Mortality rates were based on the PUBG.H-2010 and PUBS.H-2010 Tables for employees and retirees projected generationally with scale MP-2020 and PUBG.H-2010SB Tables for survivor beneficiaries projected generationally with Scale MP-2020.

Changes in assumptions also included the removal of excise tax trend adjustment and changes in retirement rates, termination rates and disability rates to reflect the 2019 FRS experience study.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2019 through September 30, 2020.

Lee County, Florida
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The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumption changes summarized above are to best reflect the current market conditions and recent plan experience.

Changes in the Total OPEB Liability

Balance at September 30, 2019	\$477,801,000
Changes for the year:	
Service Cost	23,654,000
Interest	13,270,000
Difference between Expected and Actual Experience	(3,683,000)
Changes of Benefit Terms	7,253,000
Changes in Assumptions	(8,082,000)
Benefit Payments	<u>(5,200,000)</u>
Net Changes	<u>27,212,000</u>
Balance at September 30, 2020	<u>\$505,013,000</u>

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB Liability	\$ 604,055,000	\$ 505,013,000	\$ 426,869,000

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using Healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare cost trend rate.

Description	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
OPEB Liability	\$ 411,614,000	\$ 505,013,000	\$ 629,787,000

For the year ended September 30, 2020, the County recognized OPEB expense of \$39,648,000. At September 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,516,000	\$ 3,940,000
Changes in Actuarial Assumptions	81,528,000	84,213,000
Total	<u>\$ 83,044,000</u>	<u>\$ 88,153,000</u>

Lee County, Florida
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	
2021	\$(4,529,000)
2022	(4,529,000)
2023	(4,529,000)
2024	(4,529,000)
2025	(4,529,000)
Total Thereafter	17,536,000

Lee County Sheriff Health Care Plan

Plan Description

The Lee County Sheriff's Office ("LCSO") operates a separate health care plan. Lee County Sheriff Health Care Plan ("LCSHCP") offers health, dental, and vision coverage to eligible LCSO retirees and their spouses. At September 30, 2020, the date of the latest actuarial report, plan participation consisted of 1,554 active members and 424 retirees. The plan allows retirees the option to continue to participate in the LCSHCP life insurance policy. The life insurance is only available to the retiree, and has a face value of \$5,000.

A publicly available financial report that includes financial statements and required supplementary information is not available for this plan.

Funding Policy

The current published monthly rates for retiree Health Care coverage are \$775 for single and \$1,596 for retiree plus spouse. An \$80 discount is applied for plan members enrolled in Medicare Part B. The LCSO subsidizes a percentage of the monthly major medical and hospitalization insurance for employees hired prior to October 1, 2010 based on the number of years of service credited to the Florida Retirement System ("FRS") before retirement. Vision and dental insurance are offered to retirees; however, they are not subsidized by LCSO.

The retiree contribution rate for the life insurance policy is \$0.80 per month. The table below shows the contribution percentages for the corresponding years of service. The plan is funded on a pay-as-you-go basis.

Percent of the Total Contribution Rates Paid by Retiree

Eligible Service Credit at Retirement or Termination	Retiree	Dependent
More than 10 years but less than 15 years	100%	100%
15 years	25%	100%
16 years	20%	100%
17 years	15%	100%
18 years	10%	100%
19 years	5%	100%
20 years or more	0%	50%

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Actuarial Methods and Assumptions

At September 30, 2020, the Sheriff's LCSHCP total OPEB liability of \$302,839,000 was measured as of September 30, 2019, and was determined by an actuarial valuation as of September 30, 2018. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	2.75%
Salary Increases	FRS rates used in July 2018 actuarial valuation 3.7% - 7.8% including inflation
Healthcare Cost Trend Rate	Based on Getzen Model, starting at 6.75% for 2019 (3.0% for premiums) followed by 6.50% for 2020 and decreasing to 4.24% plus 0.39% increase for excise tax
Retirees' share of benefit cost	Variable: See Percent of the Total Contribution Rates Paid by Retiree table

The discount rate was based on the 20 Year Municipal Bond Rate at September 30, 2018, in Fidelity's 20-Year Municipal GO AA Index. The discount rate changed from 3.83 percent at September 30, 2018.

Mortality rates were based tables used in the July 2018 actuarial valuation of the Florida Retirement System. They are based on the results of statewide experience study covering the period of 2008 through 2013.

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of an actuarial experience study for the period October 1, 2017 through September 30, 2018.

Changes in the Total OPEB Liability

Balance at September 30, 2019	\$239,762,000
Changes for the year:	
Service Cost	7,313,000
Interest	9,373,000
Changes in Assumptions	51,094,000
Benefit Payments	<u>(4,703,000)</u>
Net Changes	<u>63,077,000</u>
Balance at September 30, 2020	<u>\$302,839,000</u>

The following presents the total OPEB liability of the Sheriff as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB Liability	\$ 360,068,000	\$ 302,839,000	\$ 256,777,000

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The following presents the total OPEB liability of the Sheriff as well as what the Sheriff's total OPEB liability would be if it were calculated using Healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare cost trend rate.

Description	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
OPEB Liability	\$ 244,417,000	\$ 302,839,000	\$ 380,733,000

For the year ended September 30, 2020, the County recognized OPEB expense of \$17,224,000 related to the Sheriff. At September 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to the Sheriff's OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to Measurement Date	\$ 5,148,000	\$ -
Difference Between Expected and Actual Experience	3,431,000	-
Changes in Actuarial Assumptions	66,017,000	63,966,000
Total	<u>\$ 74,596,000</u>	<u>\$ 63,966,000</u>

Deferred outflows of resources included \$5,148,000 resulting from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the OPEB liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	
2021	\$ 538,000
2022	538,000
2023	538,000
2024	538,000
2025	538,000
Total Thereafter	2,792,000

Summary

The aggregate amount of total OPEB liability, related deferred outflows of resources, deferred inflows of resources, and OPEB expenses for the County's postemployment benefits plans are summarized below. These liabilities are typically liquidated by the individual fund to which the liability is directly associated.

<u>Description</u>	<u>GHPLC</u>	<u>LCSHCP</u>	<u>Total</u>
Total OPEB liability	\$ 505,013,000	\$ 302,839,000	\$ 807,852,000
Deferred outflows of resources related to OPEB	83,044,000	74,596,000	157,640,000
Deferred inflows of resources related to OPEB	88,153,000	63,966,000	152,119,000
OPEB expense	39,648,000	17,224,000	56,872,000

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NOTE VIII. RETIREMENT PLANS

Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

All regular County employees are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The County's pension expenses for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2020 totaled \$112,748,000.

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special

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risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age / Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. In 2017, Senate Bill 7022 made several changes to FRS. The bill provides for renewed

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membership in the investment plan to reemployed defined contribution plan retirees, as well as, In-Line-of Duty Death Benefits.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3 percent employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2019, were applied to employee salaries as follows: regular employees 6.75 percent, county elected officials 47.10 percent, senior management 23.69 percent, and DROP participants 12.94 percent. The County's contributions to the FRS Plan were \$37,780,000 for the year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the County reported a liability of \$477,097,000 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the County's proportion was 1.1008 percent, which was a decrease of 0.0052 percent from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$102,900,000 for its proportionate share of FRS's pension expense.

In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 18,259,000	\$ -
Changes in Actuarial Assumptions	86,370,000	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,407,000	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	9,977,000	2,434,000
County Contributions Subsequent to the Measurement Date	10,282,000	-
Total	\$ 153,295,000	\$ 2,434,000

Deferred outflows of resources related to pensions included \$10,282,000 resulting from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ended September 30:	
2021	\$30,647,000
2022	44,921,000
2023	37,749,000
2024	22,363,000
2025	4,899,000

Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %, per year
Salary increases	3.25 %, average
Investment rate of return	6.80 %

Mortality rates were based on the PUB2010 base table which vary by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	16.5%
Real Estate (property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.8%
Strategic Investments	4.4%	5.5%	5.3%	6.7%
Totals	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

Discount Rate

The discount rate used to measure the total pension liability changed from 6.90 to 6.80 percent for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Pension Liability Sensitivity

The following presents the County’s proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.80%	6.80%	7.80%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 761,845,000	\$ 477,097,000	\$ 239,276,000

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan’s fiduciary’s net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. The report may be obtained through the Florida Department of Management Services website: <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program (HIS Plan)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County’s contributions to the HIS Plan were \$5,195,000 for the year ended September 30, 2020.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the County reported a liability of \$107,982,000 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the County's proportion was 0.8844 percent, which was a decrease of 0.0088 percent from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$9,848,000 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 4,417,000	\$ 83,000
Changes in Actuarial Assumptions	11,611,000	6,279,000
Net Difference Between Projected and Actual Earnings on HIS Program Investments	86,000	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	4,836,000	1,474,000
County Contributions Subsequent to the Measurement Date	1,346,000	-
Total	\$ 22,296,000	\$ 7,836,000

Deferred outflows of resources related to pensions included \$1,346,000 resulting from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2021	\$ 3,700,000
2022	3,011,000
2023	1,238,000
2024	1,880,000
2025	1,899,000
Total Thereafter	1,386,000

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %, per year
Salary increases	3.25 %, avg with inflation
Investment rate of return	2.21 %

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability changed from 3.50 to 2.21 percent for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.21%	2.21%	3.21%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 124,822,000	\$ 107,982,000	\$ 94,198,000

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website: <http://www.dms.myflorida.com>.

Summary

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the County's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

<u>Description</u>	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net Pension Liability	\$ 477,097,000	\$ 107,982,000	\$ 585,079,000
Deferred outflows of resources related to pensions	153,295,000	22,296,000	175,591,000
Deferred inflows of resources related to pensions	2,434,000	7,836,000	10,270,000
Pension expense	102,900,000	9,848,000	112,748,000

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled \$3,414,000 for the year ended September 30, 2020.

NOTE IX. OTHER INFORMATION

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. After September 30, 1989, and prior to October 1, 1987, the Board established a Self-Insured Retention (SIR) program (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the SIR provides coverage in the areas mentioned below. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. As a result, there was no reduction in insurance coverage.

The County remains liable for open claims asserted prior to October 1, 1987, and after September 30, 1989, covered under the existing self-insurance program, limited to the established annual loss fund limits for unasserted claims for a period, generally four years after date of occurrence. Claims that are filed or settled after the end of the fiscal year of occurrence are charged to, and accumulated within, the year of occurrence. Consequently, the County's total liability within any one year is limited to the annual loss fund limits.

From October 1, 1987, to September 30, 1989, the County was a member of the Southwest Florida Intergovernmental Risk Management Association (SFIRMA), a local government liability risk pool. SFIRMA administered insurance activities similar to those provided by the Board's SIR program. SFIRMA absorbed losses up to a specific amount annually and purchased excess and other specific coverages from third-party carriers.

The County remains liable for estimated additional assessments of \$0 arising from its years of membership in SFIRMA, which has changed its name to Public Risk Management of Florida.

Additionally, the Board and the Sheriff maintain self-insurance internal service funds to administer insurance activities relating to countywide employee group health and dental programs. The County absorbs losses related to these programs up to aggregate annual loss fund limits. Excess and other specific coverages are purchased from third-party carriers. Funding for these programs is generated by charges to the operating departments based on management's annual estimates of claim loss funding and administration/operating costs.

At September 30, 2020, the County had recorded liabilities equal to the amounts reflected as reserved and unasserted claims. These amounts were calculated by the third-party self-insurance program's underwriters and actuaries, based on industry standards. These liabilities are subject to adjustments in future years, which would be recorded as claim expenses when they are estimated.

The County's and Sheriff's SIR programs and excess insurance provides coverage for all the County and Sheriff departments' exposure. Funding for the SIR is generated by charges to the operating departments based on management's annual estimates of claim loss funding and administration/operating costs. Changes in the County and Sheriff funds' claims liability for the years ended September 30, 2020 and 2019, were as follows (dollars in thousands):

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year-End</u>
<u>Self-Insurance Group Health and Dental:</u>				
2020	\$11,758	\$98,856	(\$98,766)	\$11,848
2019	11,115	104,487	(103,844)	11,758
<u>Self-Insurance General Liability:</u>				
2020	\$14,511	\$1,827	(\$3,484)	\$12,854
2019	13,629	4,453	(3,571)	14,511

Landfill Closure and Postclosure Liability

The Florida Department of Environmental Protection (FDEP) requires the County to place a final cover on its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although most closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a small portion of these closure and postclosure

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

care costs as an operating expense based on certain minor closure activities that have occurred as of the balance sheet date. The amount reported as landfill closure and postclosure care liability in the fund statements, \$20,652,000, represents the cumulative portion of total estimated closure and postclosure care as of September 30, 2020, based on the use of 51 percent of the capacity of the 99 acre active disposal areas at the landfill. The total estimated cost for closure and postclosure care for the landfill at September 30, 2020, was \$39,956,000. The County will recognize the remaining estimated cost of closure and postclosure care of \$19,304,000 as the remaining estimated capacity is filled. The County will recalculate its liability annually; the liability amount is based on what it presently would cost to perform all closure and postclosure care at September 30, 2020. The Class I - MSW landfill facility configuration, as currently planned, is expected to provide approximately 14 more years of disposal capacity for Lee and Hendry Counties. Actual costs may be higher due to inflation, or changes in regulations. The County is required by FDEP to annually calculate closure and postclosure costs, and to provide proof of its capacity to fund closure costs. The County is in compliance with these requirements, and at September 30, 2020, cash and investments of \$12,316,000 are held for these purposes. These are reported as restricted assets on the balance sheet.

Commitments and Contingencies

The County is currently receiving, and has received in the past, grants that are subject to special compliance audits by the grantor agency that may result in disallowed expense amounts. These amounts constitute a contingent liability of the County. The County does not believe any contingent liabilities to be material.

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

The County currently prepares rebate calculations on all debt subject to arbitrage per the United States department of the Treasury Regulations, Section 1.148, and the Internal Revenue Service Code of 1986. Rebates, if any, are paid to the Internal Revenue Service every fifth year after the year of issuance and a final computation is completed when paid in full. Within the five-year period, any positive arbitrage (liability) can be offset by any negative arbitrage (non-liability). These rebates constitute a contingent liability of the County. The County does not believe any contingent liabilities to be material.

The Sheriff has agreements with a corporation for the provision of inmate medical services and food services at its corrections and detention facilities. The contracts are paid 100 percent by the Sheriff through its annual budget. The food services are based on a cost per meal per inmate basis, and the future contract commitment is estimated at approximately \$2,800,000 per year based on the results of the current year. No liability is recorded in the fund statements, as any future commitment will be budgeted and paid from the subsequent year's budget. The minimum payment requirements for inmate medical services are as follows:

	<u>Amount</u>
Year ending September 30, 2020:	\$7,802,000

For the year ended September 30, 2020, the Sheriff paid \$12,082,000 for inmate medical services and \$2,660,000 for food services at its detention facilities.

The Sheriff has an agreement with a corporation to arrange for medical staff, including doctors, to be located at a site (clinic) designated by the Sheriff to provide medical services to the employees, dependents and retirees of the Sheriff. The agreement was renewed effective in July 1, 2016 for three (3) terms that automatically renew but is

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

cancellable with one hundred twenty (120) written notice. The agreement automatically renews unless cancelled in writing. No liability is recorded in the fund statements, as any future commitment will be budgeted and paid from the subsequent year's budget.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. Although encumbrances lapse at fiscal year-end it is the County's intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding at September 30, 2020, are as follows:

	<u>Amount</u>
General Fund	\$12,119,000
Other Governmental Funds	\$88,219,000

Litigation

The County is a defendant in various civil lawsuits in both state and federal courts on a variety of issues. To the extent the outcome of such litigation has been determined to result in probable loss to the county, the loss has been recorded in the accompanying financial statements. Litigation where the County is not in a position at this time to predict the outcome of the lawsuits or the exact amount of costs and/or potential recovery is not recorded. The County plans to contest these matters unless settled. The County believes the outcome of these lawsuits will not have a material effect on the financial statements.

Dean Wish, LLC served a Bert Harris inverse complaint to Lee County in January 2017. The claim in the amount of \$14,865,300 is in connection with Lee County's denial to approve the owner's application to administratively increase density of its property. The Court granted Lee County's motion for summary judgement on November 19, 2019. The Plaintiff appealed the decision to the Second District Court of Appeal where it is currently pending. The County intends to vigorously defend the claim.

NCH Palms, LLC Dean & Dean Palms, LLC, and W-30 Palms, LLC served a Bert Harris inverse complaint to Lee County in June 2018. The claim in the amount of \$4,203,000 is in connection with Lee County's denial to approve the owner's application to administratively increase density of their properties. The case is currently set for trial on the March 23, 2021. The County intends to vigorously defend the claim.

Subsequent Events

On December 17, 2020, the County closed on the Revenue Note Series 2020 for the Marina/Coral Circle Canal Dredge MSBU Project in the amount of \$243,168 and for the Sunset Cove Channel Dredge MSBU Project in the amount of \$180,425.



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Required Supplementary Information



Lee County, Florida
 REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2020

Other Postemployment Benefits Plans
 (unaudited)

Group Health Program for Lee County Plan

	Measurement Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	\$ 15,683,000	\$ 8,720,000	\$ 16,652,000	\$ 23,654,000
Interest	12,235,000	11,148,000	15,207,000	13,270,000
Difference between expected and actual experience	1,259,000	1,204,000	(824,000)	(3,683,000)
Changes in benefit terms	-	62,735,000	-	7,253,000
Changes of assumptions	(106,418,000)	(25,726,000)	103,593,000	(8,082,000)
Benefit payments	(9,678,000)	(9,067,000)	(7,883,000)	(5,200,000)
Net change in total OPEB liability	(86,919,000)	49,014,000	126,745,000	27,212,000
Total OPEB liability beginning	388,961,000	302,042,000	351,056,000	477,801,000
Total OPEB liability ending	<u>\$ 302,042,000</u>	<u>\$ 351,056,000</u>	<u>\$ 477,801,000</u>	<u>\$ 505,013,000</u>
Covered Payroll	\$ 173,439,000	\$ 198,692,000	\$ 224,028,000	\$ 227,739,000
OPEB liability as a percentage of covered payroll	174.15%	176.68%	213.28%	221.75%

Notes to Schedule

For the measurement date September 30, 2020, the amount reported as changes in assumptions resulted from the following:

- The discount rate changed from 2.66% at September 30, 2019 to 2.21% at September 30, 2020.
- Change in the mortality assumption from the PUBG.H-2010 Tables and PUBS.H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2018 to the PUBG.H-2010 Tables and PUBS. H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2020.
- The removal of the excise tax trend adjustment.
- Change in retirement rates, termination rates and disability rates to reflect the 2019 FRS experience study.

For the measurement date September 30, 2019, the amount reported as changes in assumptions resulted from the following:

- The discount rate changed from 4.18% at September 30, 2018 to 2.66% at September 30, 2019.
- Change in the mortality assumption from the PUBG.H-2010 Tables and PUBS.H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2017 to the PUBG.H-2010 Tables and PUBS. H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2018.
- Change in the percentage of subsidy eligible retirees assumed to enroll in pre-65 medical coverage from 65% to 55%, to enroll initially in post-65 coverage from 49% to 44%, and to continue retiree medical coverage upon attaining Medicare eligibility from 75% to 80%. A change in the percentage of non-subsidy eligible retirees assumed to enroll in pre-65 medical coverage from 25% to 20%, and to enroll initially in post-65 coverage from 18% to 14%.
- Change in the future retiree spouse coverage election rate from 48% to 52% for males and from 42% to 35% for females.
- Change in the future retiree life insurance participation rate from 100% to 20% for pre-65 retirees and 30% for post-65 retirees.

For the measurement date September 30, 2018, the amount reported as changes in assumptions resulted from the following:

- The discount rate changed from 3.64% at September 30, 2017 to 4.18% at September 30, 2018.
- Change in the mortality assumption from the aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2017 to the PUBG.H-2010 Tables and PUBS.H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2017.

For the measurement date September 30, 2017, the amount reported as changes in assumptions resulted from the following:

- The discount rate changed from 4.00% at September 30, 2016 under GASB 45 to 3.06% at September 30, 2016 under GASB 75 and to 3.64% at September 30, 2017.
- Change in the mortality assumption from the aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2016 to the aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2017.
- Change in the percentage of future Medicare eligible retirees assumed to enroll in the Aetna plan from 50% to 60%, and a change in the percentage assumed to enroll in the Medicare Advantage plan from 50% to 40%.
- Change in the percentage of subsidy eligible retirees assumed to enroll in pre-65 medical coverage from 70% to 65%, to enroll initially in post-65 coverage from 56% to 49%, and to continue coverage upon attaining Medicare eligibility from 80% to 75%.
- Change in the percentage of non-subsidy eligible retirees assumed to enroll in pre-65 medical coverage from 40% to 25%, to enroll initially in post-65 coverage from 30% to 18%, and to continue coverage upon attaining Medicare eligibility from 75% to 70%.
- Health care claims rates and trend rates were updated to reflect the latest available information.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is completed, the County will present information for only those years for which information is available.

Lee County, Florida
 REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2020

Other Postemployment Benefits Plans
 (unaudited)

LeeCounty Sheriff Health Care Plan

	Measurement Date			
	2016	2017	2018	2019
Total OPEB liability				
Service cost	\$ 8,466,000	\$ 10,834,000	\$ 9,900,000	\$ 7,313,000
Interest	9,205,000	9,024,000	10,023,000	9,373,000
Difference between expected and actual experience	-	-	4,211,000	-
Changes of assumptions	31,576,000	(22,771,000)	(58,471,000)	51,094,000
Benefit payments	(5,099,000)	(4,607,000)	(4,738,000)	(4,703,000)
Net change in total OPEB liability	44,148,000	(7,520,000)	(39,075,000)	63,077,000
Total OPEB liability beginning	242,209,000	286,357,000	278,837,000	239,762,000
Total OPEB liability ending	<u>\$ 286,357,000</u>	<u>\$ 278,837,000</u>	<u>\$ 239,762,000</u>	<u>\$ 302,839,000</u>
Covered Payroll	\$ 66,951,000	\$ 68,226,000	\$ 65,943,000	\$ 60,396,000
OPEB liability as a percentage of covered payroll	427.71%	408.70%	363.59%	501.42%

Notes to Schedule

For the measurement date September 30, 2019, the amount reported as changes in assumptions resulted from the following:

- Change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019.

For the measurement date September 30, 2018, the amount reported as changes in assumptions resulted from the following:

- Change in the discount rate from 3.50% as of the beginning of the measurement period to 3.83% as of September 30, 2018.

For the measurement date September 30, 2017, the amount reported as changes in assumptions resulted from the following:

- Change in the discount rate from 3.06% as of the beginning of the measurement period to 3.50% as of September 30, 2017.

For the measurement date September 30, 2016, the amount reported as changes in assumptions resulted from the following:

- Change in the discount rate from 3.71% as of the beginning of the measurement period to 3.06% as of September 30, 2016.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is completed, the County will present information for only those years for which information is available.

Lee County, Florida
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2020

Florida Retirement System Pension Plan
(unaudited)

**Schedule of the County's Proportionate Share of the Net Pension Liability
Last 7 Fiscal Years***

	2014	2015	2016	2017	2018	2019	2020
County's Proportion of the Net Pension Liability	0.9638%	0.9683%	1.0422%	1.0502%	1.0927%	1.1060%	1.1008%
County's Proportionate Share of the Net Pension Liability	\$ 58,806,000	\$ 125,074,000	\$ 263,144,000	\$ 310,644,000	\$ 329,132,000	\$ 380,876,000	\$ 477,097,000
County's Covered Payroll**	\$ 199,547,000	\$ 246,054,000	\$ 259,596,000	\$ 267,975,000	\$ 288,078,000	\$ 298,616,000	\$ 306,931,000
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	29.47%	50.83%	101.37%	115.92%	114.25%	127.55%	155.44%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%

*The amounts presented for each fiscal year were determined as of June 30.

** For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

**Schedule of County Contributions
Last 7 Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 22,247,000	\$ 23,938,000	\$ 26,777,000	\$ 27,667,000	\$ 31,629,000	\$ 35,070,000	\$ 37,780,000
Contributions in Relation to the Contractually Required Contribution	(22,247,000)	(23,938,000)	(26,777,000)	(27,667,000)	(31,629,000)	(35,070,000)	(37,780,000)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 242,110,000	\$ 248,447,000	\$ 262,679,000	\$ 272,610,000	\$ 289,589,000	\$ 302,411,000	\$ 312,965,000
Contributions as a percentage of covered payroll	9.19%	9.64%	10.19%	10.15%	10.92%	11.60%	12.07%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

Lee County, Florida
 REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2020

Retiree Health Insurance Subsidy Program
 (unaudited)

**Schedule of the County's Proportionate Share of the Net Pension Liability
 Last 7 Fiscal Years***

	2014	2015	2016	2017	2018	2019	2020
County's Proportion of the Net Pension Liability	0.8101%	0.8103%	0.8408%	0.8409%	0.8800%	0.8932%	0.8844%
County's Proportionate Share of the Net Pension Liability	\$ 75,745,000	\$ 82,636,000	\$ 97,989,000	\$ 89,915,000	\$ 93,146,000	\$ 99,935,000	\$ 107,982,000
County's Covered Payroll	\$ 240,651,000	\$ 246,054,000	\$ 259,596,000	\$ 267,975,000	\$ 288,078,000	\$ 298,616,000	\$ 306,931,000
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	31.48%	33.58%	37.75%	33.55%	32.33%	33.47%	35.18%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%

*The amounts presented for each fiscal year were determined as of June 30.

**Schedule of County Contributions
 Last 7 Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 3,136,000	\$ 3,375,000	\$ 4,363,000	\$ 4,526,000	\$ 4,799,000	\$ 5,022,000	\$ 5,195,000
Contributions in Relation to the Contractually Required Contribution	(3,136,000)	(3,375,000)	(4,363,000)	(4,526,000)	(4,799,000)	(5,022,000)	(5,195,000)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 242,110,000	\$ 248,447,000	\$ 262,679,000	\$ 272,610,000	\$ 289,589,000	\$ 302,411,000	\$ 312,965,000
Contributions as a percentage of covered payroll	1.30%	1.36%	1.66%	1.66%	1.66%	1.66%	1.66%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.



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Supplemental Financial Information





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General Fund



Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2020
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
ASSETS				
Cash, cash equivalents and investments	\$ 213,051	\$ 4,172	\$ 1,636	\$ 9,237
Receivables (net)				
Accounts	6,836	-	-	30
Accrued interest	156	-	-	-
Due from other funds	12,468	188	-	1,022
Due from other governments	5,860	30	-	-
Inventory	747	32	-	-
Total assets	<u>239,118</u>	<u>4,422</u>	<u>1,636</u>	<u>10,289</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	6,046	463	19	5,964
Accrued liabilities	1,113	227	297	3,570
Due to other funds	3,378	315	1,125	755
Due to other governments	4,303	305	195	-
Deposits and overbids	242	3,112	-	-
Unearned revenues	76,538	-	-	-
Other	75	-	-	-
Total liabilities	<u>91,695</u>	<u>4,422</u>	<u>1,636</u>	<u>10,289</u>
Deferred Inflows of Resources:				
Accounts receivable	433	-	-	-
Grants receivable	580	-	-	-
Total deferred inflows of resources	<u>1,013</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	331	32	-	-
Restricted	416	-	-	-
Assigned	20,314	-	-	-
Unassigned	125,349	(32)	-	-
Total fund balances	<u>146,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 239,118</u>	<u>\$ 4,422</u>	<u>\$ 1,636</u>	<u>\$ 10,289</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2020
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
ASSETS				
Cash, cash equivalents and investments	\$ 1,323	\$ 12,436	\$ -	\$ 241,855
Receivables (net)				
Accounts	-	100	-	6,966
Accrued interest	-	-	-	156
Due from other funds	3	8	(12,234)	1,455
Due from other governments	332	1	-	6,223
Inventory	-	-	-	779
Total assets	<u>1,658</u>	<u>12,545</u>	<u>(12,234)</u>	<u>257,434</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	218	128	-	12,838
Accrued liabilities	121	434	-	5,762
Due to other funds	1,196	10,204	(12,234)	4,739
Due to other governments	-	1,779	-	6,582
Deposits and overbids	-	-	-	3,354
Unearned revenues	123	-	-	76,661
Other	-	-	-	75
Total liabilities	<u>1,658</u>	<u>12,545</u>	<u>(12,234)</u>	<u>110,011</u>
Deferred Inflows of Resources:				
Accounts receivable	-	-	-	433
Grants receivable	-	-	-	580
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,013</u>
Fund Balances:				
Nonspendable	-	-	-	363
Restricted	-	-	-	416
Assigned	-	-	-	20,314
Unassigned	-	-	-	125,317
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,410</u>
Total liabilities and fund balances	<u>\$ 1,658</u>	<u>\$ 12,545</u>	<u>\$ (12,234)</u>	<u>\$ 257,434</u>

See accompanying independent auditors' report.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
REVENUES				
Taxes	\$ 344,356	\$ -	\$ -	\$ -
Licenses and permits	569	-	-	-
Intergovernmental	132,726	1,258	1,622	-
Charges for services	28,965	5,499	336	-
Fines and forfeitures	96	-	-	-
Miscellaneous	7,498	469	100	4,928
Total revenues	<u>514,210</u>	<u>7,226</u>	<u>2,058</u>	<u>4,928</u>
EXPENDITURES				
Current				
General government	129,332	16,935	8,535	9,502
Public safety	43,684	-	-	179,711
Physical environment	4,839	-	-	-
Economic environment	4,032	-	-	-
Human services	15,754	-	-	-
Culture and recreation	15,871	-	-	-
Capital outlay				
General government	3,163	924	92	-
Public safety	1,270	-	-	20,042
Physical environment	148	-	-	-
Human services	4	-	-	-
Culture and recreation	458	-	-	-
Debt service				
Principal retirement	-	-	-	467
Interest and fiscal charges	-	-	-	114
Total expenditures	<u>218,555</u>	<u>17,859</u>	<u>8,627</u>	<u>209,836</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>295,655</u>	<u>(10,633)</u>	<u>(6,569)</u>	<u>(204,908)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	14,601	10,746	7,691	196,713
Transfers out	(297,628)	(113)	(1,122)	(744)
Capital lease	-	-	-	8,939
Total other financing sources and (uses)	<u>(283,027)</u>	<u>10,633</u>	<u>6,569</u>	<u>204,908</u>
Net change in fund balances	12,628	-	-	-
Fund balances - beginning	133,782	-	-	-
Fund balances - ending	<u>\$ 146,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 344,356
Licenses and permits	-	-	-	569
Intergovernmental	554	-	-	136,160
Charges for services	15	30,811	(17,335)	48,291
Fines and forfeitures	-	-	-	96
Miscellaneous	8	207	-	13,210
Total revenues	<u>577</u>	<u>31,018</u>	<u>(17,335)</u>	<u>542,682</u>
EXPENDITURES				
Current				
General government	8,775	21,246	(17,335)	176,990
Public safety	-	-	-	223,395
Physical environment	-	-	-	4,839
Economic environment	-	-	-	4,032
Human services	-	-	-	15,754
Culture and recreation	-	-	-	15,871
Capital outlay				
General government	250	348	-	4,777
Public safety	-	-	-	21,312
Physical environment	-	-	-	148
Human services	-	-	-	4
Culture and recreation	-	-	-	458
Debt service				
Principal retirement	-	-	-	467
Interest and fiscal charges	-	-	-	114
Total expenditures	<u>9,025</u>	<u>21,594</u>	<u>(17,335)</u>	<u>468,161</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(8,448)</u>	<u>9,424</u>	<u>-</u>	<u>74,521</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	9,644	-	(233,685)	5,710
Transfers out	(1,196)	(9,424)	233,685	(76,542)
Capital lease	-	-	-	8,939
Total other financing sources and (uses)	<u>8,448</u>	<u>(9,424)</u>	<u>-</u>	<u>(61,893)</u>
Net change in fund balances	-	-	-	12,628
Fund balances - beginning	-	-	-	133,782
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,410</u>

See accompanying independent auditor's report.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND

For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non - GAAP Board of County Commissioners		Non - GAAP Clerk of Circuit Court		Non - GAAP Property Appraiser	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	REVENUES					
Taxes	\$ 336,753	\$ 344,356	\$ -	\$ -	\$ -	\$ -
Licenses and permits	375	569	-	-	-	-
Intergovernmental	223,640	209,980	1,252	1,258	1,318	1,124
Charges for services	32,110	29,278	5,561	5,499	-	-
Fines and forfeitures	160	96	-	-	-	-
Miscellaneous	7,712	7,565	404	469	-	100
Total revenues	<u>600,750</u>	<u>591,844</u>	<u>7,217</u>	<u>7,226</u>	<u>1,318</u>	<u>1,224</u>
EXPENDITURES						
Current						
General government	227,284	129,818	17,126	16,935	8,938	7,701
Public safety	60,206	43,684	-	-	-	-
Physical environment	8,185	4,839	-	-	-	-
Economic environment	12,820	4,044	-	-	-	-
Human services	18,488	15,754	-	-	-	-
Culture and recreation	19,924	15,871	-	-	-	-
Capital outlay						
General government	148	3,163	837	924	67	92
Public safety	1,288	1,270	-	-	-	-
Physical environment	146	148	-	-	-	-
Human services	70	4	-	-	-	-
Culture and recreation	106	458	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>348,665</u>	<u>219,053</u>	<u>17,963</u>	<u>17,859</u>	<u>9,005</u>	<u>7,793</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>252,085</u>	<u>372,791</u>	<u>(10,746)</u>	<u>(10,633)</u>	<u>(7,687)</u>	<u>(6,569)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,844	14,601	10,746	10,746	7,687	7,691
Transfers out	<u>(298,642)</u>	<u>(297,136)</u>	<u>-</u>	<u>(113)</u>	<u>-</u>	<u>(1,122)</u>
Total other financing sources (uses)	<u>(282,798)</u>	<u>(282,535)</u>	<u>10,746</u>	<u>10,633</u>	<u>7,687</u>	<u>6,569</u>
Net change in fund balance	(30,713)	90,256	-	-	-	-
Fund balances - beginning	<u>133,529</u>	<u>145,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 102,816</u>	<u>\$ 235,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND

For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Sheriff		Supervisor of Elections		Tax Collector	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	554	-	-
Charges for services	-	-	-	15	32,481	30,811
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	1,219	1,219	-	8	223	207
Total revenues	<u>1,219</u>	<u>1,219</u>	<u>-</u>	<u>577</u>	<u>32,704</u>	<u>31,018</u>
EXPENDITURES						
Current						
General government	9,502	9,502	9,438	8,775	23,405	21,246
Public safety	179,711	179,711	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	206	250	353	348
Public safety	7,394	7,394	-	-	-	-
Physical environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service						
Principal retirement	467	467	-	-	-	-
Interest and fiscal charges	114	114	-	-	-	-
Total expenditures	<u>197,188</u>	<u>197,188</u>	<u>9,644</u>	<u>9,025</u>	<u>23,758</u>	<u>21,594</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(195,969)</u>	<u>(195,969)</u>	<u>(9,644)</u>	<u>(8,448)</u>	<u>8,946</u>	<u>9,424</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	196,713	196,713	9,644	9,644	-	-
Transfers out	(744)	(744)	-	(1,196)	(8,946)	(9,424)
Total other financing sources (uses)	<u>195,969</u>	<u>195,969</u>	<u>9,644</u>	<u>8,448</u>	<u>(8,946)</u>	<u>(9,424)</u>
Net change in fund balance	-	-	-	-	-	-
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND

For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Taxes	\$ 336,753	\$ 344,356	\$ 7,603
Licenses and permits	375	569	194
Intergovernmental	226,210	212,916	(13,294)
Charges for services	70,152	65,603	(4,549)
Fines and forfeitures	160	96	(64)
Miscellaneous	9,558	9,568	10
Total revenues	<u>643,208</u>	<u>633,108</u>	<u>(10,100)</u>
EXPENDITURES			
Current			
General government	295,693	193,977	101,716
Public safety	239,917	223,395	16,522
Physical environment	8,185	4,839	3,346
Economic environment	12,820	4,044	8,776
Human services	18,488	15,754	2,734
Culture and recreation	19,924	15,871	4,053
Capital outlay			
General government	1,611	4,777	(3,166)
Public safety	8,682	8,664	18
Physical environment	146	148	(2)
Human services	70	4	66
Culture and recreation	106	458	(352)
Debt service			
Principal retirement	467	467	-
Interest and fiscal charges	114	114	-
Total expenditures	<u>606,223</u>	<u>472,512</u>	<u>133,711</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>36,985</u>	<u>160,596</u>	<u>123,611</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	240,634	239,395	(1,239)
Transfers out	<u>(308,332)</u>	<u>(309,735)</u>	<u>(1,403)</u>
Total other financing sources (uses)	<u>(67,698)</u>	<u>(70,340)</u>	<u>(2,642)</u>
Net change in fund balance	(30,713)	90,256	120,969
Fund balances - beginning	<u>133,529</u>	<u>145,476</u>	<u>11,947</u>
Fund balances - ending	<u>\$ 102,816</u>	<u>\$ 235,732</u>	<u>\$ 132,916</u>

Major Governmental Funds



Lee County, Florida
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL WITH RECONCILIATION TO GAAP
TRANSPORTATION CAPITAL IMPROVEMENTS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 22,050	\$ 20,364	\$ (1,686)
Licenses and permits	-	910	910
Intergovernmental	5,545	241	(5,304)
Charges for services	20	20	-
Miscellaneous	795	2,203	1,408
Total revenues	<u>28,410</u>	<u>23,738</u>	<u>(4,672)</u>
EXPENDITURES			
Current			
Transportation	22,977	15,120	7,857
Capital outlay			
Transportation	165,795	36,841	128,954
Total expenditures	<u>188,772</u>	<u>51,961</u>	<u>136,811</u>
Excess of revenues over expenditures	<u>(160,362)</u>	<u>(28,223)</u>	<u>132,139</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	52,514	61,215	8,701
Transfers out	(807)	(709)	98
Total other financing sources (uses)	<u>51,707</u>	<u>60,506</u>	<u>8,799</u>
Net change in fund balance	(108,655)	32,283	140,938
Fund balances - beginning	<u>145,173</u>	<u>147,153</u>	<u>1,980</u>
Fund balances - ending	<u>\$ 36,518</u>	<u>\$ 179,436</u>	<u>\$ 142,918</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP			
Net change in fund balance (GAAP basis)		\$ 36,029	
Fair market value adjustment		44	
Unavailable revenues		(3,790)	
Net change in fund balance non-GAAP (budgetary basis)		<u>\$ 32,283</u>	

The notes to the financial statements are an integral part of this statement.

Non-Major Governmental Funds



Non-Major Governmental Fund Descriptions

Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources, other than expendable trusts, debt service, or capital projects that are legally restricted to expenditures for specific purposes.

Municipal Service Benefit Unit Districts- To account for revenues and expenditures to be used for costs incurred on behalf of the special improvement districts, such as lighting, fire hydrants, and street paving.

Special Assessment Districts- To account for special assessments collected within certain unincorporated areas of the County to provide improvements (lighting, roads, etc.).

Law Enforcement Trust- To account for the monies held in trust by Lee County for the cost of protracted or complex investigations in the form of technical equipment, expertise, or other law enforcement purposes as the Board deems appropriate which are not normal operating needs of the law enforcement agency.

Special Revenue Projects- To account for revenues that are restricted for specific expenditures or projects.

State Housing Incentives Partnership Program (SHIP) - To account for SHIP grants.

Human Services Grants- To account for grant monies received to fund various Human Services projects.

Lee County Library- To account for ad valorem taxes and governmental grant funds designated to operate and maintain the County's public library system.

E 9-1-1- To account for revenues and expenditures to be used for the acquisition, development, and operation of the E 9-1-1 emergency telephone system for Lee County.

MSTU- To account for ad valorem taxes, building license and permit fees, administration fees, charges for Animal Services, and other revenues, and expenditures to be used in the unincorporated areas of the County for services rendered.

Tourist Development Trust Fund- To account for the five percent tax on rents for temporary lodgings. This tax, approved by a voter referendum in 1982, is restricted for promotion of tourism and specific projects that have been identified as encouraging tourism such as beach and shoreline improvements, the William Hammond Stadium, and JetBlue Park. The debt service and operations for the stadiums are also allowed to be paid from this tax.

Transportation Trust- To account for gas taxes distributed by the State of Florida designated for the construction and operating maintenance of County roads.

All Hazards Protection- To account for revenues and expenditures to be used for the implementation of a hazardous preparedness, response, and recovery program.

Impact Fees-Community Parks- To account for revenues received from impact fees that are restricted for use for capital improvements for designated community park districts.

Special Revenue Funds (continued)

Impact Fees-Regional Parks- To account for revenues received from impact fees that are restricted for use for capital improvements for County regional parks.

Impact Fees-Roads- To account for revenues received from impact fees that are restricted for use for capital improvements to, and expansion of, transportation projects within designated road network areas.

Impact Fees-EMS- To account for revenues received from impact fees that are restricted for the purpose of providing advanced life support and related services within Lee County, except for Lehigh Acres Fire Control and Rescue District.

Animal Trust Fund- To account for revenues received from ordinance violations and donations, and expenditures used to improve the welfare of animals served by Lee County Animal Services.

Court Administration- To account for the revenues and expenditures of the Twentieth Judicial Circuit Court Administrator's Office funded by Lee County.

Clerk of Circuit Court's Special Revenue- To account for revenues and expenditures mandated by Chapter 28.24(15)(d), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office, and Chapter 28.24 (12)(e), *Florida Statutes*, to provide Court Technology support as defined in Chapter 28.008(1)(f)(2) and (h), *Florida Statutes*.

Property Appraiser's Special Revenues- To account for revenues used to operate the County's Geographical Information System (GIS).

Sheriff's Special Revenues- To account for grant revenues to be used for law enforcement purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources to be used for payment of governmental funds' debt principal, interest, and related costs.

Tourist Development Tax Revenue Bonds- To account for payment of the 2010A, 2010B, and 2013 Bonds. Funding is from tourist development tax revenues, William Hammond Stadium and JetBlue Park rental revenue.

MSBU Projects Line of Credit- To account for contributions received from property owners for MSBU projects. Contributions received will be used to pay the outstanding Line of Credit.

Non Ad-Valorem Revenue Bond - To account for payment of the 2012 and 2015 bonds. Funding is from legally available non-ad valorem revenues, which are non-ad valorem revenues less general government and public safety expenditures that are not paid from ad valorem revenues.

MSBU Projects Commercial Loan- To account for payment of the loan obligations for various special improvement districts. Funding is from special assessment tax revenue.

Non Ad-Valorem Loan - To account for payment of the 2013 loan, which refunded the Capital and Transportation Facilities Revenue Bonds, Series 2003. Funding is from legally available non-ad valorem revenues, which are non-ad valorem revenues less general government and public safety expenditures that are not paid from ad valorem revenues.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition, construction, or improvement of major capital facilities and infrastructure other than those financed by proprietary funds.

Capital Improvement- To account for ad valorem taxes and other revenues, and expenditures to be used for the acquisition or construction of major non-transportation related capital facilities.

Special Assessment Districts Construction- To account for the financial resources to be used for the improvement projects (lighting, roads, etc.) in certain unincorporated areas of the County for which a special assessment is collected.

Human Services Grant Construction- To account for grant proceeds to be used to construct various capital projects.

Library Construction Projects- To account for the financial resources to be used for the Library construction projects.

All Hazards Protection Construction Projects- To account for the financial resources to be used for the construction projects of the hazardous preparedness, response, and recovery program.

Impact Fees Community Parks Construction- To account for the financial resources for the capital improvements from impact fees that are designated for community park districts.

Impact Fees Regional Parks Construction- To account for the financial resources for the capital improvements from impact fees that are designated for County regional parks.

Impact Fees Road Construction- To account for the financial resources for the capital improvements to, and expansion of, transportation projects from impact fees that are designated within road network areas.

Impact Fees EMS Construction- To account for financial resources to be used for EMS capital projects from impact fees related to designated areas within the County.

MSBU Projects Line of Credit Construction- To account for financial resources to be used for various capital improvement projects and public facilities within the County for which funds have been drawn against the line of credit.

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Special Revenue Projects
ASSETS				
Cash, cash equivalents and investments	\$ 6,451	\$ 2,871	\$ 1,086	\$ 4,177
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	10	-	-	-
Special assessments	-	2,891	-	-
Accrued interest	8	218	1	4
Due from other funds	104	38	154	166
Due from other governments	-	-	-	77
Inventory	-	-	-	-
Total assets	<u>6,573</u>	<u>6,018</u>	<u>1,241</u>	<u>4,424</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	27	5	-	77
Accrued liabilities	-	1	-	7
Due to other funds	18	63	-	-
Due to other governments	-	-	-	3
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	45
Total liabilities	<u>45</u>	<u>69</u>	<u>-</u>	<u>132</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	3,106	-	-
Total deferred inflows of resources	<u>-</u>	<u>3,106</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	6,528	2,843	1,241	4,261
Committed	-	-	-	31
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>6,528</u>	<u>2,843</u>	<u>1,241</u>	<u>4,292</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,573</u>	<u>\$ 6,018</u>	<u>\$ 1,241</u>	<u>\$ 4,424</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds			
	State Housing Incentives Partnership Program	Human Services Grants	Lee County Library	E 9-1-1
ASSETS				
Cash, cash equivalents and investments	\$ 2,736	\$ 47	\$ 22,784	\$ 11,960
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	3	-	33	14
Due from other funds	-	-	800	-
Due from other governments	985	572	-	582
Inventory	-	-	-	-
Total assets	<u>3,724</u>	<u>619</u>	<u>23,617</u>	<u>12,556</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	194	156	760	157
Accrued liabilities	-	-	165	6
Due to other funds	134	46	1	-
Due to other governments	1	130	78	3
Deposits and overbids	-	-	-	-
Unearned revenues	2,189	55	-	-
Total liabilities	<u>2,518</u>	<u>387</u>	<u>1,004</u>	<u>166</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,206	232	-	12,390
Committed	-	-	22,613	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,206</u>	<u>232</u>	<u>22,613</u>	<u>12,390</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,724</u>	<u>\$ 619</u>	<u>\$ 23,617</u>	<u>\$ 12,556</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds			
	MSTU	Tourist Development Trust Fund	Transportation Trust	All Hazards Protection
ASSETS				
Cash, cash equivalents and investments	\$ 24,984	\$ 30,717	\$ 5	\$ 6,442
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	16	-	-	-
Special assessments	-	-	-	-
Accrued interest	25	38	4	5
Due from other funds	828	513	108	260
Due from other governments	983	21	2,473	215
Inventory	69	8	2,711	-
Total assets	<u>26,905</u>	<u>31,297</u>	<u>5,301</u>	<u>6,922</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	655	33	1,035	1,926
Accrued liabilities	285	39	179	12
Due to other funds	-	145	8	-
Due to other governments	195	24	84	135
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,135</u>	<u>241</u>	<u>1,306</u>	<u>2,073</u>
Deferred inflows of resources:				
Accounts receivable	-	-	712	-
Grants receivable	-	-	25	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>737</u>	<u>-</u>
Fund Balances:				
Nonspendable	69	8	2,711	-
Restricted	-	31,048	-	4,849
Committed	25,701	-	-	-
Assigned	-	-	547	-
Unassigned	-	-	-	-
Total fund balances	<u>25,770</u>	<u>31,056</u>	<u>3,258</u>	<u>4,849</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,905</u>	<u>\$ 31,297</u>	<u>\$ 5,301</u>	<u>\$ 6,922</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- Community Parks	Impact Fees- Regional Parks	Impact Fees- Roads	Impact Fees- EMS
ASSETS				
Cash, cash equivalents and investments	\$ 5,511	\$ 4,254	\$ 34,938	\$ 1,697
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	6	5	38	1
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>5,517</u>	<u>4,259</u>	<u>34,976</u>	<u>1,698</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	1	1	12	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1</u>	<u>1</u>	<u>12</u>	<u>-</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	5,516	4,258	34,964	1,698
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>5,516</u>	<u>4,258</u>	<u>34,964</u>	<u>1,698</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,517</u>	<u>\$ 4,259</u>	<u>\$ 34,976</u>	<u>\$ 1,698</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds			
	Animal Trust Fund	Court Administration	Clerk of Circuit Court's Special Revenue	Property Appraiser's Special Revenues
ASSETS				
Cash, cash equivalents and investments	\$ 558	\$ 1,817	\$ 20,556	\$ 262
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	1	2	-	-
Due from other funds	-	363	77	-
Due from other governments	-	136	337	-
Inventory	-	-	-	-
Total assets	<u>559</u>	<u>2,318</u>	<u>20,970</u>	<u>262</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	15	318	147	1
Accrued liabilities	-	224	205	38
Due to other funds	-	5	241	223
Due to other governments	-	204	2,488	-
Deposits and overbids	-	-	4,855	-
Unearned revenues	-	-	55	-
Total liabilities	<u>15</u>	<u>751</u>	<u>7,991</u>	<u>262</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	8,001	-
Committed	544	1,567	4,978	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>544</u>	<u>1,567</u>	<u>12,979</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 559</u>	<u>\$ 2,318</u>	<u>\$ 20,970</u>	<u>\$ 262</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Special Revenue	Debt Service Funds		
	Funds			
	Sheriff's Special Revenues	Tourist Development Tax Revenue Bonds	Non-Ad Valorem Revenue Bonds	MSBU Projects Commercial Loan
ASSETS				
Cash, cash equivalents and investments	\$ 1,724	\$ 5,018	\$ 1	\$ 11
Cash and cash equivalents with fiscal agent	-	3,914	4,142	-
Receivables (net)				
Accounts	465	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	1,340	1	-	-
Due from other governments	221	-	-	-
Inventory	-	-	-	-
Total assets	<u>3,750</u>	<u>8,933</u>	<u>4,143</u>	<u>11</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	109	-	-	-
Accrued liabilities	72	-	-	-
Due to other funds	1,165	3	-	-
Due to other governments	5	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	567	-	-	-
Total liabilities	<u>1,918</u>	<u>3</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,832	8,930	4,143	11
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,832</u>	<u>8,930</u>	<u>4,143</u>	<u>11</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,750</u>	<u>\$ 8,933</u>	<u>\$ 4,143</u>	<u>\$ 11</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Debt Service		Capital Projects Funds	
	Funds		Special	Human
	Non-Ad Valorem Loan	Capital Improvement	Assessment Districts Construction	Services Grant Construction
ASSETS				
Cash, cash equivalents and investments	\$ 8,181	\$ 120,847	\$ 150	\$ 48
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	145	1	-
Due from other funds	-	22	-	-
Due from other governments	-	199	-	2
Inventory	-	-	-	-
Total assets	<u>8,181</u>	<u>121,213</u>	<u>151</u>	<u>50</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	-	1,446	6	5
Accrued liabilities	-	22	-	-
Due to other funds	-	-	38	-
Due to other governments	-	1,223	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>2,691</u>	<u>44</u>	<u>5</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	8,181	-	107	45
Committed	-	118,522	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>8,181</u>	<u>118,522</u>	<u>107</u>	<u>45</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,181</u>	<u>\$ 121,213</u>	<u>\$ 151</u>	<u>\$ 50</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Capital Projects Funds			
	Library Construction Projects	All Hazards Protection Construction Projects	Impact Fees Community Parks Construction	Impact Fees Regional Parks Construction
ASSETS				
Cash, cash equivalents and investments	\$ 1,537	\$ 305	\$ 3,345	\$ 1,364
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	2	-	3	1
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>1,539</u>	<u>305</u>	<u>3,348</u>	<u>1,365</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	-	-	8	26
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8</u>	<u>26</u>
Deferred inflows of resources:				
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	305	3,338	1,339
Committed	1,539	-	-	-
Assigned	-	-	2	-
Unassigned	-	-	-	-
Total fund balances	<u>1,539</u>	<u>305</u>	<u>3,340</u>	<u>1,339</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,539</u>	<u>\$ 305</u>	<u>\$ 3,348</u>	<u>\$ 1,365</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	<u>Capital Projects Funds</u>		Total Non-Major Governmental Funds
	Impact Fees Road Construction	Impact Fees EMS Construction	
ASSETS			
Cash, cash equivalents and investments	\$ 14,718	\$ 70	\$ 341,172
Cash and cash equivalents with fiscal agent	-	-	8,056
Receivables (net)			
Accounts	-	-	491
Special assessments	-	-	2,891
Accrued interest	20	-	578
Due from other funds	-	-	4,774
Due from other governments	-	-	6,803
Inventory	-	-	2,788
Total assets	<u>14,738</u>	<u>70</u>	<u>367,553</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	871	-	7,991
Accrued liabilities	-	-	1,255
Due to other funds	-	-	2,090
Due to other governments	-	-	4,573
Deposits and overbids	-	-	4,855
Unearned revenues	-	-	2,911
Total liabilities	<u>871</u>	<u>-</u>	<u>23,675</u>
Deferred inflows of resources:			
Accounts receivable	-	-	712
Grants receivable	-	-	25
Special assessment receivable	-	-	3,106
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,843</u>
Fund Balances:			
Nonspendable	-	-	2,788
Restricted	13,867	70	161,203
Committed	-	-	175,495
Assigned	-	-	549
Unassigned	-	-	-
Total fund balances	<u>13,867</u>	<u>70</u>	<u>340,035</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,738</u>	<u>\$ 70</u>	<u>\$ 367,553</u>

See accompanying independent auditor's report.

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Special Revenue Projects
REVENUES				
Taxes	\$ 5,086	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	6	-	1,476
Charges for services	-	164	-	641
Fines and forfeitures	-	-	288	209
Impact fees	-	-	-	-
Special assessments	-	1,074	-	-
Miscellaneous	123	67	16	59
Total revenues	<u>5,209</u>	<u>1,311</u>	<u>304</u>	<u>2,385</u>
EXPENDITURES				
Current				
General government	135	440	13	116
Public safety	1,239	-	-	43
Physical environment	24	-	-	762
Transportation	3,101	386	-	-
Economic environment	-	-	-	-
Human services	-	-	-	1,438
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>4,499</u>	<u>826</u>	<u>13</u>	<u>2,359</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>710</u>	<u>485</u>	<u>291</u>	<u>26</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	124	2	361	-
Transfer out	(6)	(1,175)	(1,275)	-
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>118</u>	<u>(1,173)</u>	<u>(914)</u>	<u>-</u>
Net change in fund balances	828	(688)	(623)	26
Fund balances - beginning	5,700	3,531	1,864	4,266
Fund balances - ending	<u>\$ 6,528</u>	<u>\$ 2,843</u>	<u>\$ 1,241</u>	<u>\$ 4,292</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Special Revenue Funds			
	State Housing Incentives Partnership Program	Human Services Grants	Lee County Library	E 9-1-1
REVENUES				
Taxes	\$ -	\$ -	\$ 35,426	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,077	4,369	832	-
Charges for services	-	-	68	3,569
Fines and forfeitures	-	-	158	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	132	5	731	193
Total revenues	<u>1,209</u>	<u>4,374</u>	<u>37,215</u>	<u>3,762</u>
EXPENDITURES				
Current				
General government	-	-	1,220	936
Public safety	-	-	-	2,245
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	1,462	4,369	-	-
Human services	-	-	-	-
Culture and recreation	-	-	30,872	-
Capital outlay				
General government	-	-	-	29
Public safety	-	-	-	3
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	283	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,462</u>	<u>4,369</u>	<u>32,375</u>	<u>3,213</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(253)</u>	<u>5</u>	<u>4,840</u>	<u>549</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	278	-
Transfer out	-	-	-	-
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>278</u>	<u>-</u>
Net change in fund balances	(253)	5	5,118	549
Fund balances - beginning	1,459	227	17,495	11,841
Fund balances - ending	<u>\$ 1,206</u>	<u>\$ 232</u>	<u>\$ 22,613</u>	<u>\$ 12,390</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Special Revenue Funds			
		Tourist	Transportation	All
	MSTU	Development Trust	Trust	Hazards Protection
REVENUES				
Taxes	\$ 35,431	\$ 37,990	\$ -	\$ 3,309
Licenses and permits	10,879	-	183	-
Intergovernmental	2,193	500	8,903	1,032
Charges for services	6,646	1,030	141	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	70
Special assessments	-	-	-	-
Miscellaneous	442	682	1,995	80
Total revenues	<u>55,591</u>	<u>40,202</u>	<u>11,222</u>	<u>4,491</u>
EXPENDITURES				
Current				
General government	7,869	1,171	1,435	1,374
Public safety	10,843	-	-	1,968
Physical environment	5,916	-	-	-
Transportation	322	-	29,875	-
Economic environment	-	17,246	-	-
Human services	5,666	-	-	-
Culture and recreation	12,957	25	-	-
Capital outlay				
General government	19	-	-	-
Public safety	151	-	-	57
Physical environment	75	-	-	-
Transportation	-	-	299	-
Economic environment	-	8	-	-
Human services	70	-	-	-
Culture and recreation	81	-	-	-
Debt service				
Principal retirement	-	-	231	-
Interest and fiscal charges	-	-	19	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>43,969</u>	<u>18,450</u>	<u>31,859</u>	<u>3,399</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>11,622</u>	<u>21,752</u>	<u>(20,637)</u>	<u>1,092</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	15,217	3,311	22,000	26
Transfer out	(24,992)	(23,272)	-	-
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(9,775)</u>	<u>(19,961)</u>	<u>22,000</u>	<u>26</u>
Net change in fund balances	1,847	1,791	1,363	1,118
Fund balances - beginning	23,923	29,265	1,895	3,731
Fund balances - ending	<u>\$ 25,770</u>	<u>\$ 31,056</u>	<u>\$ 3,258</u>	<u>\$ 4,849</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- Community Parks	Impact Fees- Regional Parks	Impact Fees- Roads	Impact Fees- EMS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	1,481	1,932	15,916	357
Special assessments	-	-	-	-
Miscellaneous	94	65	468	25
Total revenues	<u>1,575</u>	<u>1,997</u>	<u>16,384</u>	<u>382</u>
EXPENDITURES				
Current				
General government	4	3	44	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	26	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>30</u>	<u>3</u>	<u>44</u>	<u>-</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>1,545</u>	<u>1,994</u>	<u>16,340</u>	<u>382</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	-	-
Transfer out	(1,393)	(1,005)	(2,300)	-
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(1,393)</u>	<u>(1,005)</u>	<u>(2,300)</u>	<u>-</u>
Net change in fund balances	152	989	14,040	382
Fund balances - beginning	5,364	3,269	20,924	1,316
Fund balances - ending	<u>\$ 5,516</u>	<u>\$ 4,258</u>	<u>\$ 34,964</u>	<u>\$ 1,698</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Special Revenue Funds			
	Animal Trust Fund	Court Administration	Clerk of Circuit Court's Special Revenue	Property Appraiser's Special Revenues
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	51	2,347	-
Charges for services	5	4,551	12,323	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	149	316	386	-
Total revenues	<u>154</u>	<u>4,918</u>	<u>15,056</u>	<u>-</u>
EXPENDITURES				
Current				
General government	-	16,720	13,019	1,572
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	124	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	301	246	22
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>124</u>	<u>17,021</u>	<u>13,265</u>	<u>1,594</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>30</u>	<u>(12,103)</u>	<u>1,791</u>	<u>(1,594)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	10,970	-	1,817
Transfer out	-	-	-	(223)
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,970</u>	<u>-</u>	<u>1,594</u>
Net change in fund balances	30	(1,133)	1,791	-
Fund balances - beginning	514	2,700	11,188	-
Fund balances - ending	<u>\$ 544</u>	<u>\$ 1,567</u>	<u>\$ 12,979</u>	<u>\$ -</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds		
	Sheriff's Special Revenues	Tourist Development Tax Revenue Bonds	MSBU Projects Line of Credit	Non-Ad Valorem Revenue Bonds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	9,210	-	-	-
Charges for services	6,101	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	104	-
Miscellaneous	131	75	-	18
Total revenues	<u>15,442</u>	<u>75</u>	<u>104</u>	<u>18</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	14,781	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	1,839	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	1,510	406	2,295
Interest and fiscal charges	-	5,401	-	3,512
Bond issuance costs	-	624	-	-
Total expenditures	<u>16,620</u>	<u>7,535</u>	<u>406</u>	<u>5,807</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(1,178)</u>	<u>(7,460)</u>	<u>(302)</u>	<u>(5,789)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	1,075	9,107	210	5,848
Transfer out	(361)	(3,109)	-	-
Bond premium	-	10,791	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	75,205	-	-
Payments to refunded debt escrow agent	-	(85,607)	-	-
Total other financing sources (uses)	<u>714</u>	<u>6,387</u>	<u>210</u>	<u>5,848</u>
Net change in fund balances	(464)	(1,073)	(92)	59
Fund balances - beginning	2,296	10,003	92	4,084
Fund balances - ending	<u>\$ 1,832</u>	<u>\$ 8,930</u>	<u>\$ -</u>	<u>\$ 4,143</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Debt Service Funds		Capital Projects Funds	
	MSBU Projects Commercial Loan	Non-Ad Valorem Loan	Capital Improvement	Special Assessment Districts Construction
REVENUES				
Taxes	\$ -	\$ -	\$ 5	\$ -
Licenses and permits	-	-	318	-
Intergovernmental	-	-	5,454	-
Charges for services	-	-	148	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	-	32	3,684	6
Total revenues	<u>-</u>	<u>32</u>	<u>9,609</u>	<u>6</u>
EXPENDITURES				
Current				
General government	-	-	306	-
Public safety	-	-	-	-
Physical environment	-	-	374	730
Transportation	-	-	-	372
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	10,967	-
Capital outlay				
General government	-	-	14,478	-
Public safety	-	-	-	-
Physical environment	-	-	2,046	-
Transportation	-	-	1,038	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	2,111	-
Debt service				
Principal retirement	365	7,845	-	-
Interest and fiscal charges	124	420	-	-
Bond issuance costs	27	-	-	-
Total expenditures	<u>516</u>	<u>8,265</u>	<u>31,320</u>	<u>1,102</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(516)</u>	<u>(8,233)</u>	<u>(21,711)</u>	<u>(1,096)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	476	8,309	27,568	811
Transfer out	(406)	-	(2,807)	-
Bond premium	-	-	-	-
Debt issuance	450	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>520</u>	<u>8,309</u>	<u>24,761</u>	<u>811</u>
Net change in fund balances	4	76	3,050	(285)
Fund balances - beginning	7	8,105	115,472	392
Fund balances - ending	<u>\$ 11</u>	<u>\$ 8,181</u>	<u>\$ 118,522</u>	<u>\$ 107</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Capital Projects Funds			
	Human Services Grant Construction	Library Construction Projects	All Hazards Protection Construction Projects	Impact Fees Community Parks Construction
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	55	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	1	616	5	42
Total revenues	<u>56</u>	<u>616</u>	<u>5</u>	<u>42</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	55	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	205
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>55</u>	<u>-</u>	<u>-</u>	<u>205</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>1</u>	<u>616</u>	<u>5</u>	<u>(163)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	-	1,393
Transfer out	-	-	-	-
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,393</u>
Net change in fund balances	1	616	5	1,230
Fund balances - beginning	44	923	300	2,110
Fund balances - ending	<u>\$ 45</u>	<u>\$ 1,539</u>	<u>\$ 305</u>	<u>\$ 3,340</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Capital Projects Funds			
	Impact Fees	Impact Fees	Impact Fees	MSBU Projects
	Regional	Road	EMS	Line of Credit
	Parks Construction	Road Construction	EMS Construction	Line of Credit Construction
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	12	273	1	-
Total revenues	<u>12</u>	<u>273</u>	<u>1</u>	<u>-</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	1
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	5,973	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	231	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	3
Bond issuance costs	-	-	-	-
Total expenditures	<u>231</u>	<u>5,973</u>	<u>-</u>	<u>4</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(219)</u>	<u>(5,700)</u>	<u>1</u>	<u>(4)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	1,005	2,300	-	-
Transfer out	-	-	-	-
Bond premium	-	-	-	-
Debt issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>1,005</u>	<u>2,300</u>	<u>-</u>	<u>-</u>
Net change in fund balances	786	(3,400)	1	(4)
Fund balances - beginning	553	17,267	69	4
Fund balances - ending	<u>\$ 1,339</u>	<u>\$ 13,867</u>	<u>\$ 70</u>	<u>\$ -</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

		Total Non-Major Governmental Funds
<hr/>		
REVENUES		
Taxes	\$	117,247
Licenses and permits		11,380
Intergovernmental		37,505
Charges for services		35,387
Fines and forfeitures		655
Impact fees		19,756
Special assessments		1,178
Miscellaneous		10,924
Total revenues		<u>234,032</u>
EXPENDITURES		
Current		
General government		46,377
Public safety		31,119
Physical environment		7,806
Transportation		34,057
Economic environment		23,077
Human services		7,228
Culture and recreation		54,847
Capital outlay		
General government		15,095
Public safety		2,050
Physical environment		2,121
Transportation		7,310
Economic environment		63
Human services		70
Culture and recreation		2,911
Debt service		
Principal retirement		12,652
Interest and fiscal charges		9,479
Bond issuance costs		651
Total expenditures		<u>256,913</u>
Excess (deficiencies) of revenue over (under) expenditures		<u>(22,881)</u>
OTHER FINANCING SOURCES AND (USES)		
Transfers in		112,208
Transfer out		(62,324)
Bond premium		10,791
Debt issuance		450
Issuance of refunding debt		75,205
Payments to refunded debt escrow agent		(85,607)
Total other financing sources (uses)		<u>50,723</u>
Net change in fund balances		27,842
Fund balances - beginning		312,193
Fund balances - ending	\$	<u><u>340,035</u></u>

See accompanying independent auditor's report.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non - GAAP Municipal Service Benefit Unit Districts		Non - GAAP Special Assessment Districts		Non - GAAP Law Enforcement Trust	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ 5,012	\$ 5,086	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	6	6	-	-
Charges for services	-	-	112	164	-	-
Fines and forfeitures	-	-	-	-	750	288
Impact fees	-	-	-	-	-	-
Special assessments	-	-	766	1,080	-	-
Miscellaneous	65	121	46	73	390	15
Total revenues	<u>5,077</u>	<u>5,207</u>	<u>930</u>	<u>1,323</u>	<u>1,140</u>	<u>303</u>
EXPENDITURES						
Current						
General government	129	135	645	440	13	13
Public safety	1,238	1,239	-	-	-	-
Physical environment	25	24	-	-	-	-
Transportation	6,632	3,101	428	386	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>8,024</u>	<u>4,499</u>	<u>1,073</u>	<u>826</u>	<u>13</u>	<u>13</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(2,947)</u>	<u>708</u>	<u>(143)</u>	<u>497</u>	<u>1,127</u>	<u>290</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	107	124	237	213	-	361
Transfers out	(6)	(6)	(1,401)	(1,386)	(1,275)	(1,275)
Total other financing sources (uses)	<u>101</u>	<u>118</u>	<u>(1,164)</u>	<u>(1,173)</u>	<u>(1,275)</u>	<u>(914)</u>
Net change in fund balances	(2,846)	826	(1,307)	(676)	(148)	(624)
Fund balances - beginning	5,701	5,589	3,501	4,595	1,864	1,861
Fund balances - ending	<u>\$ 2,855</u>	<u>\$ 6,415</u>	<u>\$ 2,194</u>	<u>\$ 3,919</u>	<u>\$ 1,716</u>	<u>\$ 1,237</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non - GAAP Special Revenue Projects		Non - GAAP State Housing Incentives Partnership Program		Non - GAAP Human Services Grants	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,431	1,476	4,479	1,077	9,130	4,369
Charges for services	654	641	-	-	-	-
Fines and forfeitures	325	209	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	59	60	145	130	4	5
Total revenues	<u>4,469</u>	<u>2,386</u>	<u>4,624</u>	<u>1,207</u>	<u>9,134</u>	<u>4,374</u>
EXPENDITURES						
Current						
General government	409	116	-	-	-	-
Public safety	88	43	-	-	-	-
Physical environment	776	762	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	5,443	1,462	9,130	4,369
Human services	3,378	1,438	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	20	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>4,671</u>	<u>2,359</u>	<u>5,443</u>	<u>1,462</u>	<u>9,130</u>	<u>4,369</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(202)</u>	<u>27</u>	<u>(819)</u>	<u>(255)</u>	<u>4</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(202)</u>	<u>27</u>	<u>(819)</u>	<u>(255)</u>	<u>4</u>	<u>5</u>
Fund balances - beginning	<u>4,266</u>	<u>12,426</u>	<u>1,459</u>	<u>(3,749)</u>	<u>284</u>	<u>226</u>
Fund balances - ending	<u>\$ 4,064</u>	<u>\$ 12,453</u>	<u>\$ 640</u>	<u>\$ (4,004)</u>	<u>\$ 288</u>	<u>\$ 231</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non - GAAP Lee County Library		Non - GAAP E 9 - 1 - 1		Non - GAAP MSTU	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	REVENUES					
Taxes	\$ 34,971	\$ 35,426	\$ -	\$ -	\$ 35,668	\$ 35,431
Licenses and permits	-	-	-	-	8,156	10,879
Intergovernmental	644	832	-	-	2,410	940
Charges for services	110	68	3,075	3,569	6,919	6,646
Fines and forfeitures	302	158	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	365	725	135	195	785	443
Total revenues	<u>36,392</u>	<u>37,209</u>	<u>3,210</u>	<u>3,764</u>	<u>53,938</u>	<u>54,339</u>
EXPENDITURES						
Current						
General government	1,282	1,220	1,166	936	7,777	7,869
Public safety	-	-	3,172	2,245	12,060	10,843
Physical environment	-	-	-	-	7,296	5,910
Transportation	-	-	-	-	462	321
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	5,979	5,666
Culture and recreation	35,459	30,872	-	-	14,116	12,957
Capital outlay						
General government	-	-	486	29	167	19
Public safety	-	-	282	3	156	151
Physical environment	-	-	-	-	4	75
Transportation	-	-	-	-	6	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	73	70
Culture and recreation	588	283	-	-	-	81
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>37,329</u>	<u>32,375</u>	<u>5,106</u>	<u>3,213</u>	<u>48,096</u>	<u>43,962</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(937)</u>	<u>4,834</u>	<u>(1,896)</u>	<u>551</u>	<u>5,842</u>	<u>10,377</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	517	278	-	-	20,045	20,067
Transfers out	-	-	-	-	(29,842)	(29,842)
Total other financing sources (uses)	<u>517</u>	<u>278</u>	<u>-</u>	<u>-</u>	<u>(9,797)</u>	<u>(9,775)</u>
Net change in fund balances	<u>(420)</u>	<u>5,112</u>	<u>(1,896)</u>	<u>551</u>	<u>(3,955)</u>	<u>602</u>
Fund balances - beginning	<u>17,495</u>	<u>17,580</u>	<u>11,841</u>	<u>11,816</u>	<u>25,100</u>	<u>25,303</u>
Fund balances - ending	<u>\$ 17,075</u>	<u>\$ 22,692</u>	<u>\$ 9,945</u>	<u>\$ 12,367</u>	<u>\$ 21,145</u>	<u>\$ 25,905</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Non - GAAP Tourist Development Trust Fund		Non - GAAP Transportation Trust		Non - GAAP All Hazards Protection	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	REVENUES					
Taxes	\$ 41,500	\$ 37,990	\$ -	\$ -	\$ 3,264	\$ 3,309
Licenses and permits	-	-	120	183	-	-
Intergovernmental	500	500	10,036	9,157	5,516	1,032
Charges for services	1,015	1,030	927	565	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	85	70
Special assessments	-	-	-	-	-	-
Miscellaneous	2,324	689	1,097	2,027	90	83
Total revenues	<u>45,339</u>	<u>40,209</u>	<u>12,180</u>	<u>11,932</u>	<u>8,955</u>	<u>4,494</u>
EXPENDITURES						
Current						
General government	1,236	1,171	1,757	1,435	1,449	1,374
Public safety	-	-	-	-	2,864	1,968
Physical environment	-	-	-	-	-	-
Transportation	-	-	31,019	30,429	-	-
Economic environment	22,728	17,240	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	25	25	-	-	-	-
Capital outlay						
General government	-	-	4	-	-	-
Public safety	-	-	-	-	4,882	57
Physical environment	-	-	-	-	-	-
Transportation	-	-	398	299	-	-
Economic environment	2	8	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	188	231	-	-
Interest and fiscal charges	-	-	12	19	-	-
Total expenditures	<u>23,991</u>	<u>18,444</u>	<u>33,378</u>	<u>32,413</u>	<u>9,195</u>	<u>3,399</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>21,348</u>	<u>21,765</u>	<u>(21,198)</u>	<u>(20,481)</u>	<u>(240)</u>	<u>1,095</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	7,949	3,311	22,000	22,000	23	26
Transfers out	(30,439)	(23,272)	-	-	-	-
Total other financing sources (uses)	<u>(22,490)</u>	<u>(19,961)</u>	<u>22,000</u>	<u>22,000</u>	<u>23</u>	<u>26</u>
Net change in fund balances	(1,142)	1,804	802	1,519	(217)	1,121
Fund balances - beginning	29,251	29,377	-	1,146	3,704	3,726
Fund balances - ending	<u>\$ 28,109</u>	<u>\$ 31,181</u>	<u>\$ 802</u>	<u>\$ 2,665</u>	<u>\$ 3,487</u>	<u>\$ 4,847</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Non - GAAP Impact Fees - Community Parks		Non - GAAP Impact Fees - Regional Parks		Non - GAAP Impact Fees - Roads	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	1,101	1,481	1,500	1,932	13,001	15,916
Special assessments	-	-	-	-	-	-
Miscellaneous	34	95	22	63	60	439
Total revenues	<u>1,135</u>	<u>1,576</u>	<u>1,522</u>	<u>1,995</u>	<u>13,061</u>	<u>16,355</u>
EXPENDITURES						
Current						
General government	10	4	5	3	62	44
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	25	26	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>35</u>	<u>30</u>	<u>5</u>	<u>3</u>	<u>62</u>	<u>44</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,100</u>	<u>1,546</u>	<u>1,517</u>	<u>1,992</u>	<u>12,999</u>	<u>16,311</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(1,393)	(1,393)	(1,005)	(1,005)	(2,300)	(2,300)
Total other financing sources (uses)	<u>(1,393)</u>	<u>(1,393)</u>	<u>(1,005)</u>	<u>(1,005)</u>	<u>(2,300)</u>	<u>(2,300)</u>
Net change in fund balances	(293)	153	512	987	10,699	14,011
Fund balances - beginning	5,364	7,758	3,269	3,196	20,924	17,488
Fund balances - ending	<u>\$ 5,071</u>	<u>\$ 7,911</u>	<u>\$ 3,781</u>	<u>\$ 4,183</u>	<u>\$ 31,623</u>	<u>\$ 31,499</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non - GAAP Impact Fees - EMS		Non - GAAP Animal Trust Fund		Non - GAAP Court Administration	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	51
Charges for services	-	-	7	5	4,958	4,551
Fines and forfeitures	-	-	-	-	-	-
Impact fees	170	357	-	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	13	24	102	149	338	321
Total revenues	<u>183</u>	<u>381</u>	<u>109</u>	<u>154</u>	<u>5,296</u>	<u>4,923</u>
EXPENDITURES						
Current						
General government	2	-	-	-	18,556	16,720
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	189	124	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	287	301
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>2</u>	<u>-</u>	<u>189</u>	<u>124</u>	<u>18,843</u>	<u>17,021</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>181</u>	<u>381</u>	<u>(80)</u>	<u>30</u>	<u>(13,547)</u>	<u>(12,098)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	12,555	10,995
Transfers out	-	-	-	-	(476)	(25)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,079</u>	<u>10,970</u>
Net change in fund balances	<u>181</u>	<u>381</u>	<u>(80)</u>	<u>30</u>	<u>(1,468)</u>	<u>(1,128)</u>
Fund balances - beginning	<u>1,316</u>	<u>1,315</u>	<u>514</u>	<u>514</u>	<u>2,699</u>	<u>2,823</u>
Fund balances - ending	<u>\$ 1,497</u>	<u>\$ 1,696</u>	<u>\$ 434</u>	<u>\$ 544</u>	<u>\$ 1,231</u>	<u>\$ 1,695</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Clerk of Circuit Court's Special Revenue		Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	Final Budget	Actual	
REVENUES					
Taxes	\$ -	\$ -	\$ 120,415	\$ 117,242	\$ (3,173)
Licenses and permits	-	-	8,276	11,062	2,786
Intergovernmental	1,491	2,401	37,643	21,841	(15,802)
Charges for services	15,513	15,856	33,290	33,095	(195)
Fines and forfeitures	-	-	1,377	655	(722)
Impact fees	-	-	15,857	19,756	3,899
Special assessments	-	-	766	1,080	314
Miscellaneous	410	386	6,484	6,043	(441)
Total revenues	<u>17,414</u>	<u>18,643</u>	<u>224,108</u>	<u>210,774</u>	<u>(13,334)</u>
EXPENDITURES					
Current					
General government	20,233	16,551	54,731	48,031	6,700
Public safety	-	-	19,422	16,338	3,084
Physical environment	-	-	8,097	6,696	1,401
Transportation	-	-	38,541	34,237	4,304
Economic environment	-	-	37,301	23,071	14,230
Human services	-	-	9,546	7,228	2,318
Culture and recreation	-	-	49,625	43,880	5,745
Capital outlay					
General government	1,900	246	2,864	595	2,269
Public safety	-	-	5,320	211	5,109
Physical environment	-	-	4	75	(71)
Transportation	-	-	404	299	105
Economic environment	-	-	2	8	(6)
Human services	-	-	73	70	3
Culture and recreation	-	-	588	364	224
Debt Service					
Principal retirement	-	-	188	231	(43)
Interest and fiscal charges	-	-	12	19	(7)
Total expenditures	<u>22,133</u>	<u>16,797</u>	<u>226,718</u>	<u>181,353</u>	<u>45,365</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(4,719)</u>	<u>1,846</u>	<u>(2,610)</u>	<u>29,421</u>	<u>32,031</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	63,433	57,375	(6,058)
Transfers out	-	-	(68,137)	(60,504)	7,633
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,704)</u>	<u>(3,129)</u>	<u>1,575</u>
Net change in fund balances	<u>(4,719)</u>	<u>1,846</u>	<u>(7,314)</u>	<u>26,292</u>	<u>33,606</u>
Fund balances - beginning	4,719	11,188	143,271	154,178	10,907
Fund balances - ending	<u>\$ -</u>	<u>\$ 13,034</u>	<u>\$ 135,957</u>	<u>\$ 180,470</u>	<u>\$ 44,513</u>

See accompanying independent auditors' report.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS

For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Tourist Development Tax Revenue Bonds		MSBU Projects Line of Credit		Non - Ad Valorem Revenue Bonds	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Special assessments	\$ -	\$ -	\$ 104	\$ 104	\$ -	\$ -
Miscellaneous	129	74	-	-	31	17
Total revenues	<u>129</u>	<u>74</u>	<u>104</u>	<u>104</u>	<u>31</u>	<u>17</u>
EXPENDITURES						
Debt Service						
Principal retirement	1,510	1,510	420	406	2,295	2,295
Interest and fiscal charges	5,442	5,401	-	-	3,512	3,512
Bond issuance costs	682	624	-	-	-	-
Total expenditures	<u>7,634</u>	<u>7,535</u>	<u>420</u>	<u>406</u>	<u>5,807</u>	<u>5,807</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(7,505)</u>	<u>(7,461)</u>	<u>(316)</u>	<u>(302)</u>	<u>(5,776)</u>	<u>(5,790)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	98,032	94,482	223	210	5,797	5,848
Transfers out	(89,628)	(88,484)	-	-	-	-
Bond premium	-	10,791	-	-	-	-
Debt issuance	-	-	-	-	-	-
Issuance of refunding debt	85,996	75,205	-	-	-	-
Payments to refunded debt escrow agent	(85,599)	(85,607)	-	-	-	-
Total other financing sources (uses)	<u>8,801</u>	<u>6,387</u>	<u>223</u>	<u>210</u>	<u>5,797</u>	<u>5,848</u>
Net change in fund balances	1,296	(1,074)	(93)	(92)	21	58
Fund balances - beginning	10,003	10,002	92	92	4,084	4,084
Fund balances - ending	<u>\$ 11,299</u>	<u>\$ 8,928</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 4,105</u>	<u>\$ 4,142</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS

For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	MSBU Projects Commercial Loan		Non - Ad Valorem Loan	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Special assessments	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	20	32
Total revenues	<u>-</u>	<u>-</u>	<u>20</u>	<u>32</u>
EXPENDITURES				
Debt Service				
Principal retirement	365	365	7,845	7,845
Interest and fiscal charges	119	124	420	420
Bond issuance costs	60	27	-	-
Total expenditures	<u>544</u>	<u>516</u>	<u>8,265</u>	<u>8,265</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(544)</u>	<u>(516)</u>	<u>(8,245)</u>	<u>(8,233)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	484	476	8,297	8,309
Transfers out	(456)	(406)	-	-
Bond premium	-	-	-	-
Debt issuance	535	450	-	-
Issuance of refunding debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>563</u>	<u>520</u>	<u>8,297</u>	<u>8,309</u>
Net change in fund balances	19	4	52	76
Fund balances - beginning	7	69	8,105	8,105
Fund balances - ending	<u>\$ 26</u>	<u>\$ 73</u>	<u>\$ 8,157</u>	<u>\$ 8,181</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS

For the Year Ended September 30, 2020

(amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Special assessments	\$ 104	\$ 104	\$ -
Miscellaneous	180	123	(57)
Total revenues	<u>284</u>	<u>227</u>	<u>(57)</u>
EXPENDITURES			
Debt Service			
Principal retirement	12,435	12,421	14
Interest and fiscal charges	9,493	9,457	36
Bond issuance costs	742	651	91
Total expenditures	<u>22,670</u>	<u>22,529</u>	<u>141</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(22,386)</u>	<u>(22,302)</u>	<u>84</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	112,833	109,325	(3,508)
Transfers out	(90,084)	(88,890)	1,194
Bond premium	-	10,791	10,791
Debt issuance	535	450	(85)
Issuance of refunding debt	85,996	75,205	(10,791)
Payments to refunded debt escrow agent	(85,599)	(85,607)	(8)
Total other financing sources (uses)	<u>23,681</u>	<u>21,274</u>	<u>(2,407)</u>
Net change in fund balances	1,295	(1,028)	(2,323)
Fund balances - beginning	22,291	22,352	61
Fund balances - ending	<u>\$ 23,586</u>	<u>\$ 21,324</u>	<u>\$ (2,262)</u>

See accompanying independent auditors' report.

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Non-GAAP Capital Improvement		Non-GAAP Special Assessment Districts Construction		Non - GAAP Human Services Grant Construction	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -
Licenses and permits	400	318	-	-	-	-
Intergovernmental	6,214	5,365	-	-	1,581	55
Charges for services	147	148	-	-	-	-
Miscellaneous	2,168	3,701	7	6	-	1
Total revenues	<u>8,929</u>	<u>9,537</u>	<u>7</u>	<u>6</u>	<u>1,581</u>	<u>56</u>
EXPENDITURES						
Current						
General government	616	306	-	-	-	-
Physical environment	9,026	374	541	730	-	-
Transportation	-	-	256	372	-	-
Culture and recreation	22,749	10,967	-	-	-	-
Capital Outlay						
General government	30,386	14,478	404	-	-	-
Physical environment	15,145	2,046	-	-	-	-
Transportation	5,705	1,038	-	-	-	-
Economic environment	-	-	-	-	1,580	55
Culture and recreation	12,460	2,110	-	-	-	-
Debt Service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>96,087</u>	<u>31,319</u>	<u>1,201</u>	<u>1,102</u>	<u>1,580</u>	<u>55</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(87,158)</u>	<u>(21,782)</u>	<u>(1,194)</u>	<u>(1,096)</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	28,946	27,691	802	811	-	-
Transfers out	(6,466)	(2,930)	-	-	-	-
Total other financing sources (uses)	<u>22,480</u>	<u>24,761</u>	<u>802</u>	<u>811</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(64,678)</u>	<u>2,979</u>	<u>(392)</u>	<u>(285)</u>	<u>1</u>	<u>1</u>
Fund balances - beginning	115,473	115,498	392	394	44	43
Fund balances - ending	<u>\$ 50,795</u>	<u>\$ 118,477</u>	<u>\$ -</u>	<u>\$ 109</u>	<u>\$ 45</u>	<u>\$ 44</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 CAPITAL PROJECTS FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non-GAAP Library Construction Projects		Non-GAAP All Hazards Construction Projects		Non-GAAP Impact Fees Community Parks Construction	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	5	628	4	5	1	39
Total revenues	<u>5</u>	<u>628</u>	<u>4</u>	<u>5</u>	<u>1</u>	<u>39</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	202	-	-	-	3,206	205
Debt Service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,206</u>	<u>205</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(197)</u>	<u>628</u>	<u>4</u>	<u>5</u>	<u>(3,205)</u>	<u>(166)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,393	1,393
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,393</u>	<u>1,393</u>
Net change in fund balances	<u>(197)</u>	<u>628</u>	<u>4</u>	<u>5</u>	<u>(1,812)</u>	<u>1,227</u>
Fund balances - beginning	923	908	300	299	2,110	2,102
Fund balances - ending	<u>\$ 726</u>	<u>\$ 1,536</u>	<u>\$ 304</u>	<u>\$ 304</u>	<u>\$ 298</u>	<u>\$ 3,329</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 CAPITAL PROJECTS FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non-GAAP Impact Fees Regional Parks Construction		Non-GAAP Impact Fees Road Construction		Non-GAAP Impact Fees EMS Construction	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	12	41	284	1	1
Total revenues	<u>-</u>	<u>12</u>	<u>41</u>	<u>284</u>	<u>1</u>	<u>1</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	18,117	5,973	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	1,554	232	-	-	-	-
Debt Service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,554</u>	<u>232</u>	<u>18,117</u>	<u>5,973</u>	<u>-</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,554)</u>	<u>(220)</u>	<u>(18,076)</u>	<u>(5,689)</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,005	1,005	2,300	2,300	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,005</u>	<u>1,005</u>	<u>2,300</u>	<u>2,300</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(549)</u>	<u>785</u>	<u>(15,776)</u>	<u>(3,389)</u>	<u>1</u>	<u>1</u>
Fund balances - beginning	553	553	17,268	17,219	69	70
Fund balances - ending	<u>\$ 4</u>	<u>\$ 1,338</u>	<u>\$ 1,492</u>	<u>\$ 13,830</u>	<u>\$ 70</u>	<u>\$ 71</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 CAPITAL PROJECTS FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Non-GAAP MSBU Projects Line of Credit Construction		Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	Final Budget	Actual	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 5	\$ 5
Licenses and permits	-	-	400	318	(82)
Intergovernmental	-	-	7,795	5,420	(2,375)
Charges for services	-	-	147	148	1
Miscellaneous	-	1	2,227	4,678	2,451
Total revenues	<u>-</u>	<u>1</u>	<u>10,569</u>	<u>10,569</u>	<u>-</u>
EXPENDITURES					
Current					
General government	-	-	616	306	310
Physical environment	-	-	9,567	1,104	8,463
Transportation	-	2	256	374	(118)
Culture and recreation	-	-	22,749	10,967	11,782
Capital Outlay					
General government	-	-	30,790	14,478	16,312
Physical environment	-	-	15,145	2,046	13,099
Transportation	-	-	23,822	7,011	16,811
Economic environment	-	-	1,580	55	1,525
Culture and recreation	-	-	17,422	2,547	14,875
Debt Service					
Interest and fiscal charges	5	3	5	3	2
Total expenditures	<u>5</u>	<u>5</u>	<u>121,952</u>	<u>38,891</u>	<u>83,061</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(5)</u>	<u>(4)</u>	<u>(111,383)</u>	<u>(28,322)</u>	<u>83,061</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	34,446	33,200	(1,246)
Transfers out	-	-	(6,466)	(2,930)	3,536
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>27,980</u>	<u>30,270</u>	<u>2,290</u>
Net change in fund balances	<u>(5)</u>	<u>(4)</u>	<u>(83,403)</u>	<u>1,948</u>	<u>85,351</u>
Fund balances - beginning	5	4	137,137	137,090	(47)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,734</u>	<u>\$ 139,038</u>	<u>\$ 85,304</u>

See accompanying independent auditors' report.



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Enterprise Funds



Enterprise Fund Descriptions

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County is that costs of providing the goods or services to the general public on a continuous basis be financed or recovered primarily through user fees.

Port Authority- The Lee County Port Authority is used to account for the activities related to the operation of the County owned aviation facilities, including Southwest Florida International Airport and Page Field General Aviation Airport.

Water and Wastewater- The Lee County Water and Wastewater System is used to account for the activities related to the operation of the County owned water and wastewater system.

Transportation Facilities- The Lee County Transportation Facilities is used to account for the activities related to the operation of the County owned bridges connecting Sanibel and Captiva Islands to the mainland and the Cities of Cape Coral and Fort Myers.

Solid Waste- The Lee County Solid Waste System is used to account for the provision of Municipal Solid Waste disposal facilities to the general public.

Transit- The Lee County Transit System is used to account for the activities related to the operation of the Lee Tran bus system, a County-wide public transportation service.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)
 AND ACTUAL WITH RECONCILIATION TO GAAP
 ENTERPRISE FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Port Authority		Water and Wastewater		Transportation Facilities	
	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES						
User fees	\$ 64,695	\$ 44,408	\$ 111,043	\$ 114,693	\$ -	\$ -
Tolls	-	-	-	-	43,355	41,796
Rentals and franchise fees	7,841	8,133	199	212	-	-
Concessions	51,219	34,775	-	-	-	-
Miscellaneous	296	213	2,119	1,749	1,750	665
Total operating revenues	124,051	87,529	113,361	116,654	45,105	42,461
Less: Rebates	(4,999)	(1,481)	-	-	-	-
Net operating revenues	119,052	86,048	113,361	116,654	45,105	42,461
OPERATING EXPENSES						
Salaries and wages	26,183	25,127	17,192	16,485	4,259	3,751
Employee benefits	9,241	7,862	6,505	6,180	1,722	1,614
Pension and OPEB expense	4,346	4,327	1,673	1,774	413	404
Contractual services, materials, and supplies	32,820	22,958	33,354	31,680	5,386	2,962
Utilities	5,089	4,386	6,385	6,061	271	248
Repairs and maintenance	3,020	2,480	3,142	5,935	281	218
Insurance	1,711	1,687	831	831	1,216	1,013
Other	4,921	2,404	4,125	3,966	1,161	1,106
Total operating expenses	87,331	71,231	73,207	72,912	14,709	11,316
Operating income (loss)	31,721	14,817	40,154	43,742	30,396	31,145
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	5,738	2,483	1,293	4,097	1,021	1,055
Taxes	-	-	-	-	-	-
Special assessment collections	-	-	30	50	-	-
Grants	289	11,346	-	16	-	-
Bond proceeds	38,661	11,000	-	-	-	-
Other debt proceeds	-	-	104,676	104,835	-	-
Interest expense	(13,460)	(12,699)	(6,782)	(6,750)	(4,106)	(4,106)
Excess fees - City of Sanibel	-	-	-	-	(1,727)	(1,104)
Capital outlay	(145,835)	(51,562)	(96,122)	(22,771)	(451)	(259)
Principal retirement	(12,314)	(20,280)	(13,403)	(13,487)	(5,560)	(5,560)
Payments to refunding escrow agent	-	-	(104,804)	(103,872)	-	-
Proceeds from disposal of capital assets	19	224	50	90	-	-
Passenger facility charges	21,380	13,514	-	-	-	-
Other revenues	-	3	368	672	1,100	1,106
Other expenses	(52)	(61)	(934)	(765)	(1)	(1)
Total non - operating revenues (expenses)	(105,574)	(46,032)	(115,628)	(37,885)	(9,724)	(8,869)
Income (loss) before contributions and transfers	(73,853)	(31,215)	(75,474)	5,857	20,672	22,276
Capital grants and contributions	47,868	10,370	10,300	13,687	-	-
Transfers in	117,571	91,298	140,990	140,997	41,424	35,953
Transfers out	(116,831)	(91,298)	(144,914)	(140,997)	(104,626)	(95,016)
Total contributions and transfers	48,608	10,370	6,376	13,687	(63,202)	(59,063)
Change in net position	(25,245)	(20,845)	(69,098)	19,544	(42,530)	(36,787)
Total net position - beginning	165,530	199,492	243,093	269,373	56,542	55,205
Total net position - ending	\$ 140,285	\$ 178,647	\$ 173,995	\$ 288,917	\$ 14,012	\$ 18,418
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net position, budgetary basis		\$ (20,845)		\$ 19,544		\$ (36,787)
Add: Capital outlay		51,562		22,771		259
Principal retirement		20,280		13,487		5,560
Payments to refunding escrow agent		-		103,872		-
Inventory adjustments		-		-		79
Fair market value adjustment		-		-		-
Prepaid adjustment		-		23		-
Capital contributions		-		17,888		-
Fixed asset adjustments		-		-		-
Bond amortization		-		135		1,167
Other postemployment benefits plan adjustments		-		-		1,062
Less: Depreciation		(25,433)		(49,522)		(7,620)
Fair market value adjustment		-		(40)		(13)
Inventory adjustments		(38)		(79)		-
Compensated absences		(473)		(199)		(36)
Bond amortization		(221)		-		-
Prepaid adjustment		-		-		(29)
Special assessment collections		-		(50)		-
Bond proceeds		(11,000)		(104,835)		-
Loss on discontinued projects		-		-		-
Net book value of capital assets disposed		(124)		(111)		(10)
Accounts receivable adjustments		-		(260)		(1,089)
Pension expense adjustments		(4,567)		(2,645)		(161)
Other postemployment benefits plan adjustments		(8,745)		(2,941)		-
Change in net position		\$ 396		\$ 17,038		\$ (37,618)

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)
 AND ACTUAL WITH RECONCILIATION TO GAAP
 ENTERPRISE FUNDS
 For the Year Ended September 30, 2020
 (amounts expressed in thousands)

	Solid Waste		Other Non-Major Transit		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	Budget	Actual	
OPERATING REVENUES							
User fees	\$ 81,141	\$ 83,686	\$ 3,809	\$ 2,746	\$ 260,688	\$ 245,533	\$ (15,155)
Tolls	-	-	-	-	43,355	41,796	(1,559)
Rentals and franchise fees	2,700	2,383	158	175	10,898	10,903	5
Concessions	-	-	-	-	51,219	34,775	(16,444)
Miscellaneous	10,325	6,729	-	2	14,490	9,358	(5,132)
Total operating revenues	94,166	92,798	3,967	2,923	380,650	342,365	(38,285)
Less: Rebates	-	-	-	-	(4,999)	(1,481)	3,518
Net operating revenues	94,166	92,798	3,967	2,923	375,651	340,884	(34,767)
OPERATING EXPENSES							
Salaries and wages	7,270	6,998	12,943	11,490	67,847	63,851	3,996
Employee benefits	2,645	2,707	5,504	5,506	25,617	23,869	1,748
Pension and OPEB expense	560	691	1,194	1,283	8,186	8,479	(293)
Contractual services, materials, and supplies	69,946	68,445	4,178	3,443	145,684	129,488	16,196
Utilities	1,393	1,255	450	442	13,588	12,392	1,196
Repairs and maintenance	2,076	2,186	1,483	1,137	10,002	11,956	(1,954)
Insurance	406	454	537	537	4,701	4,522	179
Other	1,804	1,622	1,076	1,067	13,087	10,165	2,922
Total operating expenses	86,100	84,358	27,365	24,905	288,712	264,722	23,990
Operating income (loss)	8,066	8,440	(23,398)	(21,982)	86,939	76,162	(10,777)
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	917	1,740	120	89	9,089	9,464	375
Taxes	2,234	2,266	-	-	2,234	2,266	32
Special assessment collections	-	-	-	-	30	50	20
Grants	28,344	29,397	8,666	9,327	37,299	50,086	12,787
Bond proceeds	-	-	-	-	38,661	11,000	(27,661)
Other debt proceeds	-	-	-	-	104,676	104,835	159
Interest expense	(2,483)	(2,483)	-	-	(26,831)	(26,038)	793
Excess fees - City of Sanibel	-	-	-	-	(1,727)	(1,104)	623
Capital outlay	(11,896)	(2,906)	(22,215)	(2,932)	(276,519)	(80,430)	196,089
Principal retirement	(5,775)	(5,775)	-	-	(37,052)	(45,102)	(8,050)
Payments to refunding escrow agent	-	-	-	-	(104,804)	(103,872)	932
Proceeds from disposal of capital assets	300	243	105	157	474	714	240
Passenger facility charges	-	-	-	-	21,380	13,514	(7,866)
Other revenues	-	96	10	1	1,478	1,878	400
Other expenses	-	-	-	-	(987)	(827)	160
Total non - operating revenues (expenses)	11,641	22,578	(13,314)	6,642	(232,599)	(63,566)	169,033
Income (loss) before contributions and transfers	19,707	31,018	(36,712)	(15,340)	(145,660)	12,596	158,256
Capital grants and contributions	-	-	20,519	2,363	78,687	26,420	(52,267)
Transfers in	35,032	35,005	14,449	14,351	349,466	317,604	(31,862)
Transfers out	(34,880)	(34,852)	-	-	(401,251)	(362,163)	39,088
Total contributions and transfers	152	153	34,968	16,714	26,902	(18,139)	(45,041)
Change in net position	19,859	31,171	(1,744)	1,374	(118,758)	(5,543)	113,215
Total net position - beginning	80,570	76,348	5,133	(6,267)	550,868	594,151	43,283
Total net position - ending	\$ 100,429	\$ 107,519	\$ 3,389	\$ (4,893)	\$ 432,110	\$ 588,608	\$ 156,498
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net position, budgetary basis		\$ 31,171		\$ 1,374		\$ (5,543)	
Add: Capital outlay		2,906		2,932		80,430	
Principal retirement		5,775		-		45,102	
Payments to refunding escrow agent		-		-		103,872	
Inventory adjustments		-		-		79	
Fair market value adjustment		63		-		63	
Prepaid adjustment		4		29		56	
Capital contributions		-		167		18,055	
Fixed asset adjustments		-		5		5	
Bond amortization		1,346		-		2,648	
Other postemployment benefits plan adjustments		-		-		1,062	
Less: Depreciation		(14,568)		(4,641)		(101,784)	
Fair market value adjustment		-		(7)		(60)	
Inventory adjustments		-		-		(117)	
Compensated absences		(72)		(156)		(936)	
Bond amortization		-		-		(221)	
Prepaid adjustment		-		-		(29)	
Special assessment collections		-		-		(50)	
Bond proceeds		-		-		(115,835)	
Loss on discontinued projects		(572)		(16)		(588)	
Net book value of capital assets disposed		(80)		-		(325)	
Accounts receivable adjustments		-		-		(1,349)	
Pension expense adjustments		(1,245)		(1,363)		(9,981)	
Other postemployment benefits plan adjustments		(1,432)		(1,745)		(14,863)	
Change in net position		\$ 23,296		\$ (3,421)		\$ (309)	

Internal Service Funds



Internal Service Fund Descriptions

Internal service funds are used to account for the financing of goods or services provided by one County department or agency to other County departments or agencies on a cost reimbursement basis, including depreciation.

Information Technology- To account for the costs of operating the County data processing facility and telephone communication system. Such costs are billed to other departments at estimated cost of operations, plus amounts for equipment replacement and additions.

Governmental Communications Network- To account for the costs of operating the radio communication system owned by the County. Such costs are billed to other departments at estimated cost of operations, plus amounts for equipment replacement and additions.

Self-Insurance Group Health and Dental- To account for the assessed premiums, claims, and administration of the County for group health and dental insurance. Such costs are billed to other departments and agencies at estimated cost of operations.

Self-Insurance General Liability- To account for the assessed premiums, claims, and administration of the County's risk management, including auto liability, workers' compensation, and property liability. Such costs are billed to other departments and agencies at estimated cost of operations.

Fleet Management- To account for the costs of operation for the repair and maintenance of County owned/leased vehicles and equipment. Such costs are billed to other departments at estimated cost of operations, plus amounts for equipment replacement and additions.

Sheriff's Internal Service- To account for the assessed premiums, claims, and administration of the Sheriff's group health insurance.

Lee County, Florida
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of September 30, 2020
(amounts expressed in thousands)

ASSETS

	Information Technology	Governmental Communications Network	Self-Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
Current Assets:							
Cash, cash equivalents and investments	\$ 3,971	\$ 3,903	\$ 19,497	\$ 10,894	\$ 4,033	\$ 19,733	\$ 62,031
Receivables (net)	4	21	391	29	10	-	455
Due from other funds	31	26	-	-	40	-	97
Due from other governments	3	34	57	-	-	-	94
Inventories	-	-	-	-	463	-	463
Other	463	60	-	412	3	-	938
Total current assets	4,472	4,044	19,945	11,335	4,549	19,733	64,078
Noncurrent Assets:							
Capital assets:							
Non-depreciable	-	4,612	-	-	1,801	-	6,413
Depreciable	15,053	13,999	-	-	38,330	-	67,382
Less accumulated depreciation	(10,213)	(11,635)	-	-	(24,943)	-	(46,791)
Total noncurrent assets	4,840	6,976	-	-	15,188	-	27,004
Total assets	9,312	11,020	19,945	11,335	19,737	19,733	91,082

DEFERRED OUTFLOWS OF RESOURCES

Unamortized pension costs and subsequent contributions	212	122	138	151	816	-	1,439
Unamortized other postemployment benefits costs	124	89	99	133	722	-	1,167
Total deferred outflows of resources	336	211	237	284	1,538	-	2,606

LIABILITIES

Current liabilities:							
Contracts and accounts payable	791	2,099	1,347	239	347	148	4,971
Accrued liabilities	9	5	5	6	34	-	59
Due to other funds	10	-	-	-	-	-	10
Due to other governments	7	64	3	3	33	-	110
Self-insurance claims payable	-	-	7,519	1,560	-	4,329	13,408
Compensated absences	2	1	2	3	12	-	20
Net pension liability	1	1	1	1	8	-	12
Total current liabilities	820	2,170	8,877	1,812	434	4,477	18,590

(continued)

Lee County, Florida
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of September 30, 2020
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
Noncurrent liabilities:							
Self-insurance claims payable	-	-	-	11,294	-	-	11,294
Compensated absences	24	21	32	41	181	-	299
Net pension liability	703	408	463	515	2,775	-	4,864
Total other postemployment benefits liability	758	543	607	815	4,424	-	7,147
Total noncurrent liabilities	1,485	972	1,102	12,665	7,380	-	23,604
Total liabilities	2,305	3,142	9,979	14,477	7,814	4,477	42,194
DEFERRED INFLOWS OF RESOURCES							
Unamortized pension costs	10	7	8	10	54	-	89
Unamortized other postemployment benefits costs	133	95	106	143	775	-	1,252
Total deferred inflows of resources	143	102	114	153	829	-	1,341
NET POSITION							
Net investment in capital assets	4,837	4,895	-	-	15,056	-	24,788
Unrestricted (deficit)	2,363	3,092	10,089	(3,011)	(2,424)	15,256	25,365
Total net position	\$ 7,200	\$ 7,987	\$ 10,089	\$ (3,011)	\$ 12,632	\$ 15,256	\$ 50,153

See accompanying independent auditor's report.

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Information Technology	Governmental			Self - Insurance			Sheriff's Internal Service	Total
		Communications Network	Group Health and Dental	General Liability	Fleet Management				
OPERATING REVENUES									
User fees	\$ 13,982	\$ 3,417	\$ 77,093	\$ 8,790	\$ 9,124	\$ 32,607	\$ 145,013		
Total operating revenues	<u>13,982</u>	<u>3,417</u>	<u>77,093</u>	<u>8,790</u>	<u>9,124</u>	<u>32,607</u>	<u>145,013</u>		
OPERATING EXPENSES									
Salaries and wages	536	332	355	441	2,116	-	3,780		
Employee benefits	137	112	111	156	763	-	1,279		
Pension and OPEB expense	833	202	166	183	1,169	-	2,553		
Contractual services, materials and supplies	10,734	491	4,566	365	2,126	2,980	21,262		
Utilities	1,691	109	5	6	83	-	1,894		
Repairs and maintenance	522	1,453	-	-	2,444	-	4,419		
Insurance	6	4	-	4,330	19	2,399	6,758		
Insurance claims	-	-	74,442	1,827	-	25,981	102,250		
Other	185	333	251	319	435	-	1,523		
Depreciation	864	269	-	-	2,376	-	3,509		
Total operating expenses	<u>15,508</u>	<u>3,305</u>	<u>79,896</u>	<u>7,627</u>	<u>11,531</u>	<u>31,360</u>	<u>149,227</u>		
Operating income (loss)	<u>(1,526)</u>	<u>112</u>	<u>(2,803)</u>	<u>1,163</u>	<u>(2,407)</u>	<u>1,247</u>	<u>(4,214)</u>		
NON-OPERATING REVENUES (EXPENSES)									
Investment earnings	60	51	294	141	74	89	709		
Grants	-	(134)	-	-	-	-	(134)		
Interest expense	-	-	-	-	-	-	0		
Gain (loss) on disposal of capital assets	(30)	-	-	-	352	-	322		
Other revenues	-	389	9	-	9	-	407		
Total non-operating revenues (expenses)	<u>30</u>	<u>306</u>	<u>303</u>	<u>141</u>	<u>435</u>	<u>89</u>	<u>1,304</u>		
Income (loss) before transfers	<u>(1,496)</u>	<u>418</u>	<u>(2,500)</u>	<u>1,304</u>	<u>(1,972)</u>	<u>1,336</u>	<u>(2,910)</u>		
Capital grants and contributions	-	-	-	-	-	-	-		
Transfers in	-	-	-	-	5,000	-	5,000		
Transfers out	-	-	-	-	-	-	-		
Total transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>		
Change in net position	<u>(1,496)</u>	<u>418</u>	<u>(2,500)</u>	<u>1,304</u>	<u>3,028</u>	<u>1,336</u>	<u>2,090</u>		
Total net position - beginning	<u>8,696</u>	<u>7,569</u>	<u>12,589</u>	<u>(4,315)</u>	<u>9,604</u>	<u>13,920</u>	<u>48,063</u>		
Total net position - ending	<u>\$ 7,200</u>	<u>\$ 7,987</u>	<u>\$ 10,089</u>	<u>\$ (3,011)</u>	<u>\$ 12,632</u>	<u>\$ 15,256</u>	<u>\$ 50,153</u>		

See accompanying independent auditors' report.

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff's Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 623	\$ 2,154	\$ 14,991	\$ 30	\$ 79	\$ -	\$ 17,877
Receipts from interfund services provided	13,977	1,862	62,081	8,780	9,041	32,607	128,348
Payments to suppliers	(13,093)	(2,260)	(81,728)	(8,620)	(6,466)	(31,317)	(143,484)
Payments to employees	(643)	(424)	(431)	(300)	(1,171)	-	(2,969)
Payments for interfund services used	(150)	(228)	(108)	(151)	(743)	-	(1,380)
Net cash provided by (used in) operating activities	714	1,104	(5,195)	(261)	740	1,290	(1,608)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grant issued	-	(134)	-	-	-	-	(134)
Transfer in	-	-	-	-	5,000	-	5,000
Net cash provided by (used in) noncapital financing activities	-	(134)	-	-	5,000	-	4,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital asset purchases	(415)	(2,649)	-	-	(5,635)	-	(8,699)
Proceeds from sale of capital assets	-	-	-	-	387	-	387
Net cash (used in) capital and related financing activities	(415)	(2,649)	-	-	(5,248)	-	(8,312)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	67	58	334	155	78	89	781
Net cash provided by investing activities	67	58	334	155	78	89	781
Net increase (decrease) in cash and equity in pooled cash and investments	366	(1,621)	(4,861)	(106)	570	1,379	(4,273)
Cash and cash equivalents at beginning of year	3,605	5,524	24,358	11,000	3,463	18,354	66,304
Cash and cash equivalents at end of year	\$ 3,971	\$ 3,903	\$ 19,497	\$ 10,894	\$ 4,033	\$ 19,733	\$ 62,031
Classified as:							
Current assets	\$ 3,971	\$ 3,903	\$ 19,497	\$ 10,894	\$ 4,033	\$ 19,733	\$ 62,031

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff's Internal Service Fund	Total
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Purchase of capital assets on account	\$ 4	\$ 2,071	\$ -	\$ -	\$ 132	\$ -	\$ 2,207
Loss on disposal of capital assets	(30)	-	-	-	(35)	-	(65)
	<u>\$ (1,526)</u>	<u>\$ 112</u>	<u>\$ (2,803)</u>	<u>\$ 1,163</u>	<u>\$ (2,407)</u>	<u>\$ 1,247</u>	<u>\$ (4,214)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)							
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:							
Depreciation	864	269	-	-	2,376	-	3,509
Other revenues	-	389	9	-	9	-	407
(Increase) decrease in accounts receivable	-	31	(25)	21	26	-	53
(Increase) decrease in due from other funds	616	57	-	-	(38)	-	635
(Increase) decrease in due from other governments	2	123	(6)	-	-	-	119
(Increase) in inventories	-	-	-	-	(71)	-	(71)
(Increase) decrease in other assets	(37)	(30)	-	(2)	6	-	(63)
Increase (decrease) in contracts and accounts payable	15	12	507	94	(84)	9	553
(Decrease) in accrued liabilities	(6)	(8)	(8)	(11)	(56)	-	(89)
Increase (decrease) in due to other funds	8	(7)	(3,051)	(12)	(4)	-	(3,066)
Increase (decrease) in due to other governments	(1)	11	(3)	(5)	(26)	-	(24)
Increase in compensated absences	8	3	11	14	68	-	104
Increase in net pension liability	511	79	106	107	712	-	1,515
(Increase) in deferred outflows related to pensions	(150)	(11)	(19)	(19)	(149)	-	(348)
(Decrease) in deferred inflows related to pensions	(4)	(16)	(17)	(19)	(94)	-	(150)
Increase in total other postemployment benefits liability	405	83	41	55	415	-	999
(Increase) decrease in deferred outflows related to other postemployment benefits	(55)	1	11	14	57	-	28
Increase (decrease) in deferred inflows related to other postemployment benefits	64	6	(3)	(4)	-	-	63
Increase (decrease) in other liabilities	-	-	55	(1,657)	-	34	(1,568)
Total adjustments	<u>2,240</u>	<u>992</u>	<u>(2,392)</u>	<u>(1,424)</u>	<u>3,147</u>	<u>43</u>	<u>2,606</u>
Net cash provided by (used in) operating activities	<u>\$ 714</u>	<u>\$ 1,104</u>	<u>\$ (5,195)</u>	<u>\$ (261)</u>	<u>\$ 740</u>	<u>\$ 1,290</u>	<u>\$ (1,608)</u>

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL WITH RECONCILIATION TO GAAP
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Information Technology		Governmental Communications Network		Self-Insurance Group Health and Dental	
	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES						
User fees	\$ 14,004	\$ 13,982	\$ 3,392	\$ 3,417	\$ 76,088	\$ 77,093
Total operating revenues	14,004	13,982	3,392	3,417	76,088	77,093
OPERATING EXPENSES						
Salaries and wages	641	528	392	329	323	344
Employee benefits	185	137	131	112	114	111
Pension and OPEB expense	57	62	61	60	43	47
Contractual services, materials, and supplies	11,767	10,780	546	533	4,384	4,566
Utilities	2,040	1,684	119	109	8	5
Repairs and maintenance	868	521	1,482	1,455	-	-
Insurance	6	6	4	4	-	-
Insurance claims	-	-	-	-	81,013	74,387
Other	206	185	335	319	258	251
Total operating expenses	15,770	13,903	3,070	2,921	86,143	79,711
Operating income (loss)	(1,766)	79	322	496	(10,055)	(2,618)
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	-	61	50	57	400	313
Grants	-	-	(122)	(134)	-	-
Capital outlay	(681)	(378)	(3,434)	(3,312)	-	-
Proceeds from capital asset disposal	-	-	-	-	-	-
Other revenues	-	-	374	389	-	9
Total non - operating revenues (expenses)	(681)	(317)	(3,132)	(3,000)	400	322
Income (loss) before transfers	(2,447)	(238)	(2,810)	(2,504)	(9,655)	(2,296)
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(8)	-
Total transfers	-	-	-	-	(8)	-
Change in net position	(2,447)	(238)	(2,810)	(2,504)	(9,663)	(2,296)
Total net position - beginning	3,845	5,911	4,342	3,133	20,840	21,728
Total net position - ending	\$ 1,398	\$ 5,673	\$ 1,532	\$ 629	\$ 11,177	\$ 19,432
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net position, budgetary basis		\$ (238)		\$ (2,504)		\$ (2,296)
Add: Capital outlay		378		3,312		-
Fair market value adjustment		-		-		-
Prepaid adjustments		38		29		-
Claims payable adjustment		-		-		-
Pension expense adjustments		-		-		-
Less: Depreciation		(864)		(269)		-
Fair market value adjustment		(1)		(5)		(19)
Compensated absences		(8)		(3)		(11)
Net book value of capital assets disposed		(30)		-		-
Claims payable adjustment		-		-		(55)
Pension expense adjustments		(357)		(52)		(70)
Other postemployment benefits plan adjustments		(414)		(90)		(49)
Change in net position		\$ (1,496)		\$ 418		\$ (2,500)

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL WITH RECONCILIATION TO GAAP
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Self-Insurance General		Fleet Management		Total		Variance Positive (Negative)
	Liability						
	Budget	Actual	Budget	Actual	Budget	Actual	
OPERATING REVENUES							
User fees	\$ 8,790	\$ 8,790	\$ 9,115	\$ 9,124	\$ 111,389	\$ 112,406	\$ 1,017
Total operating revenues	8,790	8,790	9,115	9,124	111,389	112,406	1,017
OPERATING EXPENSES							
Salaries and wages	443	427	2,221	2,048	4,020	3,676	344
Employee benefits	163	156	760	763	1,353	1,279	74
Pension and OPEB expense	48	49	218	228	427	446	(19)
Contractual services, materials, and supplies	390	365	3,203	2,191	20,290	18,435	1,855
Utilities	6	6	111	83	2,284	1,887	397
Repairs and maintenance	-	-	2,874	2,444	5,224	4,420	804
Insurance	4,396	4,332	19	19	4,425	4,361	64
Insurance claims	7,000	3,484	-	-	88,013	77,871	10,142
Other	62	319	453	435	1,314	1,509	(195)
Total operating expenses	12,508	9,138	9,859	8,211	127,350	113,884	13,466
Operating income (loss)	(3,718)	(348)	(744)	913	(15,961)	(1,478)	14,483
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	150	144	57	73	657	648	(9)
Grants	-	-	-	-	(122)	(134)	(12)
Capital outlay	-	-	(6,736)	(5,279)	(10,851)	(8,969)	1,882
Proceeds from capital asset disposal	-	-	431	387	431	387	(44)
Other revenues	-	-	3	9	377	407	30
Total non - operating revenues (expenses)	150	144	(6,245)	(4,810)	(9,508)	(7,661)	1,847
Income (loss) before transfers	(3,568)	(204)	(6,989)	(3,897)	(25,469)	(9,139)	16,330
Transfers in	-	-	5,000	5,000	5,000	5,000	-
Transfers out	-	-	-	-	(8)	-	8
Total transfers	-	-	5,000	5,000	4,992	5,000	8
Change in net position	(3,568)	(204)	(1,989)	1,103	(20,477)	(4,139)	16,338
Total net position - beginning	11,010	8,729	2,550	1,381	42,587	40,882	(1,705)
Total net position - ending	\$ 7,442	\$ 8,525	\$ 561	\$ 2,484	\$ 22,110	\$ 36,743	\$ 14,633
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net position, budgetary basis		\$ (204)		\$ 1,103		\$ (4,139)	
Add: Capital outlay		-		5,279		8,969	
Fair market value adjustment		-		1		1	
Prepaid adjustments		2		65		134	
Claims payable adjustment		1,657		-		1,657	
Pension expense adjustments		-		-		-	
Less: Depreciation		-		(2,376)		(3,509)	
Fair market value adjustment		(3)		-		(28)	
Compensated absences		(14)		(68)		(104)	
Net book value of capital assets disposed		-		(35)		(65)	
Claims payable adjustment		-		-		(55)	
Pension expense adjustments		(69)		(469)		(1,017)	
Other postemployment benefits plan adjustments		(65)		(472)		(1,090)	
Change in net position		\$ 1,304		\$ 3,028		\$ 754	



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Agency Funds



Agency Fund Descriptions

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

Construction Management- To account for construction type escrows for pending environmental issues.

Impact Fees- Fire- To account for revenues received from impact fees that are restricted for the purpose of providing equipment and fire protection within designated fire districts.

Impact Fees- School- To account for impact fees collected on behalf of the Lee County School Board and restricted for the construction of new schools and for capital improvements to existing schools within the designated school zones.

Cash Bonds- To account for the assets held by the Board as an agent for individuals, organizations, or other governments.

Clerk of Circuit Court- To account for the assets held by the Clerk of Circuit Court as an agent for individuals, organizations, and other governments. These assets are held for the following purposes: Jury and Witness, Delinquent Tax, Registry, Criminal Fine and Forfeiture, Fine and Forfeiture, Documentary Stamp and Intangible Tax, Juvenile Victim Restitution, Prosecution and Investigation, and Criminal Cash Bonds.

Sheriff- To account for the assets held by the Sheriff as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Civil Fees and Levies, Jail Inmate monies, Forfeiture, and CLEAN Forfeiture.

Tax Collector- To account for the assets held by the Tax Collector as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Fee Operating Fund, License and Permit, Occupational License, Tag Agency, Taxes/Ad Valorem, and Taxes - Individual Certificates.

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS

As of September 30, 2020
 (amounts expressed in thousands)

	Board of County Commissioners		
	Construction Management	Impact Fees- Fire	Impact Fees- School
ASSETS			
Cash, cash equivalents and investments	\$ 718	\$ 860	\$ 4,744
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total Assets	718	860	4,744
LIABILITIES			
Contracts and accounts payable	-	2	5
Due to individuals	-	-	50
Due to other governments	-	858	4,689
Bonds and deposits	718	-	-
Total Liabilities	\$ 718	\$ 860	\$ 4,744

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS

As of September 30, 2020
 (amounts expressed in thousands)

	<u>Board of County Commissioners</u>	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>
	<u>Cash Bond</u>		
ASSETS			
Cash, cash equivalents and investments	\$ 1,643	\$ 19,092	\$ 111
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total Assets	<u>1,643</u>	<u>19,092</u>	<u>111</u>
LIABILITIES			
Contracts and accounts payable	-	30	26
Due to individuals	-	-	56
Due to other governments	-	5,315	29
Bonds and deposits	1,643	13,747	-
Total Liabilities	<u>\$ 1,643</u>	<u>\$ 19,092</u>	<u>\$ 111</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS

As of September 30, 2020
 (amounts expressed in thousands)

	Tax Collector	Total
ASSETS		
Cash, cash equivalents and investments	\$ 14,941	\$ 42,109
Accounts receivable	1	1
Due from other governments	1,161	1,161
Total Assets	16,103	43,271
LIABILITIES		
Contracts and accounts payable	-	63
Due to individuals	1,682	1,788
Due to other governments	14,421	25,312
Bonds and deposits	-	16,108
Total Liabilities	\$ 16,103	\$ 43,271

See accompanying independent auditors' report.

Lee County, Florida
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Construction Management</i>				
ASSETS				
Cash, cash equivalents and investments	\$ 705	\$ 13	\$ -	\$ 718
Total assets	<u>705</u>	<u>13</u>	<u>-</u>	<u>718</u>
LIABILITIES				
Bonds and deposits	705	13	-	718
Total liabilities	<u>705</u>	<u>13</u>	<u>-</u>	<u>718</u>
<i>Impact Fees- Fire</i>				
ASSETS				
Cash, cash equivalents and investments	938	2,754	2,832	860
Total assets	<u>938</u>	<u>2,754</u>	<u>2,832</u>	<u>860</u>
LIABILITIES				
Contracts and accounts payable	-	1,057	1,055	2
Due to other governments	938	4,456	4,536	858
Total liabilities	<u>938</u>	<u>5,513</u>	<u>5,591</u>	<u>860</u>
<i>Impact Fees- School</i>				
ASSETS				
Cash, cash equivalents and investments	4,476	17,326	17,058	4,744
Total assets	<u>4,476</u>	<u>17,326</u>	<u>17,058</u>	<u>4,744</u>
LIABILITIES				
Contracts and accounts payable	-	16,939	16,934	5
Due to individuals	57	33	40	50
Due to other governments	4,419	17,108	16,838	4,689
Total liabilities	<u>4,476</u>	<u>34,080</u>	<u>33,812</u>	<u>4,744</u>
<i>Cash Bonds</i>				
ASSETS				
Cash, cash equivalents and investments	3,432	289	2,078	1,643
Total assets	<u>3,432</u>	<u>289</u>	<u>2,078</u>	<u>1,643</u>
LIABILITIES				
Contracts and accounts payable	-	2,078	2,078	-
Bonds and deposits	3,432	317	2,106	1,643
Total liabilities	<u>3,432</u>	<u>2,395</u>	<u>4,184</u>	<u>1,643</u>
<i>Clerk of Circuit Court</i>				
ASSETS				
Cash, cash equivalents and investments	20,671	205,108	206,687	19,092
Receivables (net)	-	15	15	-
Total assets	<u>20,671</u>	<u>205,123</u>	<u>206,702</u>	<u>19,092</u>
LIABILITIES				
Contracts and accounts payable	18	33,587	33,575	30
Due to other governments	4,284	148,200	147,169	5,315
Bonds and deposits	16,369	31,825	34,447	13,747
Total liabilities	<u>20,671</u>	<u>213,612</u>	<u>215,191</u>	<u>19,092</u>

(continued)

Lee County, Florida
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended September 30, 2020
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Sheriff</i>				
ASSETS				
Cash, cash equivalents and investments	95	3,405	3,389	111
Receivables (net)	3	325	328	-
Total assets	<u>98</u>	<u>3,730</u>	<u>3,717</u>	<u>111</u>
LIABILITIES				
Contracts and accounts payable	35	26	35	26
Due to individuals	30	3,247	3,221	56
Due to other governments	33	29	33	29
Total liabilities	<u>98</u>	<u>3,302</u>	<u>3,289</u>	<u>111</u>
<i>Tax Collector</i>				
ASSETS				
Cash, cash equivalents and investments	14,714	1,284,912	1,284,685	14,941
Receivables (net)	2	37	38	1
Due from other governments	375	1,209	423	1,161
Total assets	<u>15,091</u>	<u>1,286,158</u>	<u>1,285,146</u>	<u>16,103</u>
LIABILITIES				
Due to individuals	746	46,591	45,655	1,682
Due to other governments	14,345	1,215,219	1,215,143	14,421
Total liabilities	<u>15,091</u>	<u>1,261,810</u>	<u>1,260,798</u>	<u>16,103</u>
<i>Total</i>				
ASSETS				
Cash, cash equivalents and investments	45,031	1,513,807	1,516,729	42,109
Receivables (net)	5	377	381	1
Due from other governments	375	1,209	423	1,161
Total assets	<u>45,411</u>	<u>1,515,393</u>	<u>1,517,533</u>	<u>43,271</u>
LIABILITIES				
Contracts and accounts payable	53	53,687	53,677	63
Due to individuals	833	49,871	48,916	1,788
Due to other governments	24,019	1,385,012	1,383,719	25,312
Bonds and deposits	20,506	32,155	36,553	16,108
Total liabilities	<u>\$ 45,411</u>	<u>\$ 1,520,725</u>	<u>\$ 1,522,865</u>	<u>\$ 43,271</u>

See accompanying independent auditors' report.



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Statistical Section



Statistical Section Descriptions

(unaudited)

The statistical data presents detailed information as a context for understanding Lee County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the government provides, and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Lee County, Florida
SCHEDULE 1
NET POSITION
Last Ten Fiscal Years
(dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013⁽¹⁾</u>	<u>2014⁽²⁾</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽³⁾</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in capital assets	\$ 1,536,885	\$ 1,568,248	\$ 1,568,957	\$ 1,534,250	\$ 1,520,900	\$ 1,516,589	\$ 1,521,927	\$ 1,574,297	\$ 1,617,775	\$ 1,664,219
Restricted for:										
Capital projects	74,185	74,621	66,647	75,847	105,692	127,648	152,764	167,027	167,230	198,001
Debt service	15,990	11,239	11,998	12,969	8,012	10,011	10,110	22,154	11,609	11,777
Inventory for resale	-	2,134	1,853	2,370	2,301	1,562	414	410	404	416
Special revenue funds	47,615	59,119	61,394	63,580	77,274	80,192	84,934	92,651	105,135	123,973
Unrestricted	429,696	305,959	232,952	205,038	(2,694)	(47,729)	(336,609)	(471,805)	(558,635)	(636,341)
Governmental activities net position	<u>2,104,371</u>	<u>2,021,320</u>	<u>1,943,801</u>	<u>1,894,054</u>	<u>1,711,485</u>	<u>1,688,273</u>	<u>1,433,540</u>	<u>1,384,734</u>	<u>1,343,518</u>	<u>1,362,045</u>
Business-type Activities										
Net investment in capital assets	1,038,481	1,041,260	1,061,519	1,073,096	1,097,836	1,123,905	1,162,447	1,167,094	1,205,238	1,247,707
Restricted for:										
Capital projects	49,850	59,051	56,200	51,124	67,931	84,864	98,620	123,244	141,619	134,613
Debt service	61,123	26,155	24,971	30,908	32,265	28,204	33,955	30,937	32,846	36,201
Renewal and replacement	13,573	10,249	8,520	17,481	20,632	24,135	26,120	28,154	23,728	25,710
Unrestricted	245,844	268,066	272,561	304,102	250,618	259,403	187,005	169,639	166,077	123,986
Business-type activities net position	<u>1,408,871</u>	<u>1,404,781</u>	<u>1,423,771</u>	<u>1,476,711</u>	<u>1,469,282</u>	<u>1,520,511</u>	<u>1,508,147</u>	<u>1,519,068</u>	<u>1,569,508</u>	<u>1,568,217</u>
Primary Government										
Net investment in capital assets	2,575,366	2,609,508	2,630,476	2,607,346	2,618,736	2,640,494	2,684,374	2,741,391	2,823,013	2,911,926
Restricted for:										
Capital projects	124,035	133,672	122,847	126,971	173,623	212,512	251,384	290,271	308,849	332,614
Debt service	77,113	37,394	36,969	43,877	40,277	38,215	44,065	53,091	44,455	47,978
Inventory for resale	-	2,134	1,853	2,370	2,301	1,562	414	410	404	416
Special revenue funds	47,615	59,119	61,394	63,580	77,274	80,192	84,934	92,651	105,135	123,973
Renewal and replacement	13,573	10,249	8,520	17,481	20,632	24,135	26,120	28,154	23,728	25,710
Unrestricted	675,540	574,025	505,513	509,140	247,924	211,674	(149,604)	(302,166)	(392,558)	(512,355)
Total primary government net position	<u>\$ 3,513,242</u>	<u>\$ 3,426,101</u>	<u>\$ 3,367,572</u>	<u>\$ 3,370,765</u>	<u>\$ 3,180,767</u>	<u>\$ 3,208,784</u>	<u>\$ 2,941,687</u>	<u>\$ 2,903,802</u>	<u>\$ 2,913,026</u>	<u>\$ 2,930,262</u>

Note: Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted.

1) Fiscal year 2013 reflects a cumulative prior period adjustment to remove bond issuance costs from the statement of net position as required by Governmental Accounting Standards Board Statement amortization from a prior year.

2) Fiscal year 2014 reflects a cumulative prior period adjustment for the Clerk's Child Support Enforcement Fund, a non-major special revenue fund, for expenditures omitted in prior years.

3) Fiscal Year 2018 balances are restated due to a prior period adjustment related to OPEB.

Lee County, Florida
SCHEDULE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(dollars in thousands)

	<u>2011</u>	<u>2012⁽³⁾</u>	<u>2013⁽³⁾</u>	<u>2014⁽⁴⁾</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽⁵⁾</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities:										
General government	\$ 213,936	\$ 206,427	\$ 207,265	\$ 200,741	\$ 208,748	\$ 228,779	\$ 216,689	\$ 259,143	\$ 256,680	\$ 326,768
Public safety	218,590	202,799	204,534	210,796	209,156	234,012	261,812	281,579	296,367	295,003
Physical environment	13,327	14,665	16,907	21,512	13,919	13,251	13,961	15,393	21,293	16,617
Transportation	60,983	54,600	64,484	57,101	57,719	56,614	66,170	66,161	75,011	76,784
Economic environment	34,722	30,613	24,337	25,048	27,276	28,571	30,898	34,395	34,064	28,478
Human services	26,418	26,796	20,474	20,481	20,273	21,528	22,379	27,512	23,532	24,628
Culture and recreation	61,677	64,689	70,437	71,816	78,393	79,514	81,038	94,304	94,958	86,737
Interest on long-term debt	15,486	14,448	12,557	12,136	11,189	10,494	10,125	9,682	9,387	6,771
Total governmental activities expenses	645,139	615,037	620,995	619,631	626,673	672,763	703,072	788,169	811,292	861,786
Business-type Activities:										
Airport	99,750	98,489	103,994	105,761	104,830	118,403	118,706	117,411	119,464	123,601
Water and wastewater	109,700	106,981	105,921	105,469	104,153	107,311	112,498	122,288	137,374	136,499
Transit	24,143	23,511	26,932	23,944	27,171	28,713	30,816	34,879	35,914	32,767
Transportation facilities	27,100	25,392	25,816	27,113	24,064	23,191	23,457	21,118	26,177	23,238
Solid waste	79,381	77,123	82,683	79,264	84,378	90,159	96,222	130,399	105,596	103,896
Total business-type activities expenses	340,074	331,496	345,346	341,551	344,566	367,777	381,699	426,095	424,525	420,001
Total primary government expenses	\$ 985,213	\$ 946,533	\$ 966,341	\$ 961,182	\$ 971,239	\$ 1,040,540	\$ 1,084,771	\$ 1,214,264	\$ 1,235,817	\$ 1,281,787
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 53,791	\$ 53,738	\$ 59,365	\$ 65,673	\$ 68,019	\$ 73,047	\$ 70,823	\$ 72,749	\$ 74,266	\$ 74,626
Public safety	40,648	34,843	38,992	39,925	41,707	43,416	41,992	47,012	47,215	44,933
Physical environment	1,873	1,783	2,004	2,184	2,134	2,039	2,088	2,336	2,588	2,529
Transportation	951	1,178	939	920	905	1,024	1,225	1,107	1,471	1,700
Economic environment	3,165	2,025	795	592	550	440	495	633	170	211
Human services	2,391	2,403	2,579	2,099	2,236	2,542	2,643	2,717	2,807	2,620
Culture and recreation	6,158	5,396	5,882	6,396	6,626	6,276	6,343	6,306	6,463	5,339
Operating grants and contributions	47,811	50,227	43,615	32,799	35,056	35,317	35,515	36,129	36,030	103,754
Capital grants and contributions	10,538	10,898	10,943	3,327	6,537	13,870	16,327	14,871	28,071	21,755
Governmental activities program revenues	167,326	162,491	165,114	153,915	163,770	177,971	177,451	183,860	199,081	257,467
Business-type Activities:										
Charges for services:										
Airport	99,360	98,989	104,009	107,250	109,705	111,544	115,401	119,945	123,102	99,562
Water and wastewater	84,736	90,991	97,760	102,740	106,787	108,034	112,021	112,614	115,469	116,654
Transit	3,290	3,690	3,846	3,703	4,000	4,052	4,015	4,063	4,129	2,923
Transportation facilities	36,665	37,448	38,725	41,179	43,083	44,792	44,365	45,678	46,806	42,461
Solid waste	84,972	76,964	70,094	73,264	72,407	76,078	81,541	91,426	93,966	90,415
Operating grants and contributions	5,198	5,582	5,657	6,381	6,493	8,012	6,876	7,206	10,784	50,781
Capital grants and contributions	32,183	17,076	42,245	47,612	40,757	57,482	55,114	45,668	59,398	44,475
Business-type activities program revenues	346,404	330,740	362,336	382,129	383,232	409,994	419,333	426,600	453,654	447,271
Total primary government program revenues	\$ 513,730	\$ 493,231	\$ 527,450	\$ 536,044	\$ 547,002	\$ 587,965	\$ 596,784	\$ 610,460	\$ 652,735	\$ 704,738

(continued)

Lee County, Florida
SCHEDULE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(dollars in thousands)

	2011	2012 ⁽²⁾	2013 ⁽³⁾	2014 ⁽⁴⁾	2015	2016	2017	2018 ⁽⁵⁾	2019	2020
Net (Expense) Revenue ⁽¹⁾										
Governmental Activities	\$ (477,813)	\$ (452,546)	\$ (455,881)	\$ (465,716)	\$ (462,903)	\$ (494,792)	\$ (525,621)	\$ (604,309)	\$ (612,211)	\$ (604,319)
Business-type Activities	6,330	(756)	16,990	40,578	38,666	42,217	37,634	505	29,129	27,270
Total primary government net expense	\$ (471,483)	\$ (453,302)	\$ (438,891)	\$ (425,138)	\$ (424,237)	\$ (452,575)	\$ (487,987)	\$ (603,804)	\$ (583,082)	\$ (577,049)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 265,028	\$ 255,944	\$ 254,662	\$ 274,203	\$ 292,170	\$ 308,241	\$ 328,696	\$ 356,849	\$ 372,865	\$ 397,610
Gas taxes	17,032	17,116	17,992	18,616	20,157	20,404	20,860	21,244	21,440	20,364
Tourist taxes	23,981	26,672	28,535	33,197	37,560	39,638	39,651	42,346	42,584	37,990
Communication taxes	9,818	9,561	9,559	9,606	9,268	8,705	9,470	7,426	7,299	6,894
Franchise fees	8,398	8,013	8,355	16,330	19,476	17,369	17,209	17,494	18,362	18,176
Local Business taxes	-	-	-	-	-	-	888	972	985	933
Impact fees	1,892	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	46,196	49,484	52,668	57,258	61,140	63,286	65,326	75,186	73,969	70,123
Investment earnings	3,670	2,729	1,826	866	2,860	4,728	6,109	10,223	20,172	11,113
Miscellaneous	13,866	8,744	12,965	16,443	13,698	10,292	9,163	17,791	10,900	15,085
Transfers	(8,380)	(8,768)	(6,045)	(8,396)	12,323	(1,083)	(139)	5,972	2,419	44,558
Total governmental activities general revenues and transfers	381,501	369,495	380,517	418,123	468,652	471,580	497,233	555,503	570,995	622,846
Business-type Activities:										
Property taxes	1,739	1,077	561	568	584	1,257	1,864	2,142	2,103	2,266
Franchise fees	1,604	1,701	1,677	1,654	1,778	1,984	2,464	2,328	2,366	2,383
Investment earnings	1,344	1,180	1,034	605	1,580	3,129	5,210	9,557	17,156	9,465
Miscellaneous	1,714	886	1,300	1,139	1,762	1,559	1,921	2,361	2,105	1,883
Special item-loss on discontinued project	-	(16,946)	-	-	-	-	-	-	-	-
Transfers	8,380	8,768	6,045	8,396	(12,323)	1,083	139	(5,972)	(2,419)	(44,558)
Total Business-type activities general revenues, special item, and transfers	14,781	(3,334)	10,617	12,362	(6,619)	9,012	11,598	10,416	21,311	(28,561)
Total primary government general revenues, special item, and transfers	\$ 396,282	\$ 366,161	\$ 391,134	\$ 430,485	\$ 462,033	\$ 480,592	\$ 508,831	\$ 565,919	\$ 592,306	\$ 594,285
Change in Net Position										
Governmental activities	\$ (96,312)	\$ (83,051)	\$ (75,364)	\$ (47,593)	\$ 5,749	\$ (23,212)	\$ (28,388)	\$ (48,806)	\$ (41,216)	\$ 18,527
Business-type activities	21,111	(4,090)	27,607	52,940	32,047	51,229	49,232	10,921	50,440	(1,291)
Total primary government	\$ (75,201)	\$ (87,141)	\$ (47,757)	\$ 5,347	\$ 37,796	\$ 28,017	\$ 20,844	\$ (37,885)	\$ 9,224	\$ 17,236

1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

2) Impact Fees were re-categorized beginning in fiscal year 2012 to Capital Grants and Contributions.

3) Fiscal year 2013 reflects a cumulative prior period adjustment to remove bond issuance costs from the statement of net position as required by Governmental Accounting Standards Board Statement 65 and to correct amortization from a prior year.

4) Fiscal year 2014 reflects a cumulative prior period adjustment for the Clerk's Child Support Enforcement Fund, a non-major special revenue fund, for expenditures omitted in prior years.

5) Fiscal Year 2018 balances are restated due to a prior period adjustment related to OPEB

Lee County, Florida
SCHEDULE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 26,244	\$ 14,393	\$ 429	\$ 409	\$ 330	\$ 292	\$ 321	\$ 346	\$ 375	\$ 363
Restricted	-	2,134	1,853	2,370	2,301	1,562	414	410	404	416
Committed	-	10	10	6	6	6	6	-	-	-
Assigned	17,945	49,261	14,900	12,565	8,370	7,069	5,309	18,824	17,613	20,314
Unassigned	158,320	81,668	94,308	108,428	126,889	123,980	115,198	124,485	115,390	125,317
Total General Fund	\$ 202,509	\$ 147,466	\$ 111,500	\$ 123,778	\$ 137,896	\$ 132,909	\$ 121,248	\$ 144,065	\$ 133,782	\$ 146,410
All Other Governmental Funds										
Nonspendable	\$ 9,531	\$ 11,368	\$ 2,385	\$ 2,936	\$ 2,652	\$ 2,532	\$ 2,654	\$ 2,123	\$ 2,247	\$ 2,788
Restricted	176,483	159,671	183,519	160,719	196,343	223,656	254,943	277,259	286,342	338,500
Committed	257,306	224,909	211,770	201,066	197,322	210,498	211,145	166,648	165,135	175,495
Assigned	4,703	2,928	3,209	3,300	3,487	4,161	2,319	1,432	-	549
Unassigned	(16,313)	(22,160)	(11)	-	-	-	(1,298)	-	(263)	-
Total All Other Governmental Funds	\$ 431,710	\$ 376,716	\$ 400,872	\$ 368,021	\$ 399,804	\$ 440,847	\$ 469,763	\$ 447,462	\$ 453,461	\$ 517,332

* Fiscal year 2010 fund balance classifications have been revised due to the implementation of the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Lee County, Florida
SCHEDULE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 324,257	\$ 317,463	\$ 319,103	\$ 351,952	\$ 378,631	\$ 394,357	\$ 416,774	\$ 446,331	\$ 463,535	\$ 481,967
Licenses and permits	6,288	6,497	7,822	9,271	11,148	9,233	9,295	12,071	11,722	12,859
Intergovernmental	102,901	103,056	97,298	89,852	95,530	101,013	102,020	112,060	115,583	177,696
Charges for services	74,490	66,328	74,847	79,844	81,194	88,982	84,535	86,357	88,438	83,698
Fines and forfeitures	1,087	1,311	1,374	1,561	1,529	1,545	1,373	2,784	1,955	751
Impact fees	1,892	3,446	2,587	2,743	3,759	5,262	6,455	10,266	13,538	19,756
Special assessments	1,493	1,447	1,651	1,360	2,261	1,241	1,174	1,053	1,113	1,178
Miscellaneous	16,517	11,394	14,135	15,985	16,531	14,199	16,437	22,591	30,827	26,293
Total revenues	528,925	510,942	518,817	552,568	590,583	615,832	638,063	693,513	726,711	804,198
Expenditures										
Current										
General government	136,124	132,248	132,932	130,328	137,077	143,421	148,668	158,679	167,210	223,367
Public safety	210,923	195,541	193,533	199,492	205,645	218,168	233,305	241,734	260,869	254,514
Physical environment	12,649	13,968	14,321	18,913	12,184	10,770	10,858	13,747	18,340	12,645
Transportation	35,354	33,800	34,509	32,644	33,609	33,938	35,953	44,160	48,203	49,177
Economic environment	33,770	30,539	24,433	25,095	26,619	27,672	30,432	31,580	32,513	27,109
Human services	26,193	26,690	20,355	20,144	20,052	21,055	21,200	21,908	22,809	22,982
Culture and recreation	53,817	55,032	56,050	59,350	64,098	63,220	63,539	65,701	71,225	70,718
Capital outlay	108,952	87,692	60,314	55,748	31,064	41,222	47,375	105,447	88,537	93,160
Debt service										
Principal retirement	25,581	17,702	15,432	9,741	15,766	10,823	19,680	11,211	12,726	13,119
Interest and fiscal charges	12,805	19,852	20,037	13,068	13,223	11,573	11,822	11,229	10,849	9,593
Bond issuance costs	548	0	774	49	364	-	-	-	13	651
Total expenditures	656,716	613,064	572,690	564,572	559,701	581,862	622,832	705,396	733,294	777,035
Excess (deficiencies) of revenues over (under) expenditures	(127,791)	(102,122)	(53,873)	(12,004)	30,882	33,970	15,231	(11,883)	(6,583)	27,163
Other Financing Sources (Uses)										
Transfers in	244,570	112,730	221,138	90,650	165,590	113,737	158,782	123,017	145,520	179,133
Transfers out	(239,126)	(121,486)	(221,171)	(99,030)	(153,267)	(116,820)	(156,758)	(117,174)	(144,063)	(139,575)
Insurance recoveries	-	-	-	-	-	-	-	5,580	-	-
Capital lease	-	-	-	-	383	5,169	0	543	225	8,939
Bond premium	55	-	-	-	8,399	-	-	-	-	10,791
Proceeds from long-term debt	88,218	841	134,399	14,483	50,625	0	1,284	433	617	75,655
Payments to refunding escrow agent	(7,570)	-	(92,303)	(12,518)	(56,711)	-	(1,284)	-	-	(85,607)
Total other financing sources (uses)	86,147	(7,915)	42,063	(6,415)	15,019	2,086	2,024	12,399	2,299	49,336
Net change in fund balances	\$ (41,644)	\$ (110,037)	\$ (11,810)	\$ (18,419)	\$ 45,901	\$ 36,056	\$ 17,255	\$ 516	\$ (4,284)	\$ 76,499
Debt service as a percentage of noncapital expenditures ¹	7.0%	7.1%	6.9%	4.5%	5.5%	4.1%	5.5%	3.7%	3.7%	3.3%

¹ Total debt service for this calculation excludes bond issuance cost.

Lee County, Florida
SCHEDULE 5
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Real Property			Other	Personal Property	Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ¹
	Residential Property	Commercial Property								
2011	\$ 42,639,954	\$ 8,531,480	\$ 541,038	\$ 3,808,042	\$ 13,836,043	\$ 41,684,471	5.3980	\$ 70,138,366	79.16%	
2012	41,682,601	7,543,635	588,774	3,450,443	14,089,660	39,175,793	5.4138	68,116,399	78.20%	
2013	41,893,823	7,314,283	545,034	3,147,142	14,947,717	37,952,565	5.4138	68,644,339	77.06%	
2014	43,666,928	7,270,866	534,599	3,147,804	17,060,361	37,559,836	5.6553	72,497,286	75.34%	
2015	46,907,208	7,805,176	642,067	3,103,287	20,663,672	37,794,066	5.6553	75,876,824	77.04%	
2016	51,150,460	7,689,622	679,027	3,125,423	23,821,441	38,823,091	5.6553	83,340,551	75.17%	
2017	55,534,938	8,336,070	662,497	3,353,902	28,254,649	39,632,758	5.5553	96,920,144	70.04%	
2018	60,650,938	8,739,931	911,373	3,736,873	30,507,410	43,531,705	5.5553	105,312,245	70.30%	
2019	64,378,130	9,392,793	739,364	3,961,567	30,240,763	48,231,091	5.4553	109,528,126	71.65%	
2020	68,488,438	10,036,079	882,711	4,123,167	31,272,043	52,258,352	5.4553	115,661,449	72.22%	

Source: Lee County Property Appraiser

¹ Includes tax-exempt property

Lee County, Florida
SCHEDULE 6
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
Last Ten Fiscal Years

Fiscal Year	Direct Rates					Overlapping Rates									
	General	Library	Hazards	All	Total Direct Rate	Special Districts ¹	Lee County School Board	Cape Coral ²	City of Samibel ²	City of Fort Myers	Myers Beach	Town of Bonita Springs	Village of Estero ³	Other Special Districts ⁴	
2011	4.9904	0.3383	0.0693	0.0693	5.3980	0.9332	8.0150	7.9702	2.5908	8.4000	0.9144	0.8273		.0310 - 3.5000	
2012	4.9904	0.3541	0.0693	0.0693	5.4138	0.7281	7.5840	7.9570	2.5570	8.7760	0.7687	0.8173		.0088 - 4.7000	
2013	4.9904	0.3541	0.0693	0.0693	5.4138	0.7281	7.5840	7.9570	2.5570	8.7760	0.7687	0.8173		.0088 - 4.7000	
2014	4.9904	0.5956	0.0693	0.0693	5.6553	0.5908	7.5980	7.7070	2.5307	8.7760	0.7530	0.8173		.0076 - 4.5000	
2015	4.9904	0.5956	0.0693	0.0693	5.6553	0.6910	7.4160	7.7070	2.4145	8.7760	0.7530	0.8173		.0585 - 4.5000	
2016	4.9904	0.5956	0.0693	0.0693	5.6553	0.6605	7.2850	6.9570	2.3105	8.7760	0.8000	0.8173	0.8398	.0549 - 4.0000	
2017	4.8904	0.5956	0.0693	0.0693	5.5553	0.6361	6.9890	6.7500	2.3013	8.7500	0.8000	0.8173	0.7998	.0650 - 4.0000	
2018	4.8904	0.5956	0.0693	0.0693	5.5553	0.6542	6.6790	6.7500	2.2797	8.6500	0.8700	0.8173	0.7798	.0572 - 3.9000	
2019	4.8904	0.4956	0.0693	0.0693	5.4553	0.6205	6.4010	6.7500	2.2186	8.4500	0.8700	0.8173	0.7750	.0555 - 3.7500	
2020	4.8904	0.4956	0.0693	0.0693	5.4553	0.5958	6.1470	6.5503	2.1855	8.2500	0.9500	0.8173	0.7726	.0661 - 3.8000	

Source: Lee County Property Appraiser

¹ Includes South Florida Water Management, Hyacinth Control, Mosquito Control and West Coast Inland Waterway.

² Millages include levies for operating and debt service costs.

³ The Village of Estero was incorporated in December 2014. Their first property tax assessment was in 2016.

⁴ Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

Lee County, Florida
 SCHEDULE 7
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago
 (dollars in thousands)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Christian & Missionary Alliance, Inc.	\$ 334,969	1	0.303%	\$ 103,174	3	0.199%
Miromar Outlet West LLC	125,134	2	0.113%	77,435	5	0.149%
Coconut Point Developers LLC	112,811	3	0.102%	134,626	1	0.259%
GCTC Holdings LLC	110,334	4	0.100%			
Edison Mall LLC	94,047	5	0.085%	73,958	7	0.143%
Quadrum Lakes Park LLC	89,593	6	0.081%			
Lurin Real Estate Holdings XVI	84,433	7	0.076%			
Bell Tower Shops LLC	70,142	8	0.063%			
Venetian Multi Family LLC	63,695	9	0.058%			
Hertz Corporation	60,224	10	0.054%			
Federal National Mortgage Assn				76,877	6	0.148%
Gulf Coast Town Center CMBS				105,208	2	0.203%
Target Corporation				65,751	9	0.127%
McHale Gerard A Jr RCVR				71,483	8	0.138%
Tavira at Bonita Bay Inc				64,056	10	0.123%
Oasis Associates LLC				92,801	4	0.179%
Total	\$ 1,145,382		1.035%	\$ 865,369		1.668%

Source: Lee County Property Appraiser

Lee County, Florida
 SCHEDULE 8
 PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 (dollars in thousands)

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year ¹	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
	\$	\$		\$	\$	
2011	274,268	260,862	95.11%	763	261,625	95.39%
2012	262,901	251,665	95.73%	611	252,276	95.96%
2013	260,982	250,828	96.11%	273	251,101	96.21%
2014	280,806	270,156	96.21%	184	270,340	96.27%
2015	299,665	288,114	96.15%	133	288,247	96.19%
2016	316,672	304,630	96.20%	(114)	304,516	96.16%
2017	336,533	323,892	96.24%	(393)	323,499	96.13%
2018	367,004	352,046	95.92%	(29)	352,017	95.92%
2019	382,202	367,536	96.16%	(4)	367,532	96.16%
2020	407,406	391,718	96.15%		391,718	96.15%

Source: Lee County Tax Collector

Notes: ¹ These tax levies are for funds for County purposes, excluding School Board, municipalities, and other independent special districts.

² Property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will not equal 100 percent of the tax levy. Tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of the following year.

Lee County, Florida
SCHEDULE 9
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	General Bonded Debt						Other Governmental Activities Debt				
	Capital Revenue Bonds ¹	Gas Tax Bonds	Tourist Development Tax Bonds	Certificates of Participation	Non Advallorem	Total	Percentage of Estimated Actual Taxable Property Value ²	Per Capita ³	Line of Credit	Notes	Capital Leases
2011	\$ 168,172	\$ 19,211	\$ 85,431	\$ 2,635	\$ -	\$ 275,449	0.39%	0.44	\$ -	\$ 20,710	\$ -
2012	161,424	17,621	84,655	1,350	-	265,050	0.39%	0.42	-	14,076	-
2013	65,145	15,642	125,731	-	55,632	262,150	0.38%	0.41	-	42,065	-
2014	62,473	1,765	124,903	-	51,876	241,017	0.33%	0.37	-	54,758	-
2015	4,697	-	123,989	-	104,609	233,295	0.31%	0.35	-	49,506	1,225
2016	2,390	-	122,967	-	99,158	224,515	0.27%	0.33	-	46,064	5,885
2017	-	-	121,823	-	91,875	213,698	0.22%	0.31	-	36,091	5,164
2018	-	-	120,550	-	82,428	202,978	0.19%	0.28	433	34,707	4,921
2019	-	-	119,172	-	78,771	197,943	0.18%	0.27	406	26,883	4,251
2020	-	-	121,148	-	75,015	196,163	0.17%	0.26	-	19,123	12,492

Business-Type Activities Debt

Fiscal Year	Port Authority		Solid Waste Revenue Bonds		Transportation Facilities Revenue Bonds		Water and Wastewater Revenue Bonds		Port Authority LOC		Capital Leases	Total Primary Government ⁴	Percentage of Personal Income ⁵	Per Capita ³
	Bonds	Revenue	Bonds	Revenue	Bonds	Revenue	Bonds	Revenue	Bonds	Revenue				
2011	\$ 324,625	\$ 136,231	\$ 168,281	\$ 158,811	\$ -	\$ -	\$ 82,121	\$ -	\$ -	\$ -	\$ -	\$ 1,166,228	4.32%	1.87
2012	317,352	86,552	131,400	153,747	-	-	104,934	-	-	-	-	1,073,111	3.93%	1.70
2013	319,686	86,379	134,254	207,878	-	-	92,600	-	-	-	-	1,145,012	4.05%	1.79
2014	310,772	86,251	129,907	203,100	-	-	83,913	-	-	-	-	1,109,718	4.00%	1.72
2015	300,598	81,393	123,632	195,813	-	-	64,419	-	-	298	2,022	1,050,179	3.59%	1.58
2016	290,836	76,994	118,159	187,482	-	-	54,633	-	-	2,022	2,022	1,006,590	3.22%	1.48
2017	280,656	75,358	112,439	178,850	-	-	61,956	-	-	995	965,725	965,725	2.92%	1.38
2018	270,080	68,451	106,681	169,873	-	-	79,216	-	-	464	938,335	938,335	2.55%	1.31
2019	258,920	61,417	99,839	160,544	-	-	79,821	-	-	464	890,488	890,488	2.30%	1.21
2020	238,487	54,248	92,848	155,063	-	-	74,903	-	-	-	854,327	854,327	2.13%	1.14

Note - Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ Excludes accreted interest for fiscal years through 2012. For fiscal year 2012 the accreted interest was \$5,940,000.

² See Schedule 5 for property value data.

³ See Schedule 11 for personal income and population data for 2011 through 2020. These ratios are calculated using personal income and population for the prior calendar year.

⁴ Includes general bonded debt, other governmental activities debt, and business-type activities debt.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SCHEDULE 10
PLEDGED REVENUE BOND COVERAGE
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Passenger Facility Charge Revenue Bonds						Port Authority Line of Credit															
	Passenger Facility Charge Revenues			Less: Operating Expenses ¹			Net Available Revenues			Page Field General Aviation Airport Revenues			Less: Operating Expenses ¹			Net Available Revenue			Debt Service			Coverage
	Revenues	Operating Expenses ¹	Net Available Revenues	Principal	Interest	Debt Service	Coverage	Revenues	Operating Expenses ¹	Net Available Revenue	Revenues	Operating Expenses ¹	Net Available Revenue	Principal	Interest	Debt Service	Principal	Interest	Debt Service			
2011	\$ 15,581	n/a	\$ 15,581	\$ 2,620	\$ 1,000	\$ 1,000	4.30	\$ 7,851	\$ 7,786	\$ 65	\$ 7,851	\$ 7,786	\$ 65	\$ 340	\$ 39	\$ 340	\$ 39	\$ 39	\$ 39	0.17		
2012	14,775	n/a	14,775	3,060	303	303	4.39	8,831	8,508	323	8,831	8,508	323	355	36	355	36	36	36	0.83		
2013	15,197	n/a	15,197	3,120	245	245	4.52	9,176	9,331	(155)	9,176	9,331	(155)	375	32	375	32	32	32	-0.38		
2014	15,771	n/a	15,771	3,180	185	185	4.69	9,262	9,721	(459)	9,262	9,721	(459)	395	27	395	27	27	27	-1.09		
2015	16,251	n/a	16,251	6,540	21	21	2.48	11,605	8,875	2,730	11,605	8,875	2,730	3,042	4	3,042	4	4	4	0.90		
2016	-	n/a	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2017	-	n/a	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2018	-	n/a	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2019	-	n/a	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2020	-	n/a	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	0.00		

Fiscal Year	Port Authority Revenue Bonds						Port Authority Subordinate Revolving Credit															
	Airport Revenues ³			Less: Operating Expenses ²			Net Available Revenues			Airport Revenues ³			Less: Operating Expenses ²			Net Available Revenue			Debt Service			Coverage
	Revenues ³	Operating Expenses ²	Net Available Revenues	Principal	Interest	Debt Service	Coverage	Revenues ³	Operating Expenses ²	Net Available Revenue	Revenues ³	Operating Expenses ²	Net Available Revenue	Principal	Interest	Debt Service	Principal	Interest	Debt Service			
2011	\$ 84,578	\$ 49,921	\$ 34,657	\$ 7,660	\$ 17,146	\$ 17,146	1.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00		
2012	81,934	49,372	32,562	7,895	17,654	17,654	1.27	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2013	86,659	51,623	35,036	8,470	16,459	16,459	1.41	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2014	89,182	54,877	34,305	8,900	16,039	16,039	1.38	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2015	92,247	55,872	36,375	9,285	15,552	15,552	1.46	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2016	94,214	59,144	35,070	9,750	14,939	14,939	1.42	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2017	97,948	61,666	36,282	10,230	14,456	14,456	1.47	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2018	102,450	63,066	39,384	10,725	13,959	13,959	1.60	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2019	106,268	63,790	42,478	11,310	13,374	13,374	1.72	-	-	-	-	-	-	-	-	-	-	-	-	0.00		
2020	81,728	59,559	22,169	3,340	12,694	12,694	1.38	81,728	59,559	22,169	81,728	59,559	22,169	-	7	-	-	7	7	3,167.00		

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

¹ As defined by bond resolutions - Generally, current operating expense which does not include interest expense, depreciation or amortization expense.

² As defined by bond resolutions - Generally, current operating expense of Southwest Florida International Airport which includes arbitrage rebate liability and does not include interest expense, depreciation, unpaid other postemployment benefits expense or rebates.

³ As defined by bond resolutions - Generally, all revenues generated from the operation of Southwest Florida International Airport with the exception of passenger facility charges and grants but including surplus passenger facility charges per Federal Aviation Administration approvals.

⁴ Scheduled debt service payments. Due to refunding, no principal was paid down during the year.

⁵ Additional principal payment of \$3,300,000 was made in 2015 with a transfer from the PFC capital fund to payoff the loan. The coverage without the payoff would have been 4.85.

⁶ Additional principal payment of \$2,627,000 was made with a transfer from the Airport discretionary fund to payoff the loan in November 2014. The amount in the Revenues column includes the transferred amount.

⁷ Principal reduced by early redemption of October 1, 2020 Airport Revenue Refunding Bonds, Series 2010A of \$8.6M paid with CARES Act funds. The CARES Act revenues are not included in the Airport pledged revenues above.

⁸ Debt service is based on bond year of Oct 2 to Oct 1

(continued)

Lee County, Florida
SCHEDULE 10
PLEDGED REVENUE BOND COVERAGE
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water and Wastewater Revenue Bonds					Transportation Facilities Revenue Bonds				
	Water and Wastewater Revenues ¹	Less: Operating Expenses ^{2,4}	Net Available Revenues		Coverage	Transportation Facilities Revenues ³	Less: Operating Expenses ^{2,4}	Net Available Revenue		Coverage
			Principal	Debt Service				Principal	Debt Service	
2011	\$ 86,649	\$ 58,912	\$ 27,737	\$ 5,310	2.10	\$ 37,006	\$ 9,863	\$ 27,143	\$ 6,890	1.75
2012	91,967	55,406	36,561	5,510	2.86	37,817	9,426	28,391	7,710	1.82
2013	98,054	55,286	42,768	7,603	2.76	39,162	9,698	29,464	8,145	1.96
2014	103,263	54,637	48,626	3,890	4.26	41,966	10,158	31,808	9,080	2.02
2015	107,822	52,634	55,188	6,190	3.67	44,113	8,906	35,207	9,325	2.29
2016	109,652	54,778	54,874	7,195	3.47	46,008	8,910	37,098	8,980	2.61
2017	114,504	59,098	55,406	7,465	3.51	45,742	9,376	36,366	9,295	2.53
2018	116,742	69,792	46,950	7,790	2.98	47,492	9,872	37,620	9,505	2.63
2019	121,648	74,626	47,022	8,130	2.98	49,952	12,344	37,608	5,295	3.83
2020	120,973	73,427	47,546	8,485	3.13	44,608	12,391	32,217	5,560	3.29

Fiscal Year	Florida Department of Environmental Protection Loans					Solid Waste System Revenue Bonds				
	Water and Wastewater Revenues ¹	Less: Operating Expenses ^{2,4}	Net Available Revenues		Coverage	Solid Waste System Revenues ⁶	Less: Operating Expenses ^{2,4}	Net Available Revenue		Coverage
			Principal	Debt Service				Principal	Debt Service ⁷	
2011	\$ 86,649	\$ 58,912	\$ 27,737	\$ 2,114	9.60	\$ 119,737	\$ 57,371	\$ 62,366	\$ 49,385	1.10
2012	91,967	55,406	36,561	3,572	7.11	77,675	58,358	19,317	95	4.40
2013	98,054	55,286	42,768	3,650	8.31	70,409	62,541	7,868	100	1.79
2014	103,263	54,637	48,626	3,035	10.99	73,311	62,013	11,298	4,830	1.24
2015	107,822	52,634	55,188	3,118	12.47	76,369	67,243	9,126	5,080	1.00
2016	109,652	54,778	54,874	3,203	12.40	79,957	69,042	10,915	-	5.76
2017	114,504	59,098	55,406	3,065	3.52	86,894	70,643	16,251	5,235	1.90
2018	116,742	69,792	46,950	2,918	11.82	97,785	75,887	21,898	5,495	2.56
2019	121,648	74,626	47,022	3,640	9.91	100,446	81,664	18,782	5,775	2.20
2020	120,973	73,427	47,546	4,918	7.71	96,887	83,105	13,782	6,075	1.61

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Water and Wastewater System. The pledge of these revenues to the FDEP loan is subordinate to the revenue bonds pledge.

² As defined by bond resolutions - Generally, current operating expenses which doesn't include interest expense, depreciation or amortization expense.

³ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Transportation Facilities, including but not limited to toll revenues and investment earnings.

⁴ As defined by bond resolutions - current operating expenses do not include unfunded OPEB and pension expenses.

⁵ Fiscal years 2011 to 2014 - Operating expenses listed include the annual OPEB expenses and is not adjusted for funding.

⁶ As defined by bond resolutions - Generally, all revenues generated from the operation of the Waste - to - Energy Facility, the landfill, and the collection services.

⁷ Debt service is based on funding requirements during the year for upcoming principal and interest due. (ie: the accrued debt service)

⁸ Debt service only includes the April 2016 interest payment as the Solid Waste System Revenue Bonds, Series 2006A were refunded before September 30, 2016 and no longer outstanding under the bond resolutions. No debt service was due for fiscal year 2016 on the Solid Waste System Revenue Refunding Bonds, Series 2016.

⁹ Operating expenses excludes non-recurring Hurricane Irma related expenses. Revenues in 2019 and 2020 exclude FEMA reimbursements for Hurricane Irma. Adjusted for Hurricane Irma expenses, Operating Expenses for 2017, 2018, and 2019 were \$73,721, \$109,159, and \$83,770 respectively. Adjusted for FEMA, Revenues in 2019 and 2020 were \$102,655 and \$126,990 respectively. Coverage for 2017, 2018, 2019, and 2020 were 1.54, (1.33), 2.21, and 5.13 respectively.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SCHEDULE 11
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population ¹	Total Personal Income ² (in thousands)	Per Capita Personal Income ²	Median Age ²	School Enrollment ⁴	Unemployment Rates (Percentage) ²		
						County	State	National
2011	625,310	26,999,483 ³	30,363 ³	45.6	83,771	11.2	10.6	9.1
2012	631,330 ⁶	27,328,737 ⁶	43,022 ⁶	45.7	85,581	8.7 ⁵	8.7 ⁵	7.8 ⁵
2013	638,029	28,292,424 ⁶	40,248	45.7	87,215	7.2 ⁵	7.1 ⁵	7.6 ⁵
2014	643,367	27,773,510	43,169 ⁷	45.7	90,887	6.1	6.1	5.7
2015	665,845	29,245,506	48,453 ⁹	46.2 ⁸	92,780	5.1	5.2	5.1
2016	680,578	31,296,442	44,583	46.3	91,222	4.7	4.7	5.0
2017	698,468	33,060,033	48,537	46.9	92,590	3.6	3.8	4.2
2018	713,903	36,786,500	50,390	47.8	93,167	2.9	3.5	3.7
2019	735,148	38,685,758	51,266	47.8	94,405	2.8	3.2	3.5
2020	750,493	40,119,053	52,064	48.1	95,647	6.4	7.2	7.9

Sources: ¹ Bureau of Economic and Business Research (estimate)

² Florida Research and Economic Database (FRED), except as otherwise noted

³ U.S. Census Bureau estimate

⁴ School District of Lee County

⁵ Regional Economic Research Institute, Lutgert College of Business, Florida Gulf Coast University

⁶ US Bureau of Economic Analysis (BEA) estimate as of April 2012 (TPI updated 2015)

⁷ Governing.com

⁸edr.state.fl.us

⁹bestplaces.net

Lee County, Florida
SCHEDULE 12
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees*</u>	<u>Rank*</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Lee Health	13,595	1	4.25%	9,500	1	3.46%
Lee County School District	12,936	2	4.04%	9,270	2	3.37%
Lee County Local Government	9,038	3	2.82%	2,364	4	0.86%
Publix Super Market	4,624	4	1.44%	3,071	3	1.12%
Florida Gulf Coast University	3,430	5	1.07%	993	10	0.36%
Walmart	3,067	6	0.96%	1,967	5	0.72%
City of Cape Coral	2,253	7	0.70%	1,409	7	0.51%
Hope Hospice	1,630	8	0.51%			
McDonald's	1,482	9	0.46%			
Florida Southwestern State College	1,441	10	0.45%			
Lee County Sheriff's Office				1,585	6	0.58%
Chico's FAS Inc.				1,388	8	0.51%
Target				1,100	9	0.40%
Total	<u><u>53,496</u></u>		<u><u>16.70%</u></u>	<u><u>32,647</u></u>		<u><u>11.89%</u></u>

Source: Lee County Office of Economic Development, SW Florida Economic Development Alliance, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

*The employer ranking and employee totals remain the same as reported for FY 2019 due to the FY 2020 information not being available until a later date.

Lee County, Florida
 SCHEDULE 13
 GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
General government	1,342	1,312	1,281	1,282	1,288	1,281	1,270	1,304	1,303	1,310
Public safety	1,891	1,884	1,866	1,875	1,914	1,979	1,997	2,071	2,057	2,065
Physical environment	76	76	73	69	70	69	68	68	68	69
Transportation	221	220	220	212	205	204	204	209	209	209
Economic environment	62	66	65	66	66	67	66	66	66	68
Human services	69	76	75	76	81	81	83	91	91	95
Culture and recreation	512	523	518	523	504	506	507	529	529	529
Business-type activities:										
Airport	343	344	346	351	352	360	357	352	359	359
Water and wastewater	275	275	275	274	274	275	279	281	281	283
Transit	253	253	251	263	267	267	267	268	268	268
Transportation facilities	95	95	95	95	95	94	96	96	96	96
Solid waste	77	83	92	94	98	105	112	119	119	119
Total	5,216	5,207	5,157	5,180	5,214	5,288	5,306	5,454	5,446	5,470

Sources: Lee County Budget Office, Lee County Sheriff Finance Department, Lee County Clerk of Circuit Court Human Resources Department, Lee County Property Appraiser Finance Department, Lee County Tax Collector Human Resources Department, Lee County Supervisor of Elections Human Resources Department, Lee County Port Authority Human Resources Department, and 20th Judicial Circuit Court Finance Department

Lee County, Florida
SCHEDULE 14
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Community Development										
Building permits issued	29,952	31,316	36,442	41,023	45,421	34,329	32,126	47,143	38,619	40,318
Inspections	50,599	51,820	63,709	74,358	84,505	82,004	80,532	114,483	133,232	119,126
Public Safety/EMS ¹										
E-911 calls processed	160,780	180,597	179,412	182,859	198,072	208,238	220,799	220,159	222,236	227,274
Sheriff Department										
Physical arrests	15,839	14,877	15,018	14,196	10,543	12,006	10,173	15,877	10,235	6,971
Traffic tickets	33,915	31,543	37,859	36,512	31,977	36,251	33,680	37,960	37,650	21,184
Natural Resources										
Environmental lab tests performed	114,405	109,697	117,670	114,744	109,420	115,625	136,044	154,281	156,115	157,545
Pollutant storage tanks inspections	819	738	642	546	495	514	520	1,009	902	896
Solid Waste										
Number of business and residential customers ²	247,891	248,928	249,480	244,817	253,888	258,891	258,530	260,307	263,662	267,754
Volume of solid waste collection (tons per year) ³	445,701	452,618	484,255	481,658	507,527	552,818	571,194	586,383	579,041	582,477
Volume of recycling collection (tons per year) ⁴	65,494	67,751	84,270	71,788	76,109	79,117	78,249	84,126	83,394	86,379
Megawatt hours of electricity sold	289,391	295,981	289,583	328,479	329,285	333,549	320,919	346,086	343,088	320,397
Water and Wastewater										
Water customers	80,990	81,654	82,411	83,146	83,989	85,020	86,176	87,675	89,110	90,869
Wastewater customers	58,974	59,315	59,789	60,562	61,410	62,294	63,197	64,583	65,867	67,606
Meter installations	395	477	720	1,176	807	1,031	1,156	1,499	1,619	1,758
Department of Transportation										
Number of signal and flasher locations maintained	494	503	497	509	523	530	540	581	616	626
Number of streetlights maintained	4,867	5,140	4,986	5,013	5,104	5,090	5,142	5,202	5,429	5,429
Number of driveway and ROW permits issued	769	704	702	810	1,031	1,147	1,353	1,569	1,996	2,249
Asphalt road resurfacing (in thousands of tons)	55	48	43	37	34	41	33	86	52	117
Bridges										
Toll paying traffic per year										
Sanibel	2,931,693	2,990,491	3,062,356	3,181,676	3,282,789	3,337,055	3,277,285	3,264,223	3,293,772	2,997,361
Midpoint Memorial	7,023,381	7,364,006	7,432,540	7,674,340	7,975,126	8,268,884	8,090,020	8,707,346	8,722,066	8,071,567
Cape Coral	7,356,888	7,112,276	7,334,694	7,747,127	8,022,636	8,266,891	8,071,717	8,364,186	8,453,337	7,701,445
Transit										
Number of bus passenger trips	3,212,214	3,756,378	4,075,250	3,939,812	3,721,249	3,323,540	3,126,846	3,116,342	2,969,652	2,216,325
Number of bus route miles	417	417	550	551	551	538	542	542	543	543
Port Authority										
Number of enplanements	3,875,313	3,676,953	3,856,646	3,989,316	4,155,189	4,332,997	4,421,668	4,662,213	5,026,675	3,528,276
Number of deplanements	3,792,235	3,600,007	3,751,062	3,896,241	4,062,874	4,245,061	4,317,457	4,594,287	4,943,615	3,477,797
Human Services										
Number of emergency services provided with General Fund County Service dollars (mortgage, rent, utilities, etc.)	795	836	484	460	390	327	660	642	691	626
Animal Services										
Officer responses	14,309	15,633	16,970	15,600	15,029	15,409	15,406	15,186	15,406	11,735
Animal placement	3,259	4,219	4,220	4,286	5,089	5,379	5,012	4,642	5,012	5,057
Library										
Cardholders	295,574	289,858	291,692	294,953	289,398	285,300	283,326	275,705	276,106	263,799
Items available for circulation	1,619,836	1,598,513	1,567,872	1,594,355	1,608,459	1,741,312	1,827,512	2,023,162	2,060,006	1,803,111
Total circulation	6,017,639	6,148,573	6,032,045	6,123,207	7,048,435	7,402,890	5,214,822	6,050,997	5,949,205	4,499,177
Parks and Recreation										
Number of public parks maintained	65	66	66	67	67	68	69	69	69	70
Number of public pools maintained	9	9	9	9	9	9	9	9	9	9
Number of public boat ramps maintained	7	7	7	7	7	7	7	7	7	7

Source: Various Lee County Departments

¹ Based on calendar year prior to 2012. Based on fiscal year from 2012 and going forward.

² Unincorporated Lee County, City of Bonita Springs, and Town of Fort Myers Beach for all fiscal years. Village of Estero added in fiscal year 15. Fiscal year 2018 count was revised in 2019 from 288,995 to 260,307.

³ Total municipal solid waste tons processed and landfilled including incorporated and unincorporated Lee County and Hendry County.

⁴ Total tons recycled for incorporated and unincorporated Lee County and Hendry County received at the Lee Recycling Facility.

Lee County, Florida
SCHEDULE 15
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years
(in units)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
General government	10,853	10,407	10,862	10,957	10,739	11,087	11,262	11,622	11,863	10,545
Public safety	10,374	10,085	10,299	10,089	10,072	10,783	10,633	10,912	11,133	3,141
Physical environment	530	550	552	574	538	519	517	524	538	502
Transportation	3,610	3,713	3,805	3,837	3,903	3,939	3,954	3,977	4,034	3,864
Economic environment	227	237	247	261	252	270	276	280	288	243
Human services	795	647	639	602	589	568	532	557	553	588
Culture and recreation	4,489	4,606	4,680	4,865	4,890	4,965	5,056	5,115	5,358	4,966
	<u>30,878</u>	<u>30,245</u>	<u>31,084</u>	<u>31,185</u>	<u>30,983</u>	<u>32,131</u>	<u>32,230</u>	<u>32,987</u>	<u>33,767</u>	<u>23,849</u>
Business-type Activities										
Port Authority	2,516	2,522	2,549	2,552	2,961	3,184	3,338	3,494	3,623	4,212
Water and Wastewater	15,650	16,633	17,285	18,084	19,013	19,993	20,673	21,887	22,459	23,280
Transportation Facilities	1,149	1,149	1,176	1,176	1,235	1,251	1,315	1,380	1,334	1,321
Solid Waste	596	608	646	665	697	709	729	765	806	822
Transit	867	897	948	963	1,018	1,046	1,039	1,062	1,050	1,167
	<u>20,778</u>	<u>21,809</u>	<u>22,604</u>	<u>23,440</u>	<u>24,924</u>	<u>26,183</u>	<u>27,094</u>	<u>28,588</u>	<u>29,272</u>	<u>30,802</u>

Source: Lee County Clerk of Courts Finance and Records Department and the Lee County Sheriff's Office



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Other Supplemental Information



Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 TOURIST DEVELOPMENT TAX REVENUE BONDS
 September 30, 2020
 (unaudited)

(dollars in thousands)

Historical Tourist Development Tax Revenues, Gross Revenues and
 State Funds and Pro Forma Debt Service Coverage

<u>Fiscal Year Ended September 30</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tourist Development Tax Revenues (debt portion)	\$ 39,638	\$ 39,651	\$ 42,346	\$ 42,584	\$ 37,990
Gross Revenues ⁽¹⁾	1,150	1,165	1,165	1,165	1,180
State Funds	500	500	500	500	500
Total Pledged Funds ⁽²⁾⁽³⁾	<u>\$ 41,288</u>	<u>\$ 41,316</u>	<u>\$ 44,011</u>	<u>\$ 44,249</u>	<u>\$ 39,670</u>
Maximum Annual Debt Service ⁽⁴⁾ Payable from Pledged Funds	8,480	8,480	8,480	8,480	8,480
Debt Service Coverage ⁽⁵⁾	4.87x	4.87x	5.19x	5.22x	4.68x

⁽¹⁾ Includes stadium rental revenue and payments received by the County from JetBlue Airways in connection with the naming rights for JetBlue Park, a part of the 2010 Project.

⁽²⁾ Investment earnings, if any, have not been included in these calculations.

⁽³⁾ This figure includes only Tourist Development Tax revenues as defined in the Bond Resolution.

⁽⁴⁾ Maximum Annual Debt Service is calculated net of the Federal Direct Payments received in connection with Subsidy Bonds.

⁽⁵⁾ Maximum Annual Debt Service reflects updated amounts published in the 2019 Tourist Development Tax Official Statement.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
TOURIST DEVELOPMENT TAX REVENUE BONDS
September 30, 2020
(unaudited)

Statement of Historical Collections and Distributions of the General Sales and Use Tax
Fiscal Years Ended June 30, 2012 through June 30, 2021⁽²⁾⁽⁴⁾

State Fiscal Year	Collections	General Revenue	Local Governments ⁽³⁾	State Transportation Trust Fund	Sports Facilities Transfer	Emergency Distribution	Public Employees Relations Commission Trust Fund
2020-21 ⁽¹⁾	\$ 30,331,200,000	\$ 27,025,000,000	\$ 3,249,600,000	\$ 200,000	\$ 28,500,000	\$ 25,700,000	\$ 2,200,000
2019-20 ⁽¹⁾	29,336,800,000	26,137,000,000	3,144,100,000	200,000	28,500,000	24,800,000	2,200,000
2018-19	28,483,919,341	25,385,272,760	3,043,912,215	183,996	28,416,715	24,031,891	2,101,764
2017-18	27,093,010,514	24,138,749,000	2,902,264,323	183,996	27,083,387	22,723,141	2,006,666
2016-17	25,805,978,256	22,987,424,160	2,769,927,339	183,996	24,842,612	21,689,059	1,911,090
2015-16	24,712,944,756	21,997,965,887	2,669,845,085	199,335	22,327,782	20,762,736	1,843,932
2014-15	23,640,149,815	21,062,698,205	2,533,320,541	-	22,730,562	19,653,846	1,746,662
2013-14	22,127,370,145	19,707,709,643	2,376,389,584	-	23,313,893	18,318,806	1,638,219
2012-13	20,686,734,656	18,417,563,319	2,226,904,066	-	23,272,221	17,103,286	1,531,896
2011-12	19,573,276,105	17,422,017,710	2,110,305,421	-	23,313,888	16,191,413	1,447,673

⁽¹⁾ Estimate.

⁽²⁾ These figures reflect estimated distributions based on the State Fiscal Year of July 1 to June 30.

⁽³⁾ Local Government distributions include the half-cent, county and municipal revenue sharing, and the shift of \$29,915,500 to counties previously funded from pari-mutual tax revenues.

⁽⁴⁾ In addition to sales tax, these figures include state communications services taxes imposed under Chapter 202, Florida Statutes, on the sale of communications services as described in Section 202.12, Florida Statutes.

SOURCE: State of Florida, Office of Economic & Demographic Research, *Florida Tax Handbook*

Lee County, Florida
SUPPLEMENTAL SCHEDULES
NON-AD VALOREM REVENUE BONDS
September 30, 2020
(unaudited)

Historical Major Sources of Non-Ad Valorem Revenues ⁽¹⁾
(dollars in thousands)

Fiscal Year Ended September 30	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Taxes:					
Local communications services tax	\$ 8,705	\$ 9,470	\$ 7,426	\$ 7,299	\$ 6,894
FPL electrical franchise fees	11,241	11,386	11,673	12,147	11,834
LCEC electrical franchise fees	6,128	5,823	5,821	6,215	6,342
Intergovernmental Revenues:					
State revenue sharing	15,380	16,242	13,244	18,220	17,203
Local half cent sales tax	46,441	47,350	50,741	51,568	50,011
Mobile home/insurance/alcohol beverage licenses	873	898	832	891	894
Racing tax	223	223	223	223	223
Charges for Services:					
Ambulance service receipts	21,830	21,638	21,686	21,618	20,478
Excess county officer fees	10,023	10,042	10,927	9,981	9,537
Licenses and Permits:					
Occupational licenses	722	698	769	774	722
Miscellaneous:					
Investment earnings ⁽²⁾	1,036	1,484	2,507	4,014	2,733
Total	<u>\$ 122,602</u>	<u>\$ 125,254</u>	<u>\$ 125,849</u>	<u>\$ 132,950</u>	<u>\$ 126,871</u>

⁽¹⁾ The table above includes a general description of Non-Ad Valorem Revenues and does not include sources that are not considered major when viewed independently. Certain other Non-Ad Valorem Revenues may be received by the County that are not reflected in the table above as such revenues are considered restricted for certain purposes, and would not be available for payment of debt service on the Series 2012 or 2015 Bonds.

⁽²⁾ To the extent Investment Earnings are earnings on investments held to the credit of funds that are not legally available to pay debt service on the Series 2012 or 2015 Bonds, such investment earnings will not constitute legally available Non-Ad Valorem Revenues.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
NON-AD VALOREM REVENUE BONDS
September 30, 2020
(unaudited)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TOTAL GOVERNMENTAL FUNDS
(dollars in thousands)

	2016	2017	2018	2019	2020
REVENUES					
Taxes	\$ 394,357	\$ 416,774	\$ 446,331	\$ 463,535	\$ 481,967
Licenses and permits	9,233	9,295	12,071	11,722	12,859
Intergovernmental	101,013	102,020	112,060	115,583	177,696
Charges for services	88,982	84,535	86,357	88,438	83,698
Fines and forfeitures	1,545	1,373	2,784	1,955	751
Impact fees	5,262	6,455	10,266	13,538	19,756
Special assessments	1,241	1,174	1,053	1,113	1,178
Miscellaneous	14,199	16,437	22,591	30,827	26,293
Total revenues	<u>615,832</u>	<u>638,063</u>	<u>693,513</u>	<u>726,711</u>	<u>804,198</u>
EXPENDITURES					
Current					
General government	143,421	148,668	158,679	167,210	223,367
Public safety	218,168	233,305	241,734	260,869	254,514
Physical environment	10,770	10,858	13,747	18,340	12,645
Transportation	33,938	35,953	44,160	48,203	49,177
Economic environment	27,672	30,432	31,580	32,513	27,109
Human services	21,055	21,200	21,908	22,809	22,982
Culture and recreation	63,220	63,539	65,701	71,225	70,718
Capital outlay					
General government	4,406	9,020	49,529	12,065	19,872
Public safety	15,539	4,343	5,531	8,307	23,362
Physical environment	729	1,440	3,205	3,359	2,269
Transportation	17,401	27,369	29,947	43,628	44,151
Economic environment	445	1,504	262	247	63
Human services	5	8	65	73	74
Culture and recreation	2,697	3,691	16,908	20,858	3,369
Debt service					
Principal retirement	10,823	19,680	11,211	12,726	13,119
Interest and fiscal charges	11,573	11,822	11,229	10,849	9,593
Bond issuance costs	-	-	-	13	651
Total expenditures	<u>581,862</u>	<u>622,832</u>	<u>705,396</u>	<u>733,294</u>	<u>777,035</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>33,970</u>	<u>15,231</u>	<u>(11,883)</u>	<u>(6,583)</u>	<u>27,163</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers in	113,737	158,782	123,017	145,520	179,133
Transfers out	(116,820)	(156,758)	(117,174)	(144,063)	(139,575)
Insurance recoveries	-	-	5,580	-	-
Capital lease proceeds	5,169	-	543	225	8,939
Bond premium	-	-	-	-	10,791
Debt issuance	-	-	433	617	450
Issuance of refunding debt	-	1,284	-	-	75,205
Payments to refunded bonds escrow agent	-	(1,284)	-	-	(85,607)
Total other financing sources and (uses)	<u>2,086</u>	<u>2,024</u>	<u>12,399</u>	<u>2,299</u>	<u>49,336</u>
Net change in fund balances	36,056	17,255	516	(4,284)	76,499
Fund balances - beginning	537,700	573,756	591,011	591,527	587,243
Fund balances - ending	<u>\$ 573,756</u>	<u>\$ 591,011</u>	<u>\$ 591,527</u>	<u>\$ 587,243</u>	<u>\$ 663,742</u>

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
 LEE COUNTY WATER AND WASTEWATER SYSTEMS
 September 30, 2020
 (Unaudited)

Monthly Water Rates

Customer Classification

<u>Residential Service</u>	<u>Monthly Service Charge</u>	<u>User Charge Per 1,000 Gallons For Each ERU</u>
Single - family	\$ 9.15 per unit	1 - 6,000 \$ 3.27 6,001 - 12,000 \$ 4.09 12,001 - 18,000 \$ 4.91 18,001 and above \$ 6.54
Multi - family Per ERU (i.e. 2 units = 9,600 Gal)	\$ 7.32 per unit / lot	1 - 4,800 \$ 3.27 4,800 - 9,600 \$ 4.09 9,601 - 14,400 \$ 4.91 14,401 and above \$ 6.54
Recreational vehicle (i.e. 2 units = 9,600 Gal)	\$ 3.66 per unit / lot	1 - 2,400 \$ 3.27 2,401 - 4,800 \$ 4.09 4,801 - 7,200 \$ 4.91 7,201 and above \$ 6.54
Mobile Home	\$ 7.32 per unit / lot	1 - 4,800 \$ 3.27 4,801 - 9,600 \$ 4.09 9,601 - 14,400 \$ 4.91 14,401 and above \$ 6.54

Each residential service account will be charged a monthly administrative fee of \$3.44 per statement.

An additional wellfield development surcharge of \$0.50 per ERU will be assessed to those residential customers whose monthly water consumption exceeds their initial water conservation block during the monthly billing period (6,000 gallons per ERU).

The total monthly rate for residential service is the sum of the: a) service charge; b) administrative fee; c) wellfield development surcharge (if applicable); and d) user charges in accordance with this schedule.

Commercial and All Non-Residential

<u>Meter Size</u>	<u>Monthly Service Charge</u>	<u>ERU Ratio</u>	<u>User Charge Per 1,000 Gallons For Each ERU</u>
5/8"	\$ 12.59	1.0	1 - 6,000 \$ 3.27
3/4"	\$ 17.17	1.5	6,001 - 12,000 \$ 4.09
1"	\$ 26.32	2.5	12,001 - 18,000 \$ 4.91
1½"	\$ 49.19	5.0	18,001 and above \$ 6.54
2"	\$ 76.64	8.0	
3"	\$ 149.84	16.0	<u>Non-irrigation class</u>
4"	\$ 232.19	25.0	Per 1,000 \$ 3.44
6"	\$ 460.94	50.0	
8"	\$ 735.44	80.0	<u>Irrigation class</u>
10"	\$ 1,330.19	145.0	1 - 6,000 \$ 4.09 6,001 - 12,000 \$ 4.91 12,001 and over \$ 6.54

An additional well field development surcharge of \$0.50 per ERU will be assessed to those commercial and non-residential customers whose monthly water consumption exceeds their initial water conservation block during the monthly billing period (6,000 gallons per ERU).

The total monthly rate is the sum of the service and the user charges.

Water Restriction Surcharge Adjustment

In the event that the South Florida Water Management District or other authority having appropriate jurisdiction declares a water shortage requiring a mandatory water usage reduction in the amount of 15%, the water user charges listed above will be increased by 18%.

In the event that a reduction of water use greater than 15% is required, the County Commission may establish by resolution, a surcharge based upon the recommendation of the Public Works Director in order to meet revenues required to comply with existing bond debt service covenants, or to meet other requirements of the water system.

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEMS
September 30, 2020
(Unaudited)

Monthly Wastewater Rates

Customer Classification

<u>Residential Service</u>	<u>Monthly Service Charge</u>	<u>User Charge Per 1,000 Gallons</u>	<u>Unmetered User Charge</u>
Single - family	\$ 17.02 per unit/lot	\$ 5.85	\$26.33 per unit
Multi - family	\$ 13.61 per unit/lot	\$ 5.85	\$21.06 per unit/lot
Recreational vehicle	\$ 6.81 per unit/lot	\$ 5.85	\$10.53 per unit/lot
Mobile Home	\$ 13.61 per unit/lot	\$ 5.85	\$21.06 per unit/lot

Each residential service account shall be charged a monthly administrative charge of \$3.43 per statement.

No wastewater user charge shall be imposed on metered water usage above nine thousand (9,000) gallons per month, per residential service dwelling unit.

The total monthly rate for residential service is the sum of the: a) service charge; b) administrative fee; and c) user charges, in accordance with the schedule.

Commercial and All Non-Residential

<u>Meter Size</u>	<u>Monthly Service Charge</u>	<u>User Charge Per 1,000 Gallons</u>
5/8"	\$ 20.45	\$ 5.85
3/4"	\$ 28.96	\$ 5.85
1"	\$ 45.98	\$ 5.85
1½"	\$ 88.53	\$ 5.85
2"	\$ 139.59	\$ 5.85
3"	\$ 275.75	\$ 5.85
4"	\$ 428.93	\$ 5.85
6"	\$ 854.43	\$ 5.85
8"	\$ 1,365.03	\$ 5.85
10"	\$ 2,471.33	\$ 5.85

Unmetered commercial and non-residential charges will be calculated individually based on estimates of wastewater discharges and the above schedule of rates.

The total monthly rate for residential service is the sum of the service and the user charges.

Connection Fees

<u>Customer Classification</u>	<u>Number ERU's</u>	<u>Water Charge</u>	<u>Wastewater Charge</u>
<u>Residential Service</u>			
Single - family	1.00	\$ 2,440.00	\$ 2,660.00
Multi - family (per Dwelling Unit)	0.80	\$ 1,952.00	\$ 2,128.00
Recreational vehicle (per Dwelling Unit/Lot)	0.40	\$ 976.00	\$ 1,064.00
<u>Commercial and All Non-Residential</u>			
Charge Per Gallon		\$ 9.76	\$ 10.64

Water Meter Installation and Service Connection Fees

<u>Meter Size</u>	<u>Installation Charge</u>	<u>Tap-In Charge</u>
5/8"	\$ 260.00	\$ 1,025.00
3/4"	\$ 295.00	\$ 1,060.00
1"	\$ 325.00	\$ 1,090.00
1½"	\$ 525.00	\$ 1,650.00
2"	\$ 595.00	\$ 1,800.00
3" and above	Actual Cost	Actual Cost
Wastewater Main Tap Charge		Actual Cost

In addition to new installations, these rates may also apply to water and sewer service upgrades or facility locations.

Charges for larger meter and wastewater main taps will be based on estimates of actual time and expense. Amounts collected by the County in excess of actual costs will be credited to the customer's account or be refunded, as may be applicable. Amounts due, caused by underestimation, will be billed and payable to Lee County Utilities.

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEMS
September 30, 2020
(unaudited)

Historical Revenues, Expenses, and Debt Service Coverage
(dollars in thousands)

	2016	2017	2018	2019	2020
Gross Revenues ⁽¹⁾					
Water User Fees	\$ 48,961	\$ 51,149	\$ 51,380	\$ 52,674	\$ 53,485
Wastewater User Fees	57,067	58,883	58,938	60,598	61,208
Rentals and Franchise Fees	182	218	200	206	212
Miscellaneous Revenues ⁽²⁾	1,824	1,771	2,097	1,991	1,749
Investment Earnings ⁽³⁾	1,363	2,218	3,895	5,931	4,097
Other Revenue Adjustments:					
Gateway Debt Service Contribution ⁽⁴⁾	172	172	172	172	172
Total Gross Revenues	<u>\$ 109,569</u>	<u>\$ 114,411</u>	<u>\$ 116,682</u>	<u>\$ 121,572</u>	<u>\$ 120,923</u>
Operating expenses ⁽⁵⁾					
Salaries and Wages	\$ 14,551	\$ 15,106	\$ 15,063	\$ 15,757	\$ 16,684
Employee Benefits	6,440	6,584	6,765	7,337	7,954
Contract services, materials and supplies	19,688	23,810	33,146	35,570	31,755
Utilities	5,608	5,869	5,600	5,750	6,061
Repairs and maintenance	3,846	3,658	4,357	5,675	5,930
Insurance	716	693	676	854	831
Other	2,418	1,896	2,575	2,015	2,102
Indirect Cost	1,477	1,445	1,574	1,630	2,067
Administrative Fees	34	37	36	38	43
Total Operating Expenses	<u>\$ 54,778</u>	<u>\$ 59,098</u>	<u>\$ 69,792</u>	<u>\$ 74,626</u>	<u>\$ 73,427</u>
Pledged Funds					
Net Revenues	\$ 54,791	\$ 55,313	\$ 46,890	\$ 46,946	\$ 47,496
Special Assessment Proceeds	83	93	60	76	50
Connection Fees ⁽⁶⁾	10,228	14,621	13,127	14,105	13,687
Total	<u>\$ 65,102</u>	<u>\$ 70,027</u>	<u>\$ 60,077</u>	<u>\$ 61,127</u>	<u>\$ 61,233</u>
Annual Debt Service - Outstanding Bonds					
Series 2011 Bonds	\$ 7,035	\$ 7,006	\$ 7,003	\$ 6,997	\$ 6,633
Series 2012A Bonds	1,000	1,000	1,000	1,000	719
Series 2012B Bonds	374	374	374	374	269
Series 2013A Bonds	3,448	3,440	3,441	3,441	2,864
Series 2013B Bonds	3,960	3,956	3,952	3,947	3,940
Series 2019 Bonds	3,960	3,956	3,952	3,947	742
Annual Debt Service	<u>\$ 15,817</u>	<u>\$ 15,776</u>	<u>\$ 15,770</u>	<u>\$ 15,759</u>	<u>\$ 15,167</u>
Rate Covenant Compliance					
Test A - Net Revenues and Special Assessments Proceeds	\$ 54,874	\$ 55,406	\$ 46,950	\$ 47,022	\$ 47,546
Annual Debt Service	15,817	15,776	15,770	15,759	15,167
Calculated Coverage	346.93%	351.20%	297.72%	298.38%	313.48%
Required Coverage	100.00%	100.00%	100.00%	100.00%	100.00%
Test B - Net Revenues, Special Assessments Proceeds and Connection Fees	\$ 65,102	\$ 70,027	\$ 60,077	\$ 61,127	\$ 61,233
Annual Debt Service	15,817	15,776	15,770	15,759	15,167
Calculated Coverage	411.60%	443.88%	380.96%	387.89%	403.73%
Required Coverage	120.00%	120.00%	120.00%	120.00%	120.00%
State Revolving Fund Loan Compliance					
Pledged Revenues:					
Gross Revenues	\$ 109,569	\$ 114,411	\$ 116,682	\$ 121,572	\$ 120,923
Less Operating Expenses	(54,778)	(59,098)	(69,792)	(74,626)	(73,427)
Less Senior Revenue Obligations Debt Service	(15,817)	(15,776)	(15,770)	(15,759)	(15,167)
Net Amount Available for SRF Debt Coverage	<u>\$ 38,974</u>	<u>\$ 39,537</u>	<u>\$ 31,120</u>	<u>\$ 31,187</u>	<u>\$ 32,329</u>

(continued)

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEMS
September 30, 2020
(unaudited)

Historical Revenues, Expenses, and Debt Service Coverage
(dollars in thousands)

	2016	2017	2018	2019	2020
Outstanding SRF Loan Debt Service					
SRF Loan 2001 CS12039232P	\$ 452	\$ 226	\$ -	\$ -	\$ -
SRF Loan 2005 DW3610010	1,717	1,717	1,717	1,717	1,717
SRF Loan 2009 WW392330	2,256	2,256	2,256	2,256	2,256
SRF Loan 2015 WW360200	-	-	-	770	1,540
SRF Loan 2017 DW3602A0	-	-	-	-	655
Total	\$ 4,425	\$ 4,199	\$ 3,973	\$ 4,743	\$ 6,168
Calculated Coverage	880.77%	941.58%	783.29%	657.54%	524.14%
Required Coverage	<u>115.00%</u>	<u>115.00%</u>	<u>115.00%</u>	<u>115.00%</u>	<u>115.00%</u>
Other Required Transfers from Net Revenues: ⁽⁷⁾					
Renewal and Replacement Fund ⁽⁸⁾	\$ 5,376	\$ 5,457	\$ 5,688	\$ 5,781	\$ 5,992
Subordinated Indebtedness Debt Service	4,425	4,199	3,973	4,743	6,168
Amounts Available for Other System Purposes	<u>\$ 29,173</u>	<u>\$ 29,881</u>	<u>\$ 21,459</u>	<u>\$ 20,663</u>	<u>\$ 20,169</u>

(1) Pursuant to Bond Resolution, Gross Revenues means all income and moneys received from rates, fees, rentals, charges and other income for water and wastewater services without limiting the generality of the foregoing, Investment Earnings.

(2) Amount shown includes charges for permit, tapping, delinquent, turn-on and turn-off and other miscellaneous charges.

(3) Investment Earnings pledged and available includes all income and earnings on all funds and accounts other than the Construction Fund and Rebate Fund. Such amounts do not include fair market value ("FMV") adjustments.

(4) Amounts shown reflect reclassification of non-operating revenues for purposes of calculating compliance with the rate covenant to reflect funds received from Gateway Services Community Development District related to payment of debt service regarding purchase of capacity pursuant to the Gateway Wastewater Agreement.

(5) Amount shown are exclusive of depreciation, amortization and unfunded OPEB and pension expenses pursuant to the County's bond resolution.

(6) Amounts shown reflect Connection Fees as received (as opposed to earned) and do not include interest income of Connection Fees Fund balances. Any earning related to the Connection Fees Funds have been included as a component of Gross Revenues pursuant to the Bond Resolution.

(7) Amounts shown reflect other required deposits to funds and accounts as referenced in Section 4.05 of the Bond Resolution.

(8) For purposes of determining compliance with the Bond Resolution, amounts shown reflect an annual deposit to the R&R fund (regardless of the amount on deposit in such fund) equal to 5% of prior year's Gross Revenues.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY WATER AND WASTEWATER SYSTEM
 September 30, 2020
 (Unaudited)

Customer Statistics:

Historical customer statistics with respect to the Lee County Water System are set forth below:

County Water System Customer Accounts and Sales Statistics

Fiscal Year	Retail Customers			Wholesale Water Sales (000s Gallons)	Total Water Sales (000s Gallons)	Treated/Purchased Finished Water (000s Gallons)	ADF-MGD
	Average Accounts	Water Sales (000s Gallons)	Monthly Use per Account (Gallons)				
2011	76,189	7,279,995	7,963	715,428	7,995,423	8,591,946	23.54
2012	77,396	7,116,776	7,663	724,001	7,852,972	8,750,233	23.97
2013	78,542	7,082,552	7,523	705,247	7,787,799	8,422,904	23.08
2014	78,751	7,191,865	7,610	723,867	7,915,732	8,532,693	23.38
2015	79,935	7,319,779	7,631	693,914	8,013,693	8,512,833	23.34
2016	81,250	7,351,730	7,540	743,435	8,095,165	8,710,483	23.81
2017	81,968	7,414,290	7,538	742,297	8,156,587	9,039,850	24.81
2018	83,475	7,622,518	7,610	826,694	8,449,212	9,069,253	24.87
2019	84,690	7,706,260	7,583	841,432	8,547,692	9,371,558	25.69
2020	88,741	8,599,372	8,075	835,383	9,434,755	9,444,282	26.01

Historical customer statistics with respect to the Lee County Wastewater System are set forth below:

County Wastewater System Customer Accounts and Sales Statistics

Fiscal Year	Retail Customers			Wholesale Billed Flows (000s Gallons)	Total Billed Sales (000s Gallons)	Treated Waste-Water Flows (000s Gallons)	ADF-MGD
	Average Accounts	Billed Flows (000s Gallons)	Monthly Flow per Account (Gallons)				
2011	54,763	5,699,953	8,674	254,450	5,954,403	5,663,066	15.51
2012	55,922	5,714,966	8,516	276,247	5,992,162	5,580,126	15.29
2013	56,222	5,079,107	7,528	275,787	5,354,894	5,475,070	15.00
2014	56,753	5,311,386	7,799	277,082	5,588,468	5,883,559	16.12
2015	55,302	5,356,006	8,071	218,764	5,574,770	5,749,641	15.80
2016	55,915	5,349,742	7,973	214,637	5,564,379	5,938,595	16.23
2017	57,394	5,623,502	8,165	231,480	5,854,982	5,924,544	16.23
2018	57,700	5,678,994	8,202	258,346	5,937,340	5,964,972	16.39
2019	58,698	5,764,012	8,183	265,886	6,029,898	6,049,577	16.59
2020	62,197	5,886,836	7,887	268,460	6,155,296	6,078,878	16.67

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2020
(Unaudited)

County System Top Ten Retail Utility Customers (Based on Sales Revenue)

<u>Customer</u>	<u>Class</u>	<u>Meter Size</u>	<u>Type of Service</u>	<u>System Revenue</u>	<u>% of Total County Sales Revenue</u>
Gulf Coast Medical Center	Commercial	10"	Water/Sewer	\$ 849,008	0.74%
Landings Env. Wrm. Assoc. Inc.	Multifamily	6"	Water/Sewer	645,860	0.56%
Gulf Coast Town Center	Commercial	10"	Water/Sewer	510,614	0.44%
Health Park Medical Center	Commercial	6"	Water/Sewer	466,191	0.41%
Shell Point Village	Commercial	8"	Water/Sewer	403,981	0.35%
Jamaica Bay Assoc. LDT	Multifamily	8"	Water	360,369	0.31%
Mastique Master Association	Multifamily	10"	Water/Sewer	321,542	0.28%
Kraft Heinz Company	Commercial	3"	Water/Sewer	296,738	0.26%
Indian Creek Park	Multifamily	6"	Water/Sewer	288,470	0.25%
Island Club Homewoners Association	Multifamily	6"	Water/Sewer	282,615	0.25%
				\$ 4,425,388	3.85%

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2020
(Unaudited)

Rate Comparison with Other Florida Utilities
Residential Service Assuming 5,000 Gallons of Monthly Utility Service

	Water	Wastewater	Total
Lee County Existing Rates ⁽¹⁾	\$ 28.94	\$ 49.70	\$ 78.64
Other Neighboring and Florida Utilities:			
Bonita Springs Utilites, Inc.	\$ 30.47	\$ 46.98	\$ 77.45
City of Bradenton	30.32	38.00	68.32
Charlotte County	49.29	59.90	109.19
City of Cape Coral	36.82	66.27	103.09
Collier County	39.21	60.03	99.24
DeSoto County	65.45	61.04	126.49
Englewood Water District	29.12	45.63	74.75
FGUA - Lehigh Acres (Lee County)	43.21	69.73	112.94
City of Fort Myers	32.84	83.60	116.44
Hillsborough County	31.99	38.73	70.72
Manatee County	20.85	47.69	68.54
City of Marco Island	58.41	58.27	116.68
City of Naples	15.74	41.63	57.37
City of North Port	42.40	60.95	103.35
Okeechobee Utility Authority	45.35	57.16	102.51
Pinellas County	32.45	38.61	71.06
City of Punta Gorda	31.19	35.25	66.44
Sarasota County	28.91	52.59	81.50
Other Florida Utilities Average	\$ 36.89	\$ 53.45	\$ 90.34

(1)

Amounts shown derived from the Rate Resolution of the County; the water bills shown include the application of the billing that is rendered on a "per bill" basis, regardless of service required by the customer.

Source: Lee County Utilities Division

Connection Fees Comparison With Other Utilities Systems ⁽¹⁾
(Rates per Equivalent Residential Unit (ERU))

	Water	Wastewater	Total
Lee County Existing Rates	\$ 2,440	\$ 2,660	\$ 5,100
Other Neighboring and Florida Utilities:			
Pinellas County	\$ 352	\$ 2,060	\$ 2,412
City of Bradenton	1,183	1,545	2,728
City of Sarasota	900	2,577	3,477
City of Naples	1,416	2,324	3,740
City of Fort Myers	2,023	1,966	3,989
City of North Port	1,872	2,575	4,447
Englewood Water District	1,751	2,754	4,505
Charlotte County ⁽²⁾	2,407	2,251	4,658
Manatee County ⁽²⁾	1,738	3,027	4,765
Orange County	1,970	3,346	5,316
City of Cape Coral	2,551	2,529	5,080
Collier County	3,382	2,701	6,083
City of Punta Gorda	2,646	2,677	5,323
Sarasota County ⁽²⁾	2,950	2,627	5,577
Hillsborough County ⁽²⁾	1,750	2,855	4,605
FGUA - Lehigh Acres (Lee County)	2,696	2,839	5,535
Bonita Springs Utilities, Inc.	2,600	3,925	6,525
City of Marco Island	3,740	4,610	8,350
City of Boca Raton	5,195	4,168	9,363
Other Florida Utilities Average	\$ 2,270	\$ 2,808	\$ 5,078

(1) Unless otherwise noted, amounts shown reflect fees in effect September 2020 for a single equivalent residential unit or single family household exclusive of taxes or franchise fees, if any, and reflect fees charged for inside city service, where applicable. All fees are as reported by the respective utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all fees and charges imposed by each listed utility.

(2) Utility is currently involved in a rate study, is planning to conduct a rate study, or expects to implement a rate revision within the next twelve months.

Source: Water and Wastewater Miscellaneous, Wholesale and Connection Fee Study

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2020
(Unaudited)

System Historical Operating Results and Indenture Rate Covenant Compliance

Description	Fiscal Year 2016		Fiscal Year 2017 ⁽⁶⁾		Fiscal Year 2018 ⁽⁶⁾		Fiscal Year 2019 ⁽⁶⁾		Fiscal Year 2020 ⁽⁶⁾	
			Excludes Hurricane Related Expenses ⁽⁹⁾	Includes Hurricane Irma Expenses	Excludes Hurricane Related Expenses ⁽⁹⁾	Includes Hurricane Irma Expenses	Excludes Hurricane Related Expenses ⁽⁹⁾	Includes Hurricane Irma Expenses	Excludes Hurricane Related Expenses ⁽⁹⁾	Includes Hurricane Irma Expenses
Collection Assessment Revenues	\$24,157,268		\$24,526,076	\$24,526,076	\$24,862,667	\$24,862,667	\$25,446,588	\$25,446,588	\$25,912,110	\$25,912,110
Assessment, MSTU, and Tip Fee Revenues	34,690,357		41,687,536	41,687,536	52,712,502	52,712,502	55,901,892	55,901,892	56,415,882	56,415,882
WTE Facility - Gross Electric Sales ⁽¹⁾	13,590,798		9,147,151	9,147,151	9,324,700	9,324,700	9,489,326	9,489,326	6,092,684	6,092,684
Recycling Revenues	1,609,353		3,116,434	3,116,434	781,656	781,656	973,987	973,987	894,594	894,594
Other Miscellaneous Revenue ⁽²⁾	5,908,964		8,416,768	8,416,768	10,103,634	10,103,634	8,633,868	10,842,283	7,571,966	37,674,989
Rate Stabilization Fund Transfers	-		-	-	-	-	-	-	-	-
Gross Revenues	79,956,740		86,893,965	86,893,965	97,785,159	97,785,159	100,445,661	102,654,076	96,887,236	126,990,259
Less Operating Expenses ⁽³⁾	69,042,206		70,642,749	73,720,652	75,887,249	109,159,350	81,664,475	83,770,033	83,104,525	83,104,525
Net Revenues	10,914,534		16,251,216	13,173,313	21,897,910	(11,374,191)	18,781,186	18,884,043	13,782,711	43,885,734
Net Position ⁽⁴⁾	-		42,608,606	42,608,606	42,848,308	42,848,308	13,182,804	13,182,804	16,937,243	16,937,243
Net Revenues and Net Position	\$10,914,534		\$58,859,822	\$55,781,919	\$64,746,218	\$31,474,117	\$31,963,990	\$32,066,847	\$30,719,954	\$60,822,977
Annual Debt Service ⁽⁵⁾⁽⁶⁾	\$1,896,134		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Series 2006A Bonds	-		8,534,745	8,534,745	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750
Series 2016 Bonds	\$1,896,134		\$8,534,745	\$8,534,745	\$8,541,250	\$8,541,250	\$8,546,500	\$8,546,500	\$8,557,750	\$8,557,750
Total Annual Debt Service										
Rate Covenant Test										
Test A:										
Net Revenues and Net Position	\$10,914,534		\$58,859,822	\$55,781,919	\$64,746,218	\$31,474,117	\$31,963,990	\$32,066,847	\$30,719,954	\$60,822,977
Annual Debt Service	1,896,134		8,534,745	8,534,745	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750
Annual Debt Service Coverage	5.76		6.90	6.54	7.58	3.68	3.74	3.75	3.59	7.11
Minimum Required Debt Service Coverage	1.20		1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Test B:										
Part 1										
Net Revenues	\$10,914,534		\$16,251,216	\$13,173,313	\$21,897,910	(\$11,374,191)	\$18,781,186	\$18,884,043	\$13,782,711	\$43,885,734
Annual Debt Service	1,896,134		8,534,745	8,534,745	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750
Annual Debt Service Coverage	5.76		1.90	1.54	2.56	(1.33)	2.20	2.21	1.61	5.13
Minimum Required Coverage	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Part 2										
Net Revenues Less Debt Service	\$9,018,400		\$7,716,471	\$4,638,568	\$13,356,660	(\$19,915,441)	\$10,234,686	\$10,337,543	\$5,224,961	\$35,327,984
Required Deposits ⁽⁷⁾	-		-	-	-	-	-	-	-	-
Net After Required Deposits	\$9,018,400		\$7,716,471	\$4,638,568	\$13,356,660	(\$19,915,441)	\$10,234,686	\$10,337,543	\$5,224,961	\$35,327,984

[1] Amounts show reflect gross electric sales revenues; pursuant to agreement the County is required to remit 10% of gross electric revenues to the Operator.
[2] Amounts shown reflect other operating revenues including franchise fee revenues retained by the County, interest income of cash balances, sale of recovered materials from operation of the C&D recycling facility, advanced disposal fees, electric amounts shown are exclusive of depreciation, amortization, renewal and replacement expenses, OPEB and pension liabilities and landfill closure and post-closure expenses.
[3] Amounts shown reflect the Net Position of the System Reserves Fund at September 30th of the prior year per definitions. Corrected 2016 - 2019 to reflect Sysyem Reserve fund as of 9/30 for the prior fiscal year.
[4] Amount shown reflects the Net Position of the System Reserves Fund at September 30th of the prior year per definitions. Corrected 2016 - 2019 to reflect Sysyem Reserve fund as of 9/30 for the prior fiscal year.
[5] Amounts shown reflect the monthly deposits to the Debt Service Fund for upcoming due (i.e. the accrued debt service).
[6] The Series 2006A debt payment represents the April 2016 interest payment only. The Series 2006A bonds were defeased in September 2016. No principal and interest payments were due on the Series 2016 bonds in FY16.
[7] No required payments were identified since: a) the Debt Service Reserve Account Requirement was met through a Debt Service Reserve Account in the amount of \$7.7M and b) the Renewal and Replacement Fund Requirement was met through the maintenance of a \$1.5 million cash deposit held within the Renewal and Replacement Fund.
[8] On September 10, 2017, Hurricane Irma hit SW Florida causing flooding, property damage, and downed trees. Debris clean up started just after the storm and continued into 2018. As of September 30, 2018, the costs to the Solid Waste System for contractual service, materials, and supplies related to the debris clean-up totaled \$36,350,000. In 2018, the County applied to FEMA for reimbursement of those costs and received a significant portion of those funds in 2020. The costs of the hurricane related expenses are treated as non-recurring expenses for the debt service coverage as they are outside the normal day-to-day operations and should be reimbursed by FEMA. The System Historical Operating Results and Indenture Rate Covenant Compliance table shows the coverage with and without Hurricane Irma expenses for comparison.
[9] Excludes non-recurring expenses related to Hurricane Irma. The County applied for reimbursement from FEMA in 2018 and received a significant portion of those funds in 2020.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2020
(Unaudited)

Summary of Historical Charges

Description	Fiscal Year 2019	Fiscal Year 2020	Adopted Fiscal Year 2021 ^[5]
Assessments:			
Collection (Avg. Areas 1-5) ^[1]	\$145.62	\$145.62	\$145.62
Residential Credit	-	-	-
Disposal MSW	45.18	45.18	45.18
Disposal Yard Waste	6.62	6.62	6.62
Disposal Facility Assessment Charge	15.53	15.53	15.53
Surcharges	-	-	11.05
Billing Fee	2.45	2.45	2.45
Early Prepayment Gross Up (4%) (Avg. Areas 1-5) ^[1]	8.97	8.97	9.44
Gross Assessment Average for Areas 1-5 ^[2]	<u>\$224.37</u>	<u>\$224.37</u>	<u>\$235.89</u>
Assessment Paid in February = 1% Discount	\$222.13	\$222.13	\$233.53
Assessment Paid in January = 2% Discount	219.88	219.88	231.17
Assessment Paid in December = 3% Discount	217.64	217.64	228.81
Assessment Paid in November = 4% Discount	215.40	215.40	226.45
Tip Fees per Ton by Waste Type:			
MSW w/o Surcharges	\$50.20	\$50.20	\$50.20
MSW w/ Surcharges ^[3]	50.20	50.20	50.20
Horticulture / Yard Waste	25.46	25.46	31.00
C&DD	32.95	32.95	48.40
Class III	32.95	32.95	48.40
Tires	80.00 - 120.00	80.00 - 120.00	110.00
Disposal Facility Assessment per Ton ^[4]	\$17.25	\$17.25	\$17.25

[1] Amounts shown reflect the average fee charged for the primary franchise collection Areas 1-5.

[2] Reflects gross assessments before early prepayment discounts as allowed by F.S. Chapter 197.

[3] Unincorporated waste generated by Commercial and Multi-Family customers are charged a gate fee per ton including the addition of the base tip fee plus applicable surcharges per ton for MSW disposal.

[4] Presented for informational purposes only since the disposal facility assessment charge is charged to all MSW customers by assessment, with exception to Hendry County customers.

[5] The County approved the Fiscal Year 2021 charges for services on June 24, 2020 pursuant to Resolution 20-06-24

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2020
(Unaudited)

Summary of Historical Inbound Waste Deliveries (Tons) by Type of Waste ^[1]

Description	Historical Period				
	2016	2017	2018	2019	2020
MSW / Residue ^[2]	543,897	570,971	586,383	579,041	582,477
C&D / Class III	72,954	78,512	184,960	152,206	164,875
Yard Waste	104,070	107,427	128,639	103,196	121,563
Sludge (Wet Tons)	63,972	62,803	62,966	70,369	65,627
Tires	4,369	5,079	6,034	5,968	6,268
Other ^[3]	4,625	1,494	1,646	288	6,894
Recycling ^[4]	71,583	83,321	84,126	83,394	86,379
Total	865,470	909,607	1,054,754	994,462	1,034,083

- [1] Amounts shown exclude ash residue since such waste is not considered an inbound waste to the system and is generated from processing of MSW and other processable inbound waste at the WTE facility.
- [2] Amounts shown include MSW waste and recycling residue that is processed at the WTE facility.
- [3] Amounts shown primarily reflect contaminated sand, but also include minor amounts of waste categorized as certified destroyed waste, international waste, asbestos, oil wastes, and other miscellaneous wastes.
- [4] Amounts shown net of recycling residue processed at the WTE facility; however, includes some residue that is disposed of or used as cover at the Lee / Hendry Landfill.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2020
(Unaudited)

Summary of Historical Waste-to-Energy (WTE) Processing Statistics ^[1]

Description	Historical Period				
	2016	2017	2018	2019	2020
Annualized Design Capacity (Tons) ^[2]	670,140	670,140	670,140	670,140	670,140
Guaranteed Tonnage (Tons) ^[3]	569,619	569,619	569,619	569,619	569,619
Processed Waste (Tons)	641,821	610,448	620,677	620,028	599,559
Received MSW/Residue (Tons) ^[4]	543,765	559,074	527,515	534,965	548,088
MSW as % of Processed	84.7%	91.6%	85.0%	86.3%	91.4%
WTE Production Statistics:					
Generated Ash Residue (Tons)	161,723	148,481	163,877	164,159	153,382
Ash as % of Waste Processed	25.2%	24.3%	26.4%	26.5%	25.6%
Gross Electricity (MW-hr)	393,336	376,423	406,733	401,031	380,622
Net Electricity (MW-hr) ^[5]	336,032	320,919	348,660	343,894	322,681
Ferrous Recovery (Tons) ^[6]	24,303	20,114	19,311	17,048	20,755
Non-Ferrous Recovery (Tons) ^[6]	2,410	2,410	3,084	2,738	2,601

[1] During Fiscal Year 2016, the County had major maintenance performed to the boiler and generator of the WTE Facility and additional major maintenance is expected in Fiscal Year 2021, that has or is expected to reduce the amount of tons that can be processed.

[2] Amounts shown are based on the annualized design capacity of 1,836 tons per day (not adjusted for leap years) and were not adjusted for any typical or routine maintenance, which would limit the actual capacity for the facility over a twelve (12) month period.

[3] Amounts shown reflect the minimum commitment of processable waste deliveries by the County pursuant to contractual agreement.

[4] Includes residues from recycling processed at the WTE Facility and considered comparable to MSW.

[5] Reflects gross production of electricity net of in-plant use.

[6] The County partnered with the Operator to install an enhanced metals recovery system, which substantially increased the amount of recovered ferrous and non-ferrous metals approximately 15,000 tons per year to 20,000 tons per year.

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2020
 (unaudited)

Toll Rates - Sanibel Bridge

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2020</u>
Motorcycles	\$ 2.00
2 axles	6.00
3 axles	9.00
4 axles	12.00
5 axles	15.00
6 or more axles, per axle	3.00

Commuters can choose between annual or semi-annual electronic toll collection (“ETC”) discount programs that, depending on the cost of the program, require no additional toll (“Unlimited ETC”) or a \$2.00 toll for each westbound crossing. Purchasers of Unlimited ETC’s at least one month after the beginning of the validity period (May 1 or November 1) are entitled to a prorated discount on the purchase price. In addition, further discounts on the cost of the ETC are offered for non-commercial vehicles registered or leased to the same natural person (the “Second Vehicle”) who has purchased a discount program for a first vehicle (the “Initial Vehicle”).

The following table sets forth the toll rates for two axle vehicles that carry an ETC transponder:

<u>Type of Discount Program</u>	<u>Vehicle</u>	<u>Cost of Discount Program</u>	<u>Additional Toll</u>
Annual ⁽¹⁾	Initial Vehicle	\$ 67.00	\$ 2.00
	Second Vehicle	33.50	2.00
	Initial Vehicle	400.00	-0-
	Second Vehicle	200.00	-0-
Semiannual ⁽²⁾	Initial Vehicle	50.00	2.00
	Second Vehicle	25.00	2.00
	Initial Vehicle	300.00	-0-
	Second Vehicle	150.00	-0-

Source: June 2007 Toll Resolution

⁽¹⁾ Valid for 12 months commencing November 1 of each year.

⁽²⁾ Valid for 6 months commencing on November 1 or May 1 of each year.

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2020
 (unaudited)

The County has offered, in addition to ETC's valid only on the Cape Coral Bridge, a combination transponder, which is valid on all three facilities. Commuters can also choose to purchase unlimited discount programs that are valid on all three facilities. The costs of combination unlimited discount programs are also subject to proration as described above in the case of ETC's for the Sanibel Causeway. The costs are as follows:

COMBINATION TOLLS
 (Sanibel Causeway, Cape Coral Bridge and Midpoint Memorial Bridge)

<u>Type of Discount Program</u>	<u>Vehicle</u>	<u>Cost of Discount Program</u>	<u>Additional Toll</u>	
Annual ⁽¹⁾	Initial Vehicle	\$ 107.00	\$ 1.00 for Cape Coral or Midpoint; \$ 2.00 for Sanibel	
	Second Vehicle	53.50		
	Initial Vehicle	730.00	-0-	
	Second Vehicle	365.00	-0-	
	Semiannual ⁽²⁾	Initial Vehicle	74.00	\$ 1.00 for Cape Coral or Midpoint; \$ 2.00 for Sanibel
		Second Vehicle	37.00	
Initial Vehicle		500.00	-0-	
Second Vehicle		250.00	-0-	

Source: June 2007 Toll Resolution

⁽¹⁾ Valid for 12 months commencing November 1 of each year.

⁽²⁾ Valid for 6 months commencing on November 1 or May 1 of each year.

Toll Rates - Cape Coral Bridge and Midpoint Memorial Bridge

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2020</u>
Motorcycles	\$ 1.00
2 axles	2.00
3 axles	4.00
4 axles	6.00
5 axles	8.00
6 or more axles, per axle	2.00
Commuter Discounts	(see next page)

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2020
 (unaudited)

The Cape Coral Bridge and Midpoint Memorial Bridge toll structure also offers commuter toll discounts similar to those offered on the Sanibel Causeway. The annual or semi-annual ETC, depending on its cost, requires either (i) no additional toll or (ii) one dollar (\$1.00) toll for each westbound crossing. Second Vehicle discounts are available. Combination ETC's which are valid on both the Sanibel Causeway and the Cape Coral Bridge are also available. See the above Combination Tolls table for a list of toll rates for combination ETC's.

The following table sets forth the toll rates for two axle vehicles that carry an ETC transponder:

<u>Type of Discount Program</u>	<u>Vehicle</u>	<u>Cost of Discount Program</u>	<u>Additional Toll</u>
Annual ⁽¹⁾	Initial Vehicle	\$ 40.00	\$ 1.00
	Second Vehicle	20.00	1.00
	Initial Vehicle	330.00	-0-
	Second Vehicle	165.00	-0-
Semiannual ⁽²⁾	Initial Vehicle	24.00	1.00
	Second Vehicle	12.00	1.00
	Initial Vehicle	200.00	-0-
	Second Vehicle	100.00	-0-

Source: June 2007 Toll Resolution

⁽¹⁾ Valid for 12 months commencing November 1 of each year.

⁽²⁾ Valid for 6 months commencing on November 1 or May 1 of each year.

Variable Pricing Program

During the term of the variable pricing program, a toll for each westbound trip on the Cape Coral and Midpoint Memorial Bridges the toll rates for off-peak usage with and without an ETC transponder are set forth in the table below:

<u>Vehicle Class</u>	<u>Specified Off-Peak Hour Toll Without ETC</u>	<u>Specified Off-Peak Hour Toll With ETC</u>
Motorcycles	\$1.00	n/a
2 axles	2.00	\$ 1.50/0.75
3 axles	4.00	3.00
4 axles	6.00	4.50
5 axles	8.00	6.00
6 or more axles	2.00 per axle	1.50 per axle

Source: Lee County Department of Transportation

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY TRANSPORTATION FACILITIES
September 30, 2020
(unaudited)

TRANSPORTATION FACILITIES TRAFFIC, REVENUES AND EXPENSES BY BRIDGE

MIDPOINT MEMORIAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
2011	6,900,623	122,758	7,023,381	-0.82%	12,127	3,669	8,458
2012	7,216,252	147,754	7,364,006	4.85%	12,865	3,726	9,139
2013	7,282,092	150,448	7,432,540	0.93%	13,203	3,654	9,549
2014	7,432,895	165,659	7,598,554	2.23%	14,164	3,888	10,276
2015 ⁽³⁾	7,800,958	174,168	7,975,126	4.96%	14,988	3,412	11,576
2016 ⁽³⁾	8,088,851	180,033	8,268,884	3.68%	15,831	3,355	12,476
2017 ⁽³⁾	7,910,053	179,967	8,090,020	-2.16%	15,754	3,396	12,358
2018 ⁽³⁾	8,511,750	195,596	8,707,346	7.63%	16,339	2,797	13,542
2019 ⁽³⁾	8,532,718	189,348	8,722,066	0.17%	16,734	2,822	13,912
2020 ⁽³⁾	7,884,197	187,370	8,071,567	-7.46%	13,925	2,948	10,977

CAPE CORAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
2011	7,235,214	121,674	7,356,888	-0.01%	12,163	3,339	8,824
2012	6,979,108	133,168	7,112,276	-3.32%	12,086	3,614	8,472
2013	7,198,104	136,590	7,334,694	3.13%	12,586	3,556	9,031
2014	7,521,133	147,931	7,669,064	4.56%	13,685	3,737	9,948
2015 ⁽³⁾	7,872,440	150,196	8,022,636	4.61%	14,327	3,397	10,930
2016 ⁽³⁾	8,114,891	152,000	8,266,891	3.04%	15,014	3,392	11,622
2017 ⁽³⁾	7,925,272	146,445	8,071,717	-2.36%	14,819	3,565	11,254
2018 ⁽³⁾	8,210,849	153,337	8,364,186	3.62%	14,890	2,544	12,346
2019 ⁽³⁾	8,304,477	148,860	8,453,337	1.07%	15,458	3,115	12,343
2020 ⁽³⁾	7,569,884	131,561	7,701,445	-8.89%	12,798	2,886	9,912

SANIBEL CAUSEWAY TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC(1)			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
2011	2,869,091	62,602	2,931,693	1.16%	12,375	2,038	10,337
2012	2,919,284	71,207	2,990,491	2.01%	12,833	2,458	10,375
2013	2,987,257	75,099	3,062,356	2.40%	13,341	2,433	10,907
2014	3,090,340	75,346	3,165,686	3.37%	14,104	2,597	11,507
2015 ⁽³⁾	3,207,115	75,674	3,282,789	3.70%	14,715	2,251	12,464
2016 ⁽³⁾	3,256,170	80,885	3,337,055	1.65%	15,040	2,250	12,790
2017 ⁽³⁾	3,197,201	80,084	3,277,285	-1.79%	15,040	2,315	12,725
2018 ⁽³⁾	3,181,372	82,851	3,264,223	-0.40%	14,527	1,927	12,600
2019 ⁽³⁾	3,210,873	82,899	3,293,772	0.91%	14,925	2,021	12,904
2020 ⁽³⁾	2,919,222	78,139	2,977,631	-9.60%	12,710	2,024	10,686

(1) Includes motorcycles and 3+ axle vehicles.

(2) Does not include depreciation.

(3) Operating and Maintenance Expenses do not include unfunded OPEB and Pension expenses.

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2020
 (unaudited)

Revenues, Operating Expenses and Debt Service Coverage
 Last Ten Fiscal Years
 (dollars in thousands)

Fiscal Year	Revenues	Operating Expenses ⁽¹⁾	Net Available for Debt Service	Debt Service	Coverage
2011	37,006	9,863	27,143	15,548	1.75
2012	37,817	9,426	28,391	15,600	1.82
2013	39,162	9,698	29,464	15,053	1.96
2014	41,966	10,158	31,808	15,756	2.02
2015	44,113	8,906 ²	35,207	15,352	2.29
2016	46,008	8,910 ²	37,098	14,230	2.61
2017	45,742	9,376 ²	36,366	14,349	2.53
2018	47,492	9,872 ²	37,620	14,303	2.63
2019	49,952	12,344 ²	37,608	9,811	3.83
2020	44,608	12,391 ²	32,217	9,805	3.29

- (1) Amount shown does not include depreciation or amortization expenses which are not considered an operating expense pursuant to the County's Bond Resolution.
- (2) Pursuant to the County's Bond Resolution, operating expenses do not include unfunded OPEB and pension expenses. Years 2011 to 2014 include the annual OPEB cost in the operating expenses and is not adjusted for funding.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 September 30, 2020
 (unaudited)

The following table lists the airlines serving the Airport, including all airlines operating passenger service into the Airport which have entered into an Airline-Airport Use and Lease Agreement with the Authority (the "Signatory Airlines").

Airlines Serving the Airport¹

Domestic Carriers

American Airlines*
 Delta Air Lines *
 JetBlue*
 Frontier*
 Southwest*
 Spirit Airlines*
 Sun Country
 United*

Regionals/Affiliates

Atlantic Southeast
 Endeavor Air
 Express Jet
 Mesa Airlines
 Republic
 Silver Airways
 Skywest

International Air Carriers

Air Canada
 Eurowings
 Westjet

Air Cargo Carriers

Federal Express
 United Parcel Service

* Denotes Signatory Airline as defined in Airline-Airport Use Agreements as of September 30, 2020.

(1) During the peak winter months, a number of other domestic and international charter airlines also operate at the Airport.

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
September 30, 2020
(Unaudited)

Airport Enplanements October 2019 - September 2020

	<u>Commercial Air Carriers</u>	<u>Regionals/ Affiliates</u>	<u>International Air Carriers</u>	<u>Domestic Charters</u>	<u>Total Enplanements</u>	<u>Total Enplanements for Month in Prior Year</u>	<u>Percentage Change</u>
October 2019	286,824	7,290	7,397	-	301,511	271,412	11.1%
November 2019	411,448	5,932	18,863	-	436,243	404,957	7.7%
December 2019	483,140	7,359	21,853	68	512,420	456,013	12.4%
January 2020	537,320	9,926	24,059	123	571,428	529,581	7.9%
February 2020	575,648	10,491	24,242	-	610,381	548,463	11.3%
March 2020	452,172	5,854	25,055	125	483,206	745,324	-35.2%
April 2020	35,762	135	-	-	35,897	601,658	-94.0%
May 2020	74,336	2,572	-	-	76,908	383,653	-80.0%
June 2020	115,563	8,826	-	-	124,389	298,690	-58.4%
July 2020	128,309	5,026	-	-	133,335	288,809	-53.8%
August 2020	115,163	2,688	-	-	117,851	272,874	-56.8%
September 2020	116,489	8,218	-	-	124,707	225,241	-44.6%

The following table sets forth the historical enplanements for the Airport by air carrier type, as well as the annual percentage increase in enplaned passengers.

Historical Enplanements by Carrier Type

<u>Fiscal Year</u>	<u>Commercial Air Carriers</u>	<u>Regionals/ Affiliates</u>	<u>International Air Carriers</u>	<u>Domestic Charters</u>	<u>Airport Total</u>
2011	3,646,656	108,630	117,975	2,052	3,875,313
2012	3,491,950	58,721	121,323	4,959	3,676,953
2013	3,627,678	91,476	132,134	5,358	3,856,646
2014	3,746,073	93,886	147,248	2,109	3,989,316
2015	3,902,841	91,052	158,426	2,870	4,155,189
2016	4,030,128	103,863	188,683	10,323	4,332,997
2017	4,100,935	111,095	197,746	11,892	4,421,668
2018	4,415,623	67,790	171,193	7,607	4,662,213
2019	4,775,708	62,171	188,521	275	5,026,675
2020	3,332,174	74,317	121,469	316	3,528,276
<u>Compounded Growth</u>					
2011-2020	-1.00%	-4.13%	0.32%	-18.77%	-1.04%

Source: Lee County Port Authority

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2020
 (Unaudited)

HISTORICAL LANDED WEIGHT BY AIRLINE (1000 lbs)

Airline	FY 2019		FY 2020	
	Landed Weight	Share	Landed Weight	Share
Southwest	908,526	16.44%	934,512	19.76%
Delta	1,064,948	19.28%	795,213	16.82%
American	786,599	14.24%	642,674	13.59%
JetBlue	621,492	11.25%	479,433	10.14%
United	506,866	9.17%	455,571	9.63%
Spirit Airlines	518,010	9.38%	449,373	9.50%
Frontier	427,905	7.74%	397,054	8.40%
Cargo	214,692	3.89%	208,029	4.40%
International Airlines	258,833	4.68%	163,143	3.45%
Sun Country	136,763	2.48%	101,797	2.15%
Republic Airline	33,041	0.60%	56,867	1.20%
Mesa Airlines	5,397	0.10%	31,002	0.66%
Endeavor Air	33,795	0.61%	11,265	0.24%
Domestic Charters	2,630	0.05%	1,873	0.04%
SkyWest	1,096	0.02%	284	0.01%
Silver Airways	-	0.00%	175	0.00%
PSA Airlines	-	0.00%	75	0.00%
Atlantic Southeast	155	0.00%	44	0.00%
Envoy	1,403	0.03%	44	0.00%
Silver Airways	1,995	0.04%	-	0.00%
GoJet Airlines	804	0.01%	-	0.00%
Total	5,524,950	100%	4,728,428	100%

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2020
 (Unaudited)

HISTORICAL ENPLANEMENTS BY AIRLINE

Airline	FY 2019		FY 2020	
	Enplanements	Share	Enplanements	Share
Southwest	887,332	17.65%	657,913	18.65%
Delta	1,009,698	20.09%	620,041	17.57%
American	723,527	14.39%	517,114	14.66%
Frontier	463,201	9.21%	370,515	10.50%
Spirit Airlines	505,642	10.06%	366,618	10.39%
JetBlue	566,923	11.28%	351,503	9.96%
United	486,043	9.67%	349,831	9.92%
International Airlines	188,521	3.75%	121,469	3.44%
Sun Country	133,342	2.65%	98,764	2.80%
Republic Airline	25,577	0.51%	41,003	1.16%
Mesa Airlines	4,800	0.10%	22,913	0.65%
Endeavor Air	28,845	0.57%	10,154	0.29%
SkyWest	993	0.02%	247	0.01%
Domestic Charters	275	0.01%	191	0.01%
Silver Airways	1,232	0.02%	-	0.00%
GoJet Airlines	564	0.01%	-	0.00%
Atlantic Southeast	160	0.00%	-	0.00%
Total	5,026,675	100%	3,528,276	100%

Source: Lee County Port Authority

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2020
 (Unaudited)

An Airport's air service is often measured through the distribution of its origin and destination (O & D) markets, which is a function of air travel demands and the airport's available nonstop service. The following table presents historical data on the Airport's top 30 O&D markets.

PRIMARY DOMESTIC ORIGIN & DESTINATION PASSENGER MARKETS

		Fiscal Year 2019					Fiscal Year 2020				
Rank	Market	Nonstop Service	Nonstop Miles	Total O&D Passengers	Percent of Total	Rank	Market	Nonstop Service	Nonstop Miles	Total O&D Passengers	Percent of Total
1	Boston	•	1,249	629,244	8.98%	1	Chicago (O'Hare)	•	1,120	500,460	7.14%
2	Chicago (O'Hare)	•	1,120	607,433	8.67%	2	Boston	•	1,249	485,052	6.92%
3	Detroit	•	1,085	559,816	7.99%	3	Minneapolis	•	1,416	449,082	6.41%
4	Minneapolis	•	1,416	536,131	7.65%	4	Detroit	•	1,085	433,665	6.19%
5	New York (Newark)	•	1,068	466,321	6.66%	5	New York (Newark)	•	1,068	376,483	5.37%
6	Philadelphia	•	992	300,581	4.29%	6	Philadelphia	•	992	275,992	3.94%
7	Cleveland	•	1,037	284,937	4.07%	7	Cleveland	•	1,037	265,478	3.79%
8	Chicago (Midway)	•	1,105	276,631	3.95%	8	Chicago (Midway)	•	1,105	232,932	3.32%
9	Baltimore	•	946	260,817	3.72%	9	Indianapolis	•	966	208,125	2.97%
10	Indianapolis	•	966	245,490	3.50%	10	Baltimore	•	946	199,041	2.84%
11	New York (JFK)	•	1,074	237,933	3.40%	11	New York (JFK)	•	1,074	187,954	2.68%
12	Columbus	•	930	214,947	3.07%	12	Hartford	•	1,180	172,065	2.46%
13	Atlanta	•	515	208,334	2.97%	13	Columbus	•	930	170,093	2.43%
14	Hartford	•	1,180	201,919	2.88%	14	Atlanta	•	515	158,816	2.27%
15	Milwaukee	•	1,183	197,656	2.82%	15	Denver	•	1,606	155,492	2.22%
16	Denver	•	1,606	192,110	2.74%	16	Cincinnati	•	878	154,707	2.21%
17	Cincinnati	•	878	184,211	2.63%	17	Milwaukee	•	1,183	148,778	2.12%
18	Pittsburg	•	966	179,416	2.56%	18	St. Louis	•	979	140,109	2.00%
19	New York (La Guardia)	•	1,090	178,204	2.54%	19	Pittsburg	•	966	136,504	1.95%
20	Washington (National)	•	892	177,015	2.53%	20	Washington (National)	•	892	118,694	1.69%
21	St. Louis	•	979	176,150	2.51%	21	Atlantic City	•	982	117,786	1.68%
22	Atlantic City	•	982	166,961	2.38%	22	New York (La Guardia)	•	1,090	110,137	1.57%
23	Dallas/Ft. Worth	•	1,017	125,982	1.80%	23	Dallas/Ft. Worth	•	1,017	83,885	1.20%
24	Buffalo	•	1,144	88,118	1.26%	24	Westchester County	•	1,102	74,020	1.06%
25	Nashville International	•	722	87,229	1.25%	25	Buffalo	•	1,144	68,499	0.98%
26	Grand Rapids	•	1,147	85,191	1.22%	26	Kansas City	•	1,156	68,387	0.98%
27	Kansas City	•	1,156	83,605	1.19%	27	Providence	•	1,201	63,765	0.91%
28	Providence	•	1,201	76,235	1.09%	28	Grand Rapids	•	1,147	58,128	0.83%
29	Westchester County	•	1,102	75,488	1.08%	29	Charlotte	•	600	57,163	0.82%
30	Charlotte	•	600	75,386	1.08%	30	Trenton	•	1,028	56,483	0.81%
Total - Top 30 Markets				7,179,491	72.0%	Total - Top 30 Markets				5,727,775	81.8%
Total - All Other Markets				2,790,799	28.0%	Total - All Other Markets				1,278,298	18.2%
Total - All Markets				9,970,290	100.0%	Total - All Markets				7,006,073	100.0%

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2020
 (Unaudited)

Historical aircraft operations are defined as the arrival or departure of an aircraft. The following table presents historical data on the Airport's aircraft operations by carrier class.

HISTORICAL AIRCRAFT OPERATIONS

Fiscal Year	Commercial Air Carriers	Regionals/ Affiliates	International Air Carriers	Domestic Charters	General Aviation ¹	All-Cargo	Military	Airport Total
2011	60,904	7,582	1,568	100	12,758	1,112	578	84,602
2012	57,012	5,672	1,680	210	12,531	1,100	600	78,805
2013	58,830	6,630	1,888	178	11,533	1,106	682	80,847
2014	58,796	4,596	2,000	90	10,154	1,106	914	77,656
2015	58,784	4,566	2,148	146	10,354	1,132	1,313	78,443
2016	59,842	4,498	3,100	342	9,228	1,228	1,206	79,444
2017	60,786	4,662	2,838	414	10,971	1,324	1,284	82,279
2018	63,548	3,230	2,420	278	9,360	1,596	1,205	81,637
2019	66,752	2,188	2,240	42	9,551	1,810	1,204	83,787
2020	57,946	2,684	1,784	42	10,803	1,646	1,601	76,506

Compounded Growth

2011-2020	-0.55%	-10.90%	1.44%	-9.19%	-1.83%	4.45%	11.99%	-1.11%
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¹ Also includes activity by miscellaneous air taxis.

Source: Lee County Port Authority

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2020
 (dollars in thousands)

HISTORICAL STATEMENT OF NET REVENUES¹
 FISCAL YEARS 2016-2020

OPERATING REVENUES:	2016	2017	2018	2019	2020
User fees	\$ 43,054	\$ 43,936	\$ 44,225	\$ 42,310	\$ 37,836
Rentals and franchise fees	3,197	3,517	3,861	4,592	4,834
Concessions	43,739	45,291	47,971	51,773	34,563
Passenger facility charge					2,557
Interest revenue	762	1,515	2,773	3,700	1,625
Miscellaneous	248	405	217	217	74
Total Operating Revenues	<u>91,000</u>	<u>94,664</u>	<u>99,047</u>	<u>102,592</u>	<u>81,489</u>
OPERATING EXPENSES ² :					
Salaries and wages	20,226	21,346	21,864	22,241	23,250
Employee benefits	9,223	9,602	9,804	10,341	11,066
Contractual services, materials and supplies ⁶	19,072	20,661	21,016	20,592	15,413
Utilities	4,081	4,061	4,094	4,184	3,990
Repairs and maintenance	3,174	2,937	3,365	2,960	2,178
Insurance	1,612	1,442	1,208	1,576	1,595
Other	1,756	1,617	1,715	1,896	2,067
Total Operating Expenses	<u>59,144</u>	<u>61,666</u>	<u>63,066</u>	<u>63,790</u>	<u>59,559</u>
NET REVENUES:	31,856	32,998	35,981	38,802	21,930
Transfers in ³	2,838	2,891	3,060	3,306	0
Transfers in (Other) ⁴	376	394	343	370	239
Debt service interest	14,939	14,456	13,959	13,374	12,694
Principal ⁵	9,750	10,230	10,725	11,310	3,340
TOTAL DEBT SERVICE:	<u>\$ 24,689</u>	<u>\$ 24,686</u>	<u>\$ 24,684</u>	<u>\$ 24,684</u>	<u>\$ 16,034</u>
BOND SERVICE REQUIREMENT COVERAGE BEFORE TRANSFERS	1.29	1.34	1.46	1.57	1.37
BOND SERVICE REQUIREMENT COVERAGE AFTER TRANSFERS	1.42	1.47	1.60	1.72	1.38

¹ Net Revenues are determined in accordance with the bond resolution as excerpted from the audited financial statements.

² Operating Expenses do not include depreciation, amortization, and unpaid pension and other postemployment benefits expense in accordance with the bond resolution.

³ Includes transfers from surplus Passenger Facility Charges (PFC) used to pay debt service on the Series 2010, 2011 and 2015 bonds in accordance with Federal Aviation Administration approvals. Effective Fiscal Year 2020, these transfers will now be considered as revenue.

⁴ Other transfers include a Federal Inspection Station user fee of \$2.00 per deplaned passenger

⁵ Principal reduced by early redemption of Airport Revenue Refunding Bonds, Series 2010A of \$8.6M paid with moneys received from the CARES Act.

⁶ Contractual services reduced by \$2.3M paid with moneys received from the CARES Act.



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Lee County, Florida

Single Audit Reports

For the Year Ended September 30, 2020

(With Independent Auditors' Report Thereon)



LEE COUNTY, FLORIDA

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Board of County Commissioners
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 22, 2021. Our report includes a reference to other auditors who audited the financial statements of the Lee County Property Appraiser, the Lee County Sheriff, the Lee County Supervisor of Elections, and the Lee County Tax Collector, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Honorable Board of County Commissioners
Lee County, Florida

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
March 22, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Board of County Commissioners
Lee County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Lee County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the 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 the County's major federal programs and state projects, for the year ended September 30, 2020. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General Local Governmental Entity Audits. Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County 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 federal programs and state projects for the year ended September 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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 federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, 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 the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and 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 federal program and 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, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

Honorable Board of County Commissioners
Lee County, Florida

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 22, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Lee County Property Appraiser, the Lee County Sheriff, the Lee County Supervisor of Elections, and the Lee County Tax Collector. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those components, is based solely on the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 and is not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures described above, and the reports of the other auditors, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Fort Myers, Florida
March 22, 2021

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2020

Federal/State grantor /Program or Cluster Title	CFDA CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2019-2020 Transfers to Subrecipients
U.S. Election Assistance Commission:						
Help America Vote Act	90.401	MOA 2016-2017-0001-LEE	Florida Department of State, Div of Elections	105,659	70,051	-
Help America Vote Act	90.401	MOA 2018-2019-0003-LEE	Florida Department of State, Div of Elections	61,015	61,015	-
Help America Vote Act	90.401	MOA 2019-2020-0001-LEE	Florida Department of State, Div of Elections	94,035	90,540	-
Help America Vote Act	90.401	MOA 2020-0001-LEE	Florida Department of State, Div of Elections	630,755	332,004	-
Total U.S. Election Assistance Commission				891,464	553,610	-
U.S. Environmental Protection Agency:						
Nonpoint Source Implementation Grt - C.R. /NFM Nutrient & Bacteria Source	66.460	NF047		89,964	65,379	-
Nonpoint Source Implementation Grants - Watershed Education Training (WETPLAN)	66.460	NF060		12,000	4,200	-
Total program				101,964	69,579	-
Total U.S. Environmental Protection Agency				101,964	69,579	-
U.S. Department of Health & Human Services:						
Temporary Assistance for Needy Families - Homeless Prevention (FY18-19)	93.558	QPZ02	Florida Department of Children and Families	46,582	40,521	39,823
Temporary Assistance for Needy Families - Homeless Prevention (FY19-20)	93.558	QPZ02	Florida Department of Children and Families	46,582	6,771	6,073
Total TANF Cluster				93,164	47,292	45,896
Child Support Enforcement Program (Federal Initiative)	93.563	COC36	Florida Department of Revenue	1,522,940	1,522,940	-
Low Income Home Energy Assistance Program (LIHEAP) - FY17	93.568	17EA-OF-09-46-01-015	Florida Department of Economic Opportunity	5,526,244	1,493,482	-
Total Program				5,526,244	1,493,482	-
Community Services Block Grant FY17	93.569	17SB-0D-09-46-01-114	Florida Department of Economic Opportunity	754,032	283,939	-
Community Services Block Grant	93.569	17SB-0D-09-46-01-114		492,425	168,082	-
Total Program				1,246,457	452,021	-
Total U.S. Department of Health & Human Services				8,388,805	3,515,735	45,896
U.S. Department of Homeland Security:						
Disaster Grant-Public Assistance - RSW/FMY	97.036	Z0114	Florida Division of Emergency Management	455,609	41,262	-
Disaster Grant-Public Assistance - Hurricane Irma	97.036	Z1135	Florida Division of Emergency Management	30,906,502	30,906,502	-
Total program				31,362,111	30,947,764	-
Emergency Management Performance Grant (EMPG - FY20)	97.042	G0139	Florida Division of Emergency Management	162,123	30,887	-
Emergency Management Performance Grant (EMPG - Supplemental CARES- FY20)	97.042	G0174	Florida Division of Emergency Management	36,000	1,122	-
Emergency Management Performance Grant (FY18)	97.042	G0041	Florida Division of Emergency Management	156,941	126,952	-
Total Program				355,064	158,961	-

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2020

Federal/State grantor /Program or Cluster Title	CFDA CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2019-2020 Transfers to Subrecipients
Homeland Security Grant Program - USAR	97.067	18-DS-X1-08-39-01-306		178,650	8,400	-
Homeland Security Grant Program - USAR	97.067	R0125	Florida Division of Emergency Management	143,439	73,952	-
Homeland Security Grant Program - FY17	97.067	R0165	Florida Division of Emergency Management	100,000	99,500	-
Homeland Security Grant Program - FY17 Operation Stone Garden	97.067	18-DS-X5-09-46-23-198		135,000	48,800	-
Homeland Security Grant Program - FY18 Operation Stonegarden	97.067	19-DS-01-09-46-01-265	Florida Division of Emergency Management	200,000	66,840	-
Homeland Security Grant Program - USAR	97.067	19-DS-XX-00-00-00-000	Florida Division of Emergency Management	84,500	84,500	-
Total program				841,589	381,992	-
Total U.S. Department of Homeland Security				32,558,764	31,488,717	-
U.S. Department of Housing & Urban Development:						
Community Development Block Grant Entitlement Grants Cluster:						
CDBG/Entitlement Grants- Year 27	14.218	B-16-UC-12-0013		2,616,336	194,393	157,897
CDBG/Entitlement Grants- Year 28	14.218	B-17-UC-12-0013		2,649,950	1,040,505	922,811
CDBG/Entitlement Grants- Year 29	14.218	B-18-UC-12-0013		3,008,725	1,109,730	680,243
CDBG/Entitlement Grants- Year 30	14.218	B-19-UC-12-003		3,047,518	699,385	-
Neighborhood Stabilization Program	14.218	B-08-UN-12-0009		18,243,867	210,631	3,000
Neighborhood Stabilization Program 3	14.218	B-11-UN-12-0009		6,639,174	254,891	-
Total Community Development Block Grant Entitlement Grants Cluster				36,205,570	3,509,535	1,763,951
Emergency Solutions Grant Program -Year 16 (FY19)	14.231	E-18-UC-12-0013		238,555	116,682	36,920
Emergency Solutions Grant Program	14.231	QPZ02		105,525	103,007	-
Emergency Solutions Grant Program -Year 17 (FY20)	14.231	E-19-UC-12-0013		225,297	103,327	-
Emergency Solutions Grant Program	14.231	QPZ02		105,525	41,881	-
Total program				674,902	364,897	36,920
Home Investment Partnership Program - Year 25 (FY17)	14.239	M-16-UC-12-0210		663,553	62,065	62,065
Home Investment Partnership Program - Year 26 (FY18)	14.239	M-17-UC-12-0210		685,970	225,571	207,102
Home Investment Partnership Program - Year 27 (FY19)	14.239	M-18-UC-12-0210		983,519	615,351	-
Home Investment Partnership Program - Year 28 (FY20)	14.239	M-19-UC-12-0210		938,598	477,110	-
Total program				3,271,640	1,380,097	269,167
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODME	FL Dept of Health/Health Planning Council of SWFL	377,019	85,604	-
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODME	FL Dept of Health/Health Planning Council of SWFL	219,372	39,482	-
Total program				596,391	125,086	-
Homeless Management Information System (HMIS)	14.261	FL0760H4D031800		84,900	19,475	-
Continuum of Care Program (SHP FY18)	14.267	Various		1,739,532	10,669	10,669
Continuum of Care Program (SHP FY19)	14.267	Various		1,835,581	1,232,471	1,173,017
Continuum of Care Program (SHP FY20)	14.267	Various		1,790,521	169,778	-
Total program				5,365,634	1,412,918	1,183,686
Total U.S. Department of Housing & Urban Development				46,199,037	6,812,008	3,253,724

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2020

Federal/State grantor /Program or Cluster Title	CFDA CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2019-2020 Transfers to Subrecipients
Coronavirus Emergency Supplemental Funding Program - Lee County COVID19 response	16.034	2020-VD-BX-0501		325,489	178,230	-
Total program				325,489	178,230	-
Crime Victim Assistance - State Criminal Alien Assistance (SCAAP)	16.606	2019-AP-BX-0534		84,490	74,326	-
Crime Victim Assistance - State Criminal Alien Assistance (SCAAP)	16.606	2019-AP-BX-0748		77,680	77,680	-
Crime Victim Assistance - State Criminal Alien Assistance (SCAAP)	16.606	2020-AP-BX-0919		120,965	46,039	-
Total program				283,135	198,045	-
Edward Byrne Memorial Justice Assistance Grant Program - Disaster Recovery (FY20)	16.738	2019-DJ-BX-0893		101,022	100,998	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-3669		27,500	27,500	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-LEE-4-N2-171	Enforcement	50,730	50,713	-
Edward Byrne Memorial Justice Assistance Grant Program - Purch Lic Plate Reader	16.738	2020-JAGC-LEE-4-Y5-095		22,000	21,950	-
Total program				201,252	201,161	-
Paul Coverdell Forensic Sciences Improvement Grant Program FY19	16.742	2019-CD-BX-0011	Florida Department of Law Enforcement	2,159	2,159	-
Total Program				2,159	2,159	-
Total U.S. Department of Justice				812,035	579,595	-
U.S. Department of Transportation/non-FAA:						
Federal Transit Administration:						
Federal Transit Cluster:						
Federal Transit Formula Grants - USC 5307	20.507	FL-2016-043-00		5,731,365	845,593	-
Federal Transit Formula Grants - USC 5307 (FY13)	20.507	FL-90-X806		6,527,494	87,957	-
Federal Transit Formula Grants - USC 5307 (FY15)	20.507	FL-2016-047-00		5,787,589	1,257,816	-
Federal Transit Formula Grants - USC 5307 (FY17)	20.507	FL-2017-075-01		6,107,871	159,329	-
Federal Transit Formula Grants - USC 5307 (FHWA Flex Funds Transfer)	20.507	FL-2018-079-00		6,257,157	56,784	-
Federal Transit Formula Grants - USC 5307 (Urbanized Area FY19)	20.507	FL-2019-080-00		6,459,631	1,717,751	-
Federal Transit Formula Grants - USC 5307 (CARES Act -Urbanized Area FY20)	20.507	FL-2020-067-00		19,156,442	3,347,732	-
Federal Transit Formula Grants - USC 5339 Bus & Bus Facilities Formula	20.526	FL-2018-072-00		714,731	592,897	-
Total Federal Transit Cluster				56,742,280	8,065,859	-
Formula Grants for Rural Areas - USC 5311 Non Urban Area Program Multi Year	20.509	G1581	Florida Department of Transportation	205,526	67,575	-
Formula Grants for Rural Areas - USC 5311	20.509	G1M56	Florida Department of Transportation	849,324	128,386	-
Total Program				1,054,850	195,961	-
Federal Highway Administration:						
Highway Planning and Construction Cluster:						
Highway Planning and Construction - Gunnery Road and 8th Street	20.205	438373-1-68-01	Florida Department of Transportation	1,224,819	88,838	-
Highway Planning and Construction-(Advanced Traffic Management)	20.205	412636-4-58-01	Florida Department of Transportation	9,203,900	516,293	-
Highway Planning and Construction - Gunnery Road and Buckingham	20.205	442123-1-38-01	Florida Department of Transportation	453,334	153,123	-
Highway Planning and Construction - Federal Lands Highway Program - FY20	20.205	429960-1-88-01	Florida Department of Transportation	130,500	25,283	-
Total Highway Planning and Construction Cluster				11,012,553	783,537	-

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2020

Federal/State grantor /Program or Cluster Title	CFDA CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2019-2020 Transfers to Subrecipients
Highway Safety Cluster:						
State and Community Highway Safety	20.600	G1D78		70,000	31,544	-
National Priority Safety Programs - Impaired Driving Enforcem and Education	20.616	G1E89		53,000	18,169	-
Total Highway Safety Cluster				123,000	49,713	-
Total U.S. Department of Transportation/non-FAA				68,932,683	9,095,070	-
U.S. Department of Transportation/FAA:						
Federal Aviation Administration:						
Airport Improvement Program (CARES Act - RSW)	20.106	3-12-0135-055-2020		36,603,212	11,000,435	-
Total U.S. Department of Transportation/FAA				36,603,212	11,000,435	-
U.S. Department of Treasury:						
Coronavirus Relief Fund	21.019	Not available yet		134,459,744	58,119,557	5,696,364
Coronavirus Relief Fund - SHIP	21.019	069-2020		2,463,996	274,590	274,590
Total Program				136,923,740	58,394,147	5,970,954
Federal Forfeiture-Treasury	21.000	None		22,843	22,843	-
Total U.S. Department of the Treasury				136,946,583	58,416,990	5,970,954
Total expenditures of federal awards				331,434,547	121,531,739	9,270,574
Fish and Wildlife Conservation Commission (Florida)						
Derelict Vessel Removal Program	77.005	FWC-19204		19,500	19,500	-
Total Fish and Wildlife Conservation Commission				19,500	19,500	-
Florida Department of Children and Families:						
Homeless Challenge Grant FY19-20	60.014	QPZ02		148,500	146,622	38,669
Homeless Challenge Grant FY19-20 - Staffing Grant	60.014	QPZ02		107,143	80,357	80,357
Homeless Challenge Grant FY20-21	60.014	QPZ02		148,500	53,193	-
Homeless Challenge Grant FY20-21 - Staffing Grant	60.014	QPZ02		107,143	26,786	26,786
Total Program				511,286	306,958	145,812
Criminal Justice, Mental Health, & Substance Abuse Reinvestment Grant Prg FY17-20	60.115	LHZ59		825,000	183,174	183,174
Criminal Justice, Mental Health, & Substance Abuse Reinvestment Grant Prg FY20-21	60.115	LHZ97		975,000	133,679	133,679
Total Program				1,800,000	316,853	316,853
Total Florida Department of Children and Families				2,311,286	623,811	462,665
Florida Department of Economic Opportunity:						
Florida Sports Foundation:						
Economic Development Partnership - Perfect Game Baseball Championship	40.040	166750205		25,000	24,500	-
Total Florida Sports Foundation				25,000	24,500	-
Florida Housing Finance Corporation:						
SHIP YR22 (State FY16/17)	40.901	1B026		3,066,375	98,288	98,258
SHIP YR23 (State FY17/18)	40.901	1B027		2,281,955	306,607	107,254
SHIP YR24 (State FY18/19)	40.901	1B028		875,759	360,308	280,045
SHIP YR25 (State FY19/20)	40.901	1B029		981,422	421,607	345,214
Total Program				7,205,511	1,186,810	830,771
Total Florida Department of Economic Opportunity				7,230,511	1,211,310	830,771

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2020

Federal/State grantor /Program or Cluster Title	CFDA CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2019-2020 Transfers to Subrecipients
Florida Department of the Executive Office:						
EMPA Base Grant FY19-20	31.063	A0065		105,806	76,249	-
EMPA Base Grant FY20-21	31.063	A0104		105,806	26,924	-
Total Florida Department of the Executive Office				211,612	103,173	-
Florida Department of Environmental Protection:						
Beach Management Funding Assistance Program - Gasparilla Island Beach 2	37.003	18LE1		291,787	6,826	-
Beach Management Funding Assistance Program - Lovers Key Beach 2	37.003	19LE1		260,000	105,453	-
Beach Management Funding Assistance Program - Lee Co. Shore Protection - Gasparilla Island	37.003	20LE1		3,101,764	16,933	-
Beach Management Funding Assistance Program - Blind Pass Monitoring	37.003	20LE2		182,097	50,183	-
Total Program				3,835,648	179,395	-
Statewide Surface Water Restoration and Wastewater Project - Caloosahatchee T. Canal Rehab	37.039	LPA0063		400,000	140	-
Statewide Surface Water Restoration and Wastewater Project - FPL P.E.W. Quality Improv Project	37.039	LPA0084		47,798	47,678	-
Statewide Surface Water Restoration and Wastewater Project - Yellow Fever Creek T. Facility	37.039	LPQ0012		817,000	275	-
Statewide Surface Water Restoration and Wastewater Prj - Caloosahatchee T. Flow Monitor	37.039	NS037		172,200	57,400	-
Total Program				1,436,998	105,493	-
Total Florida Department of Environmental Protection				5,272,646	284,888	-
Florida Department of Health:						
Bureau of Emergency Management Services:						
County Grant Award - EMS FY18-19	64.005	C70636		91,619	40	-
County Grant Award - EMS FY19-20	64.005	8036		88,398	43,399	-
Total Florida Department of Health				180,017	43,439	-
Florida Department of State:						
Division of Library and Information Services:						
State Aid to Libraries Grant (FY19-20)	45.030	20-ST-24		643,855	643,855	-
Total Florida department of State				643,855	643,855	-
Florida Department of Transportation/non-FAA:						
Commission for the Transportation Disadvantaged	55.001	G1O10		1,275,019	219,256	-
Commission for the Transportation Disadvantaged	55.001	TD2012-EM		563,058	313,435	-
Total Program				1,838,077	532,691	-
Commuter Assistance Program/Ride Share Grants - Vanpool Services - FY19-20	55.007	G1F33 430306-1-84-03		55,000	28,981	-
Total Program				55,000	28,981	-
Public Transit Block Grant Program	55.010	410140-1-84-04 G1192		2,060,032	1,095,817	-
Total Program				2,060,032	1,095,817	-
Public Transit Service Development Program - Downtown Trolley Service	55.012	G1G04		1,212,725	40,380	-
Public Transit Service Development Program - Beach Tram Service	55.012	G1G03		998,573	34,159	-
Public Transit Service Development Program - Psgr Amenities on State Hwy Syst	55.012	AQQ86		287,919	46,467	-
Public Transit Service Development Program - Pasenger Amenities	55.012	G0Q95		168,000	151,212	-
Total Program				2,667,217	272,218	-
Transit Corridor Development Program - FY18-19	55.013	407329-1-84-03 G1421		1,729,254	855,886	-
Total Program				1,729,254	855,886	-
Total Florida Department of Transportation/non-FAA				8,349,580	2,785,593	-

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2020

Federal/State grantor /Program or Cluster Title	CFDA CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2019-2020 Transfers to Subrecipients
Florida Department of Transportation/FAA:						
Aviation Grant Programs - Airside Pavement Rehabilitation	55.004	ARR95 431367-1-94-01		2,574,138	227,855	-
Aviation Grant Programs -Aviation Devpm Grant Pavement Rehab RSW	55.004	G0D69 430979-1-94-01		998,234	10,568	-
Aviation Grant Programs - FMY Multi Use Hanger and Apron Expansion	55.004	G0L93 441245-1-94-01		5,556,942	1,502,176	-
Aviation Grant Programs - North Property Utilities & Road Safety Project	55.004	AQE17 430000-1-94-01		7,474,107	477,181	-
Aviation Grant Programs - RSW Terminal Expansion	55.004	G1C87 441981-1-94-01		10,679,532	276,605	-
Aviation Grant Programs - RSW Air Traffic Control Tower and Terminal Radar Approach Control	55.004	G1035 420652-1-94-04		4,625,907	4,625,907	-
Total Florida Department of Transportation/FAA				31,908,860	7,120,292	-
Total expenditures of state financial assistance				56,127,867	12,835,861	1,293,436

LEE COUNTY, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2020

(1) Basis of Presentation

The Board of County Commissioners (the Board) is the legislative body for the County having the responsibility of budgeting and providing all the funding used by the various County departments and the separate Constitutional Officers, with the exception of fees collected by the Clerk of Circuit Court, Property Appraiser, and Tax Collector. Under the direction of the Clerk of Circuit Court, the Finance & Records Department maintains the accounting system for the Board's operations. The other Constitutional Officers maintain their own accounting systems. For purposes of this report the operations of the County as a whole, including all Constitutional Officers, have been presented. In addition to the divisions of the Board and the Constitutional Officers, the Lee County Port Authority, a blended component unit, is included.

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) summarizes the expenditures incurred under all federal programs and state projects by Lee County, Florida for the fiscal year ended September 30, 2020, which are recognized on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the 2 CFR Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance), Section 215.97, Florida Statutes, and *Rules of the Auditor General*, Chapter 10.550. For purposes of this Schedule, federal programs and state projects include all grants and contracts entered into directly between Lee County, Florida and agencies and departments of the federal or state government. Federal programs or state projects passed through other government agencies, if any, are also included in the Schedule. Because the Schedule presents only a selected portion of the operations of Lee County, it is not intended to and does not present the financial position, change in net position, or cash flows of the County.

(2) Indirect Costs

Lee County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The County provides certain services and facilities to federal and state programs such as disbursing, banking, general data processing, office space, and furnishings. Costs for these services are allocated based on certain pre-approved allocation criteria. Lee County, Florida allocated costs for these indirect services to the Department of Housing and Urban Development's CDBG Grant (CFDA #14.218) in the amount of \$19,397.

(3) Coronavirus Relief Funds - Donated Items

Lee County donated personal protective equipment (PPE) in the amount of \$2,395,405 as part of a COVID-19 Community Aid Program, using U.S Department of Treasury Coronavirus Relief Funds (CFDA 21.019).

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards Section

Internal control over major programs:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

SECTION I - SUMMARY OF AUDITORS' RESULTS (CONTINUED)

State Financial Assistance Section

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None noted

Type of auditors' report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557? No

Identification of major State projects:

State CSFA	Name of State Program or Cluster
55.004	Aviation Grant Programs

Dollar threshold used to distinguish between type A State projects \$750,000

SECTION II - FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

2020-001

Federal agency: U.S. Department of Treasury

Federal program title: Coronavirus Relief Fund

CFDA Number: 21.019

Award Period: March 1, 2020 through December 31, 2021

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: CFR §200.331 Requirements for pass-through entities requires that each pass-through entity must clearly identify and communicate certain information related to the subaward to subrecipient entities.

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

**SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS
(CONTINUED)**

Condition: During our testing, we noted that the County did not communicate the Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); the name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity; and the CFDA number and name to sub-recipients of the award.

Questioned costs: None

Context: The County failed to communicate the required information in a timely manner to 5 of 6 sub-recipients tested.

Cause: The County entered into subrecipient agreements during the onset of the program established to respond to the public health crisis and as a result of the urgency of the sub-award the County did not detect the omission from the grantee communications.

Effect: The sub-recipients could utilize the funds outside the compliance requirements of the Federal program, and the County could be held responsible.

Repeat Finding: No

Recommendation: We recommend that the County design processes and procedures to ensure that all sub-recipient agreements contain the necessary items as required by the Uniform Guidance and that a standard contract be created that contains all the required information.

Views of responsible officials: There is no disagreement with the audit finding.

SECTION IV - FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(l)4, Rules of the Florida Auditor General.

John E. Manning
District One

Cecil L. Pendergrass
District Two

Ray Sandelli
District Three

Brian Hamman
District Four

Frank Mann
District Five

Roger Desjarlais
County Manager

Richard Wesch
County Attorney

Donna Marie Collins
County Hearing Examiner

**LEE COUNTY, FLORIDA
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2020**

Lee County respectfully submits the following corrective action plan for the year ended September 30, 2020.

Audit period: October 1, 2019 through September 30, 2020

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

MATERIAL WEAKNESS

2020-001 Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend that the County design processes and procedures to ensure that all sub-recipient agreements contain the necessary items as required by the Uniform Guidance and that a standard contract be created that contains all the required information.

Views of responsible officials: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The County will establish a checklist of informational items to ensure that sub-recipient agreements contain the items required by the Uniform Guidance.

Name of the contact person responsible for corrective action plan:
Pete Winton

Planned completion date for corrective action plan: The above action plan will be implemented in fiscal year 2021.

John E. Manning
District One

Cecil L. Pendergrass
District Two

Ray Sandelli
District Three

Brian Hamman
District Four

Frank Mann
District Five

Roger Desjarlais
County Manager

Richard Wesch
County Attorney

Donna Marie Collins
County Hearing Examiner

**LEE COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020**

Lee County, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2020.

Audit period: October 1, 2019 through September 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT FINDINGS

2019-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The County restated beginning balances as a result of a correction of an error related to a data error in the other postemployment benefit (OPEB) liability actuarial valuation.

Status: Corrected



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
PASSENGER FACILITY CHARGE AUDIT GUIDE**

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority

Report on Compliance for the Passenger Facility Charge Program

We have audited Lee County Port Authority's (Authority), a blended component unit of Lee County, Florida (the County), compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on the Authority's passenger facility charge program for the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2020.

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority

Report on Internal Control Over Compliance

Management of the Authority 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 the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, 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 the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Report on Schedule of Passenger Facility Charges Collected and Expended

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of passenger facility charges collected and expended for the year ended September 30, 2020 is presented for purposes of additional analysis as required by the Federal Aviation Administration, and is not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges collected and expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
March 22, 2021

Lee County, Florida
Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As Reported to FAA)
for the year ended September 30, 2020

	Quarter Ended December 31, 2019	Quarter Ended March 31, 2020	Quarter Ended June 30, 2020	Quarter Ended September 30, 2020	Year Ended September 30, 2020	Cumulative Totals as of September 30, 2019	Cumulative Totals as of September 30, 2020
Collections							
PFCs Collected	\$ 5,260,276	\$ 6,501,051	\$ 2,528,192	\$ 679,661	\$ 14,969,180	\$ 320,640,428	\$ 335,609,608
Interest Earned	313,071	268,039	107,570	53,609	742,289	11,671,496	12,413,785
Total Collection	\$ 5,573,347	\$ 6,769,090	\$ 2,635,762	\$ 733,270	\$ 15,711,469	\$ 332,311,924	\$ 348,023,393
EXPENDITURES ON APPROVED PFC PROJECTS INCLUDED IN							
Application No. 1							
92-01-C-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,686,294	\$ 12,686,294
Application No. 2							
93-02-U-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,711,378	\$ 9,711,378
Application No. 3							
94-03-U-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,441,067	\$ 76,441,067
Application No. 4							
97-04-U-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,605,139	\$ 3,605,139
Application No. 5							
03-05-C-00-RSW	\$ 898,680	\$ 1,110,658	\$ 431,923	\$ 116,115	\$ 2,557,376	\$ 94,066,875	\$ 96,624,251
Application No. 6							
06-06-C-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,838,689	\$ 4,838,689
Application No. 7							
10-07-C-00-RSW	\$ -	\$ -	\$ -	\$ 125,444	\$ 125,444	\$ 48,081,122	\$ 48,206,566
Application No. 8							
13-08-C-00-RSW	\$ -	\$ 9,031,779	\$ 1,628,394	\$ 8,505,602	\$ 19,165,775	\$ 7,971,186	\$ 27,136,961
Application No. 9							
18-09-C-00-RSW	\$ 133,303	\$ -	\$ 569,594	\$ 1,997,057	\$ 2,699,954	\$ 8,884,142	\$ 11,584,096
Application No. 10							
19-10-C-00-RSW	\$ -	\$ 3,090,189	\$ 2,090,311	\$ 1,716,512	\$ 6,897,012	\$ -	\$ 6,897,012
Total Expenditures	\$ 1,031,983	\$ 13,232,626	\$ 4,720,222	\$ 12,460,730	\$ 31,445,561	\$ 266,285,892	\$ 297,731,453

LEE COUNTY, FLORIDA

Notes to Schedule of Passenger Facility
Charges Collected and Expended

Year ended September 30, 2020

(1) General

The accompanying schedule of passenger facility charges collected and expended presents the activity of all passenger facility charges of Lee County, Florida.

(2) Basis of Accounting

The accompanying schedule of passenger facility charges collected and expended is presented using the cash basis of accounting.

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PASSENGER FACILITY CHARGE PROGRAM
YEAR ENDED SEPTEMBER 30, 2020**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

Passenger Facility Charge Program Section

Internal control over major programs:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance for the passenger facility charge program?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies?	No

This schedule encompasses the Lee County Port Authority only, and is provided as required by the Passenger Facility Charge Program.

**LEE COUNTY, FLORIDA
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
PASSENGER FACILITY CHARGE PROGRAM
YEAR ENDED SEPTEMBER 30, 2020**

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no such findings required to be reported.

SECTION III – FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE PROGRAM

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of the Passenger Facility Charge Program, as required to be reported by the Passenger Facility Charge Audit Guide.

There were no such findings required to be reported.

**LEE COUNTY, FLORIDA
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
PASSENGER FACILITY CHARGE PROGRAM
YEAR ENDED SEPTEMBER 30, 2020**

Prior Year Findings

There were no prior year audit findings reported.



CliftonLarsonAllen LLP
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MANAGEMENT LETTER

Honorable Board of County Commissioners
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of Lee County, Florida (County), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 22, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and Internal Control over Compliance in Accordance with the Passenger Facility Charge Audit Guide; Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 22, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
March 22, 2021



CliftonLarsonAllen LLP
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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Board of County Commissioners
Lee County, Florida

We have examined Lee County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2020. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2020.

This report is intended solely for the information and use of the County and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
March 22, 2021

Clerk of Circuit Court

Lee County, Florida

Statements
September 30, 2020



Prepared By:
General Accounting Office, Finance & Records Department

Clerk of Circuit Court

Lee County, Florida

Financial Statements
September 30, 2020

LeeClerk.ORG

LINDA DOGGETT : CLERK OF COURT

Clerk of Circuit Court

Lee County, Florida

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INDEPENDENT AUDITORS' REPORT

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court, Lee County, Florida (Clerk), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2020, and the respective changes in financial position and budgetary comparisons for the General Fund, Court Fees Fund, Public Records Modernization Fund and Child Support Enforcement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information only for that portion of the major funds and the aggregate remaining fund information of Lee County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Lee County as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

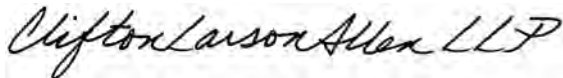
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
December 9, 2020

Financial Statements

Leeclerk.ORG
LINDA DOGGETT : CLERK OF COURT

CLERK OF CIRCUIT COURT
Lee County, Florida
BALANCE SHEET
As of September 30, 2020

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, cash equivalents and investments	\$ 4,172,240	\$ 7,701,332	\$ 8,053,462	\$ 4,800,925	\$ 24,727,959
Accounts receivable	158	321	-	-	479
Due from other governments	30,069	156,382	-	181,465	367,916
Due from Board of County Commissioners	187,930	73,062	3,508	-	264,500
Inventory	32,272	-	-	-	32,272
Total assets	<u>4,422,669</u>	<u>7,931,097</u>	<u>8,056,970</u>	<u>4,982,390</u>	<u>25,393,126</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	462,702	143,577	-	3,449	609,728
Accrued liabilities	227,064	168,035	36,985	-	432,084
Due to other governments	304,870	2,467,923	18,423	1,422	2,792,638
Due to Board of County Commissioners	315,498	241,044	-	-	556,542
Deposits	3,112,535	4,855,213	-	-	7,967,748
Unearned revenue	-	55,055	-	-	55,055
Other	-	250	-	-	250
Total liabilities	<u>4,422,669</u>	<u>7,931,097</u>	<u>55,408</u>	<u>4,871</u>	<u>12,414,045</u>
Fund Balances:					
Nonspendable	32,272	-	-	-	32,272
Restricted	-	-	8,001,562	-	8,001,562
Committed	-	-	-	4,977,519	4,977,519
Unassigned	(32,272)	-	-	-	(32,272)
Total fund balances	<u>-</u>	<u>-</u>	<u>8,001,562</u>	<u>4,977,519</u>	<u>12,979,081</u>
Total liabilities and fund balances	<u>\$ 4,422,669</u>	<u>\$ 7,931,097</u>	<u>\$ 8,056,970</u>	<u>\$ 4,982,390</u>	<u>\$ 25,393,126</u>

The notes to the financial statements are an integral part of this statement.

CLERK OF CIRCUIT COURT
Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the year ended September 30, 2020

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
REVENUES					
Intergovernmental	\$ 1,258,498	\$ 1,311,344	\$ 111,279	\$ 924,224	\$ 3,605,345
Charges for services	5,498,733	13,402,588	2,451,974	1,017	21,354,312
Interest	99,624	87,498	95,033	54,715	336,870
Miscellaneous	369,068	2,472	-	146,816	518,356
Total revenues	<u>7,225,923</u>	<u>14,803,902</u>	<u>2,658,286</u>	<u>1,126,772</u>	<u>25,814,883</u>
EXPENDITURES					
General government					
Personal services	13,829,630	10,790,379	1,582,805	-	26,202,814
Operating expenditures	3,105,839	477,871	109,407	58,409	3,751,526
Capital outlay	923,811	2,695	1,244	241,709	1,169,459
Total expenditures	<u>17,859,280</u>	<u>11,270,945</u>	<u>1,693,456</u>	<u>300,118</u>	<u>31,123,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,633,357)</u>	<u>3,532,957</u>	<u>964,830</u>	<u>826,654</u>	<u>(5,308,916)</u>
OTHER FINANCING SOURCES (USES)					
Board of County Commissioners appropriations	10,746,255	-	-	-	10,746,255
Distribution of excess fees and appropriations to other governmental units	(112,898)	(3,532,957)	-	-	(3,645,855)
Total other financing sources (uses)	<u>10,633,357</u>	<u>(3,532,957)</u>	<u>-</u>	<u>-</u>	<u>7,100,400</u>
Net change in fund balances	-	-	964,830	826,654	1,791,484
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>7,036,732</u>	<u>4,150,865</u>	<u>11,187,597</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,001,562</u>	<u>\$ 4,977,519</u>	<u>\$ 12,979,081</u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,050,000	\$ 1,251,730	\$ 1,258,498	\$ 6,768
Charges for services	4,651,020	5,561,020	5,498,733	(62,287)
Interest	100,000	100,000	99,624	(376)
Miscellaneous	304,243	304,243	369,068	64,825
Total revenues	6,105,263	7,216,993	7,225,923	8,930
EXPENDITURES				
Current				
General government				
Personal services	12,578,957	13,748,844	13,829,630	(80,786)
Operating	2,749,212	3,377,355	3,105,839	271,516
Capital outlay	1,523,350	837,050	923,811	(86,761)
Total expenditures	16,851,519	17,963,249	17,859,280	103,969
Excess (deficiency) of revenues over (under) expenditures	(10,746,256)	(10,746,256)	(10,633,357)	112,899
OTHER FINANCING SOURCES (USES)				
Board of County Commissioners appropriations	10,746,256	10,746,256	10,746,255	(1)
Distribution of excess fess and appropriations to the Board of County Commissioners	-	-	(112,898)	(112,898)
Total other financing sources (uses)	10,746,256	10,746,256	10,633,357	(112,899)
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP) AND ACTUAL
COURT FEES
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 727,871	\$ 941,396	\$ 1,366,399	\$ 425,003
Charges for services	13,691,110	13,691,110	13,402,588	(288,522)
Interest	90,000	90,000	87,498	(2,502)
Miscellaneous	-	-	2,472	2,472
Total revenues	<u>14,508,981</u>	<u>14,722,506</u>	<u>14,858,957</u>	<u>136,451</u>
EXPENDITURES				
Current				
General government				
Personal services	12,120,460	10,798,048	10,790,379	7,669
Operating	448,850	514,793	477,871	36,922
Capital outlay	9,000	9,695	2,695	7,000
Total expenditures	<u>12,578,310</u>	<u>11,322,536</u>	<u>11,270,945</u>	<u>51,591</u>
Excess of revenues over expenditures	<u>1,930,671</u>	<u>3,399,970</u>	<u>3,588,012</u>	<u>188,042</u>
OTHER FINANCING SOURCES (USES)				
Distribution of excess fees and appropriations to other governmental units	<u>(1,930,671)</u>	<u>(3,399,970)</u>	<u>(3,532,957)</u>	<u>(132,987)</u>
Total other financing sources (uses)	<u>(1,930,671)</u>	<u>(3,399,970)</u>	<u>(3,532,957)</u>	<u>(132,987)</u>
Net change in fund balance	-	-	55,055	55,055
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,055</u>	<u>\$ 55,055</u>

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION FUND
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 107,771	\$ 111,279	\$ 3,508
Charges for services	1,822,000	1,822,000	2,451,974	629,974
Interest	200,000	200,000	95,033	(104,967)
Total revenues	2,022,000	2,129,771	2,658,286	528,515
EXPENDITURES				
Current				
General government				
Personal services	2,183,780	2,183,780	1,582,805	600,975
Operating	1,334,227	1,441,998	109,407	1,332,591
Capital Outlay	1,330,000	1,330,000	1,244	1,328,756
Total expenditures	4,848,007	4,955,778	1,693,456	3,262,322
Net change in fund balance	(2,826,007)	(2,826,007)	964,830	3,790,837
Fund balances - beginning	2,826,007	2,826,007	7,036,732	4,210,725
Fund balances - ending	\$ -	\$ -	\$ 8,001,562	\$ 8,001,562

The notes to the financial statements are an integral part of this statement.

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILD SUPPORT ENFORCEMENT
For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 425,000	\$ 441,897	\$ 924,224	\$ 482,327
Charges for services	-	-	1,017	1,017
Interest	120,000	120,000	54,715	(65,285)
Miscellaneous	-	-	146,816	146,816
Total revenues	<u>545,000</u>	<u>561,897</u>	<u>1,126,772</u>	<u>564,875</u>
EXPENDITURES				
Current				
General government				
Personal Services	515,721	515,721	-	515,721
Operating	1,316,214	1,378,111	58,409	1,319,702
Capital outlay	350,000	560,208	241,709	318,499
Total expenditures	<u>2,181,935</u>	<u>2,454,040</u>	<u>300,118</u>	<u>2,153,922</u>
Net change in fund balance	(1,636,935)	(1,892,143)	826,654	2,718,797
Fund balances - beginning	<u>1,636,935</u>	<u>1,892,143</u>	<u>4,150,865</u>	<u>2,258,722</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,977,519</u>	<u>\$ 4,977,519</u>

The notes to the financial statements are an integral part of this statement.

CLERK OF CIRCUIT COURT
Lee County, Florida
STATEMENT OF FIDUCIARY NET POSITION
As of September 30, 2020

	Agency Funds
ASSETS	
Cash, cash equivalents and investments	\$ 19,092,103
Due from other governments	192
Total assets	19,092,295
 LIABILITIES	
Liabilities:	
Accounts payable	29,379
Accrued liabilities	791
Due to other governments	5,315,116
Bonds and deposits	13,747,009
Total liabilities	\$ 19,092,295

The notes to the financial statements are an integral part of this statement.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Lee County, Florida Clerk of the Circuit Court (the "Clerk"), is an elected constitutional officer as provided for by the Constitution of the State of Florida. For financial reporting purposes, the Clerk is deemed to be part of the primary government of Lee County, Florida (the "County") and therefore is included as such in the County's Comprehensive Annual Financial Report. There are no separate legal entities for which the Clerk is considered to be financially accountable.

Included in the financial statements are all departments and/or organizations for which the Clerk has oversight responsibilities which include, but are not limited to, financial interdependency, ability to significantly influence operations, and accountability for fiscal matters. The Clerk provides to the citizens of the County the functions of the court clerk, county auditor, county finance officer, county public/official records keeper, and Clerk to Board of County Commissioners (the "Board") as mandated by federal, state, and local government statutes and laws.

The non-court related general operations of the Clerk are funded principally by fees from third parties, and appropriations from the Board. The appropriations are presented in the Clerk's financial statements as transfers in. Pursuant to Section 218.36(2), *Florida Statutes*, net excess cash from operations in the General Fund at fiscal year-end are returned to the Board. Excess cash from operations returned to the Board are reflected as distribution of excess fees in the Clerk's General Fund.

Spending authority for the court related activities is provided by the State. Section 28.37 (2), *Florida Statutes*, provides for the monthly transfer of excess revenues over one-twelfth of the Clerk's court related budget to the State's Department of Revenue. Section 28.37 (3), *Florida Statutes*, provides for an annual transfer of all cumulative excess fines, fees, service charges, and court costs collected over the Clerk's authorized budgeted expenditures. The next annual cumulative transfer of funds is required by January 25, 2021.

Basis of Presentation

The financial statements of the Clerk are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The Clerk's funds are organized into two major categories: governmental and fiduciary. Government resources are allocated to, and accounted for, in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The financial statements presented include the General Fund, special revenue funds, and agency funds of the Clerk's Office. These financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Section 10.550, *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements present only the portion of the funds of Lee County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Lee County, Florida in conformity with accounting principles generally accepted in the United States of America.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Description of Funds

The following funds are used by the Clerk.

Governmental Funds

General Fund -The Clerk's activities are classified as court related and non-court related. The Clerk's General Fund activity, which is classified as non-court related, is funded through service charges for recording instruments and documents into the official records. Additionally, the Clerk to the Board is funded through the collection of Ad Valorem taxes by the Board, which is reported in the General Fund as transfers in. The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk, which are not properly accounted for in another fund. All operating revenue, which is not specifically restricted or designated as to use, is recorded in the General Fund. Excess net cash from operations at the end of the year, due back to the Board, is shown as transfers out in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. The Clerk currently reports three Special Revenue Funds- *Court Fees*, *Public Records Modernization*, and *Child Support Enforcement*.

The *Court Fees* fund accounts for court related activities pursuant to Chapter 28, *Florida Statutes*. Court related activities are funded with fines, fees, service charges, and court costs. These revenues are restricted and are to be used exclusively for funding court related operations and, therefore, are reported in a special revenue fund.

The *Public Records Modernization ("PRM")* fund is funded by a portion of recording fees. This fund is mandated by Section 28.24 (12)(d), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office. Since Revision 7 of Article V, *Florida Constitution*, went into effect on July 1, 2004, an additional amount is collected pursuant to Section 28.24(12)(e), *Florida Statutes*, and is used exclusively for funding court related technology needs.

The Board approved the creation of a special revenue fund to hold the *Child Support Enforcement ("CSE")* reimbursement amounts that exceed the operating cost of running the Child Support Depository program. These funds are to be used exclusively for court-related functions including personnel, operations, and technology.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and other governments. The Clerk has nine agency funds which are custodial in nature (assets equal liabilities), and do not involve measurement of operations or have a measurement focus.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recognized and recorded regardless of the measurement focus applied.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Fund financial statements report detailed information about the Clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. All of the governmental funds are considered major.

The governmental funds are presented on the modified accrual basis of accounting using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." The Clerk considers revenues available if they are collected within sixty days after year-end. Primary revenues, such as charges for services and interest, are treated as susceptible to accrual under the modified accrual basis and so have been recognized as revenues. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured. The agency funds are presented using the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements requires management of the Clerk to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

Chapter 218, *Florida Statutes*, governs the preparation, adoption and administration of the Clerk's General Fund annual budget. The Clerk's budget is prepared on a basis consistent with generally accepted accounting principles (GAAP). The budget of the Clerk (to the extent of her function as ex-officio Clerk to the Board and amounts above her fee structure as Clerk to the Circuit and County Courts), is prepared for the General Fund (non-court related activities), which is submitted to and approved by the Board. The Clerk also prepares a portion of her non-court related budget and special revenue budgets based on anticipated fees.

Pursuant to Sections 28.35 and 28.36, *Florida Statutes*, a balanced court related budget must be prepared on or before June 1 and submitted to the Clerks of Court Operations Corporation (the "Corporation"). The Corporation shall complete its review and adjustments to the Clerk's budget request and make its recommendations to the Legislature by August 1 each year. The Legislative Budget Commission should review and approve or amend the Clerk's budget prior to the start of the new fiscal year on October 1.

The Clerk's General Fund and special revenue funds budgets are prepared on the modified accrual basis. The annual budget for the General Fund serves as the legal level of control for the Clerk, and must have Board approval to increase the funding from the Board. Any increase to the court related budget must be approved by the Corporation.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations and other changes applicable to the fiscal year, whenever legally authorized.

Cash, Cash Equivalents, and Investments

The Clerk considers highly liquid investments with a maturity of three months or less when purchased and those included in the internal investment pool, to be cash and cash equivalents.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (“SBA”), under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Section 125.31, *Florida Statutes*. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Clerk’s position in the pool is the same as the value of the pool shares. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 17.8% of Florida PRIME’s portfolio at September 30, 2020.

In accordance with Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*, as a participant in a qualifying external investment pool, the Clerk should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool’s authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Section 218.409(8)(a), *Florida Statutes*, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Section 218.409(4), *Florida Statutes* provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Inventory

Inventory is stated at cost using the “first-in, first-out” (FIFO) method and is recorded as an expenditure when consumed. The Clerk’s inventory includes metered postage.

Capital Assets

The Clerk’s capital assets include furniture, equipment, computer equipment, vehicles, and software. The Clerk, pursuant to *Florida Statutes*, owns no capital assets. *Florida Statutes* require that the Board own and

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

maintain accountability for all capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets is \$1,000, except software which is \$100,000. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at acquisition value. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

In accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments*, depreciation for governmental fund capital assets is reflected in the government-wide financial statements but is not reflected in the fund financial statements. Therefore, no depreciation is recorded in the financial statements of the Clerk but rather is reflected in the financial statements of the County.

In the fund financial statements of the Clerk, capital assets purchased and used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

The Clerk’s employees accumulate sick and annual leave, based on the number of years of continuous service. Employees may not accumulate more than 500 hours of annual vacation time. Upon termination of employment, employees can receive payment for all outstanding accumulated vacation leave and a maximum of 80 hours of accumulated personal leave. Employees who retire under the Florida Retirement System receive payment for all outstanding accumulated vacation leave, a maximum of 80 hours of accumulated personal leave, and 100 percent of accumulated sick leave. The Clerk does not, nor is she legally required to accumulate expendable financial resources for these obligations. Accordingly, the liability for compensated absences is not reported in the Clerk’s fund financial statements, but rather is reported in the basic financial statements of the County.

NOTE II – DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

Court Fees Fund

Net Change in fund balance (GAAP Basis)	\$ 0
Unearned Jury Revenue	<u>\$55,055</u>
Net Change in fund balance non-GAAP	<u>\$55,055</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE III - CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2020, the Clerk had the following deposits, investments, and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
Cash on Hand	N/A	\$ 1,296,878	N/A
Demand Deposits	N/A	25,723,601	N/A
Florida PRIME	48 days	<u>16,799,583</u>	AAAm
Total Cash, Cash Equivalents and Investments		<u>\$43,820,062</u>	
Reconciliation:			
General Fund		\$4,172,240	
Court Fees		7,701,332	
Public Records Modernization		8,053,462	
Child Support Enforcement		4,800,925	
Agency Funds		<u>19,092,103</u>	
		<u>\$43,820,062</u>	

Custodial Credit Risk

At September 30, 2020, the Clerk's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk

The Clerk does not have a formal written investment policy and thereby is required to follow Section 218.415, *Florida Statutes*, when investing surplus funds. This statute limits investing of surplus funds to the Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, or direct obligations of the U.S. Treasury.

Interest Rate Risk

The Clerk does not have a formal investment policy that limits investment maturities nor is one contained in Section 218.415, *Florida Statutes*. The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

Concentration of Credit Risk

The Clerk places no limit on the amount it may invest in any one issuer or investment.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE IV - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Artwork	\$ 1,000	\$ -	\$ -	\$ 1,000
SIP	861,000	28,080	(889,080)	-
Total capital assets not being depreciated	<u>862,000</u>	<u>28,080</u>	<u>(889,080)</u>	<u>1,000</u>
Capital assets being depreciated:				
Improvements other than buildings	74,499	-	(74,499)	-
Machinery and equipment	3,794,369	1,142,603	(28,801)	4,908,171
Software	10,431,337	889,081	-	11,320,418
Total capital assets being depreciated	<u>14,300,205</u>	<u>2,031,684</u>	<u>(103,300)</u>	<u>16,228,589</u>
Less accumulated depreciation for:				
Improvements other than buildings	54,633	3,718	(58,351)	-
Machinery and equipment	2,751,244	500,569	(27,821)	3,223,992
Software	9,650,868	377,380	-	10,028,248
Total accumulated depreciation	<u>12,456,745</u>	<u>881,667</u>	<u>(86,172)</u>	<u>13,252,240</u>
Total capital assets being depreciated, net	<u>1,843,460</u>	<u>1,150,017</u>	<u>(17,128)</u>	<u>2,976,349</u>
Total governmental activities capital assets, net	<u>\$ 2,705,460</u>	<u>\$ 1,178,097</u>	<u>\$ (906,208)</u>	<u>\$ 2,977,349</u>

NOTE V - RETIREMENT PLANS

Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, *Florida Administrative Code*; wherein

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. In 2017, Senate Bill 7022 made several changes to FRS. The bill provides for renewed membership in the investment plan for reemployed retirees of the investment plan, as well as, In-Line-of Duty Death Benefits.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Defined Contribution Plan – FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$1,747,688, \$1,587,478, and \$1,401,907 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's comprehensive annual financial report.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Other Postemployment Benefits

The Clerk provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Clerk. The Clerk is required to provide health care coverage at cost to all retirees. Effective October 1, 2018, the Clerk offers a premium subsidy to all retirees with eight or more years of consecutive employment. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE VI – RISK MANAGEMENT

The Lee County, Florida, Board of County Commissioners maintains self-insurance internal service funds to administer insurance activities relating to certain group medical and dental coverage, property, general, automobile, public officials liability, workers’ compensation and auto physical damage. The Clerk participates in the County-wide self-insurance program for all activities. For liability insurance, the Board pays substantially all of the respective premiums on behalf of the Clerk and absorbs losses related to these programs up to an aggregate annual limit. Excess and other specific coverage is purchased from third-party carriers. Charges to participants are based upon amounts believed by management of the program to meet the required annual payouts during the fiscal year and to pay for the estimated operating cost of the program.

NOTE VII – LONG-TERM OBLIGATIONS

The following changes in long-term obligations occurred during the year ended September 30, 2020:

Accrued compensated absences at October 1, 2019	\$1,587,593
Additions	2,347,978
Reductions	<u>(1,509,154)</u>
Accrued compensated absences at September 30, 2020	<u>\$2,426,417</u>

Of these liabilities, approximately \$150,900 is expected to be paid during the fiscal year ended September 30, 2021. These long-term liabilities are not reported in the financial statements of the Clerk since they have not matured.

NOTE VIII – COMMITMENTS AND CONTINGENCIES

Litigation

The Clerk is involved from time to time in routine civil litigation, the substance of which would not materially affect the financial position of the Clerk.

Grants

The Clerk is the recipient of grants that are subject to special compliance requirements and audits by the grantor agencies that may result in disallowed expense amounts. These amounts constitute a contingent liability of the Clerk. The Clerk does not believe any contingent liabilities, if any, to be material to the financial statements.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE IX – GOVERNMENTAL FUND BALANCES

In accordance with Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion include items that are not expected to be converted to cash. As of September 30, 2020, the Clerk’s General Fund reported a nonspendable fund balance of \$32,272 for inventory.

Spendable fund balances are classified as follows:

Restricted fund balances are constrained for a specific purpose by creditors, grantors, contributors, laws or regulations, or through constitutional provisions or enabling legislation. The Clerk’s Public Records Modernization special revenue fund reported a restricted fund balance of \$8,001,562 which includes \$5,817,187 for public records modernization and \$2,184,375 for court technology.

Committed fund balances are constrained for a specific purpose imposed by a formal action of the Clerk’s highest level of decision making authority. As of September 30, 2020, the Clerk’s Child Support Enforcement special revenue fund reported committed fund balance of \$4,977,519 for court related functions.

Assigned fund balances are intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2020, the Clerk reported no assigned fund balances.

Unassigned fund balances represent the residual fund balances that do not meet the other fund balance classification requirements. As of September 30, 2020, the Clerk’s General Fund reported a negative unassigned fund balance of \$32,272 since all excess fees are returned to the County and the General Fund reports a nonspendable fund balance for its inventory. There were no negative residual balances reported in the Clerk’s special revenue funds.

Supplemental Financial Information

LeeClerk.ORG
LINDA DOGGETT : CLERK OF COURT

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF FIDUCIARY NET POSITION - ALL AGENCY FUNDS
September 30, 2020

	Due to Department of Revenue	Fines and Forfeitures	Jury and Witness	Delinquent Tax	Registry of Court
ASSETS					
Cash, cash equivalents, and investments	\$ 5,191,593	\$ 55,866	\$ 44,184	\$ 5,996,286	\$ 6,305,462
Due from other governments	192	-	-	-	-
Total assets	<u>\$ 5,191,785</u>	<u>\$ 55,866</u>	<u>\$ 44,184</u>	<u>\$ 5,996,286</u>	<u>\$ 6,305,462</u>
LIABILITIES					
Accounts payable	\$ -	\$ 9,541	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	791
Due to other governments	5,191,785	46,325	44,184	-	32,724
Bonds and deposits	-	-	-	5,996,286	6,271,947
Total liabilities	<u>\$ 5,191,785</u>	<u>\$ 55,866</u>	<u>\$ 44,184</u>	<u>\$ 5,996,286</u>	<u>\$ 6,305,462</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF FIDUCIARY NET POSITION - ALL AGENCY FUNDS
September 30, 2020

	Criminal Fines and Forfeitures	Juvenile Victim Restitution	Criminal Cash Bonds	Value Adjustment Board	Total All Agency Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 53	\$ 3,462	\$ 1,417,253	\$ 77,944	\$ 19,092,103
Due from other governments	-	-	-	-	192
Total assets	<u>\$ 53</u>	<u>\$ 3,462</u>	<u>\$ 1,417,253</u>	<u>\$ 77,944</u>	<u>\$ 19,092,295</u>
LIABILITIES					
Accounts payable	-	\$ 3,462	\$ 5,282	\$ 11,094	\$ 29,379
Accrued liabilities	-	-	-	-	791
Due to other governments	53	-	-	45	5,315,116
Bonds and deposits	-	-	1,411,971	66,805	13,747,009
Total Liabilities	<u>\$ 53</u>	<u>\$ 3,462</u>	<u>\$ 1,417,253</u>	<u>\$ 77,944</u>	<u>\$ 19,092,295</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Due to Department of Revenue				
ASSETS				
Cash, cash equivalents, and investments	\$ 4,201,752	\$ 148,368,793	\$ 147,378,952	\$ 5,191,593
Due from other governments	-	192	-	192
Total assets	<u>4,201,752</u>	<u>148,368,985</u>	<u>147,378,952</u>	<u>5,191,785</u>
LIABILITIES				
Due to other governments	4,201,752	146,452,275	145,462,242	5,191,785
Total liabilities	<u>\$ 4,201,752</u>	<u>\$ 146,452,275</u>	<u>\$ 145,462,242</u>	<u>\$ 5,191,785</u>
Fines and Forfeitures				
ASSETS				
Cash, cash equivalents, and investments	\$ 60,522	\$ 654,451	\$ 659,107	\$ 55,866
Total assets	<u>60,522</u>	<u>654,451</u>	<u>659,107</u>	<u>55,866</u>
LIABILITIES				
Accounts payable	-	662,689	653,148	9,541
Due to other governments	60,522	639,142	653,339	46,325
Total liabilities	<u>\$ 60,522</u>	<u>\$ 1,301,831</u>	<u>\$ 1,306,487</u>	<u>\$ 55,866</u>
Jury and Witness				
ASSETS				
Cash, cash equivalents, and investments	\$ 21,769	\$ 125,777	\$ 103,362	\$ 44,184
Total assets	<u>21,769</u>	<u>125,777</u>	<u>103,362</u>	<u>44,184</u>
LIABILITIES				
Accounts payable	-	104,102	104,102	-
Due to other governments	21,769	125,741	103,326	44,184
Total liabilities	<u>\$ 21,769</u>	<u>\$ 229,843</u>	<u>\$ 207,428</u>	<u>\$ 44,184</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Delinquent Tax				
ASSETS				
Cash, cash equivalents, and investments	\$ 7,253,061	\$ 10,281,474	\$ 11,538,249	\$ 5,996,286
Total assets	<u>7,253,061</u>	<u>10,281,474</u>	<u>11,538,249</u>	<u>5,996,286</u>
LIABILITIES				
Accounts payable	-	10,221,416	10,221,416	-
Due to other governments	-	948,890	948,890	-
Bonds and deposits	7,253,061	10,423,832	11,680,607	5,996,286
Total liabilities	<u>\$ 7,253,061</u>	<u>\$ 21,594,138</u>	<u>\$ 22,850,913</u>	<u>\$ 5,996,286</u>
Registry of Court				
ASSETS				
Cash, cash equivalents, and investments	\$ 7,610,296	\$ 44,631,962	\$ 45,936,796	\$ 6,305,462
Total assets	<u>7,610,296</u>	<u>44,631,962</u>	<u>45,936,796</u>	<u>6,305,462</u>
LIABILITIES				
Accounts payable	-	21,752,787	21,752,787	-
Accrued liabilities	123	1,260	592	791
Due to other governments	-	32,724	-	32,724
Bonds and deposits	7,610,173	20,514,500	21,852,726	6,271,947
Total liabilities	<u>\$ 7,610,296</u>	<u>\$ 42,301,271</u>	<u>\$ 43,606,105</u>	<u>\$ 6,305,462</u>
Criminal Fines and Forfeitures				
ASSETS				
Cash, cash equivalents, and investments	\$ 50	\$ 763	\$ 760	\$ 53
Total assets	<u>50</u>	<u>763</u>	<u>760</u>	<u>53</u>
LIABILITIES				
Accounts payable	-	736	736	-
Due to other governments	50	748	745	53
Total liabilities	<u>\$ 50</u>	<u>\$ 1,484</u>	<u>\$ 1,481</u>	<u>\$ 53</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Juvenile Victim Restitution				
ASSETS				
Cash, cash equivalents, and investments	\$ 1,994	\$ 6,635	\$ 5,167	\$ 3,462
Total assets	<u>1,994</u>	<u>6,635</u>	<u>5,167</u>	<u>3,462</u>
LIABILITIES				
Accounts payable	1,994	11,221	9,753	3,462
Total liabilities	<u>\$ 1,994</u>	<u>\$ 11,221</u>	<u>\$ 9,753</u>	<u>\$ 3,462</u>
Criminal Cash Bonds				
ASSETS				
Cash, cash equivalents, and investments	\$ 1,449,549	\$ 926,442	\$ 958,738	\$ 1,417,253
Total assets	<u>1,449,549</u>	<u>926,442</u>	<u>958,738</u>	<u>1,417,253</u>
LIABILITIES				
Accounts payable	5,382	757,011	757,111	5,282
Bonds and deposits	1,444,167	814,970	847,166	1,411,971
Total liabilities	<u>\$ 1,449,549</u>	<u>\$ 1,571,981</u>	<u>\$ 1,604,277</u>	<u>\$ 1,417,253</u>
Value Adjustment Board				
ASSETS				
Cash, cash equivalents, and investments	\$ 71,801	\$ 112,389	\$ 106,246	\$ 77,944
Accounts receivable	-	15,405	15,405	-
Total assets	<u>71,801</u>	<u>127,794</u>	<u>121,651</u>	<u>77,944</u>
LIABILITIES				
Accounts payable	10,725	76,452	76,083	11,094
Due to other governments	-	90	45	45
Bonds and deposits	61,076	71,594	65,865	66,805
Total liabilities	<u>\$ 71,801</u>	<u>\$ 148,136</u>	<u>\$ 141,993</u>	<u>\$ 77,944</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2020

Total All Agency Funds	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
ASSETS				
Cash, cash equivalents, and investments	\$ 20,670,794	\$ 205,108,686	\$ 206,687,377	\$ 19,092,103
Accounts receivable	-	15,405	15,405	-
Due from other governments	-	192	-	192
Total assets	<u>20,670,794</u>	<u>205,124,283</u>	<u>206,702,782</u>	<u>19,092,295</u>
LIABILITIES				
Accounts payable	\$ 18,101	\$ 33,586,414	\$ 33,575,136	\$ 29,379
Accrued liabilities	123	1,260	592	791
Due to other governments	4,284,093	148,199,610	147,168,587	5,315,116
Bonds and deposits	16,368,477	31,824,896	34,446,364	13,747,009
Total liabilities	<u>\$ 20,670,794</u>	<u>\$ 213,612,180</u>	<u>\$ 215,190,679</u>	<u>\$ 19,092,295</u>

Additional Reports of Independent Auditor

LeeClerk.ORG
LINDA DOGGETT : CLERK OF COURT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court, Lee County, Florida (Clerk), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated December 9, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

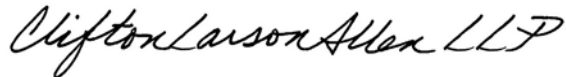
Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
December 9, 2020



MANAGEMENT LETTER

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of the Circuit Court, Lee County, Florida (Clerk), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated December 9, 2020.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 9, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of findings and recommendations made in the preceding annual financial audit report are listed in Appendix A.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

**CLERK OF THE CIRCUIT COURT
LEE COUNTY, FLORIDA
MANAGEMENT LETTER
SEPTEMBER 30, 2020**

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. Our recommendations are below.

2020-001 Performance Reports

Quarterly performance reports relating to collections, timeliness of filing and docketing cases, and timeliness of paying jurors must be submitted to the Florida Clerk of Courts Operations Corporation (CCOC) by the 20th of the month following the end of the quarter. One of the four quarterly reports relating to the timeliness of paying jurors was filed subsequent to the due date.

We recommend management establish procedures and internal controls to ensure that all performance reports are completed and submitted timely to the COCC.

Management Response: We acknowledge this finding. Both of the Clerks within the jury office who are responsible for this report were furloughed in the months of April through June as a result of the COVID-19 pandemic. In all, 76 Clerks were furloughed during this time and 95% of all Clerks were sent to work from home. The result was extensive changes in hundreds of processes and procedures for the management team to coordinate and this report was missed in the midst of it all. Management changes that occurred since this time are expected to resolve this permanently.

2020-002 Detail Support for Performance Reports

Detail reports which support and agree to the quarterly performance reports submitted to the Florida Clerk of Courts Operations Corporation (CCOC) is required to be retained. For the timeliness of filing and docketing cases, detail reports maintained as supporting records did not agree to the amounts reported on the fourth quarter COCC report for seven of the twenty-five quarters tested.

While many of the variances were insignificant, we recommend that management establish procedures to ensure that the supporting detail reports are both accurate and that they are retained in a manner that would allow the amounts reported to the CCOC to be verified and reviewed prior to submission.

Management Response: We acknowledge that the detailed audit spreadsheets for July of 2020 were mistakenly hard deleted. The files were stored on a server that is purged automatically every 5 weeks by Clerk policy. Going forward, this has been corrected so that all audit files will be retained until the completion of external audits are confirmed. As for the other variances experienced within the other reporting periods, if the audited quarters fell within the months of July, August, and September of 2020, the variances are explained when the file was re-produced with case actions that might not have been completed when the initial file was generated.

**CLERK OF THE CIRCUIT COURT
LEE COUNTY, FLORIDA
MANAGEMENT LETTER
SEPTEMBER 30, 2020**

2020-003 Creating and Notifying the Department of Revenue of Child Support Depository Accounts

The Florida Department of Revenue (FDOR) requires the Clerk to create a depository account and notify FDOR within four business days of the depository account number. For the seven of the twenty-five depository accounts tested, the Clerk did not create the account and notify the FDOR of the depository account number within four business days.

We recommend management establish procedures and internal controls to ensure that the FDOR requirements are met and information is submitted timely.

Management Response: We acknowledge this finding. We performed a deep-dive of the business process and have changed the priority of the work queue from 3 business days to 1 business day. This change will visually alert the Deputy Clerks in the queue, which will ensure these documents are processed timely. In addition, the CSE Clerks now have an Assistant Supervisor position dedicated to overseeing timely completion of document processing.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
December 9, 2020

**CLERK OF THE CIRCUIT COURT
LEE COUNTY, FLORIDA
MANAGEMENT LETTER
SEPTEMBER 30, 2020**

APENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Finding Number			Current Year Status		
		Current Year	FY 2019	FY 2018	Cleared	Partially Cleared	Not Cleared
2019-001 Performance Reports	Management Letter	2020-001	2019-001	N/A			X
2019-002 Detail Support for Performance Reports	Management Letter	2020-002	2019-002	N/A			X
2019-003 Action Plans for Performance Reports	Management Letter	N/A	N/A	N/A	X		
2019-004 Child Support Depository Accounts DOR Notification	Management Letter	2020-003	2019-004	N/A			X



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

We have examined the Clerk of Circuit Court, Lee County, Florida (Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2020. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181 Florida Statutes, regarding clerks of courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of courts performance standards and budgets during the year ended September 30, 2020.

This report is intended solely for the information and use of the Clerk and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
December 9, 2020

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
TOGETHER WITH
REPORTS OF INDEPENDENT AUDITOR**

YEAR ENDED SEPTEMBER 30, 2020

LEE COUNTY, FLORIDA PROPERTY APPRAISER
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Independent Auditor's Report

To the Honorable Kenneth M. Wilkinson
Property Appraiser, Lee County, Florida
2480 Thompson Street
Fort Myers, Florida 33901

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund of the Lee County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements, which collectively comprise the Property Appraiser's special-purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Special-Purpose Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Property Appraiser as of September 30, 2020, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund and the GIS Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

INTEGRITY SERVICE EXPERIENCE

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Property Appraiser. Additionally, the special-purpose financial statements present only the Property Appraiser and are not intended to and do not present the financial position and changes in financial position of Lee County, Florida taken as a whole as of and for the year ended September 30, 2020 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Property Appraiser's special-purpose financial statements. The Exhibit – Management's Response to Independent Auditor's Report to Management is not a required part of the special-purpose financial statements but is required by Government Auditing Standards and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. Such information has not been subjected to the auditing procedures applied in the audit of the special-purpose financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, *Florida Statutes*, we have also issued a report dated November 6, 2020, on our consideration of the Property Appraiser's compliance with provisions of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, *Florida Statutes* in considering the Property Appraiser's compliance with Section 218.415, *Florida Statutes*.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 6, 2020, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Property Appraiser's internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 6, 2020

SPECIAL-PURPOSE FINANCIAL STATEMENTS

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
SPECIAL-PURPOSE BALANCE SHEET - GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2020

ASSETS	General Fund	GIS Fund	Total
Cash	\$ 1,635,647	\$ 261,843	\$ 1,897,490
Total assets	<u>\$ 1,635,647</u>	<u>\$ 261,843</u>	<u>\$ 1,897,490</u>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 18,803	\$ 1,055	\$ 19,858
Accrued and other liabilities	297,295	38,041	335,336
Due to other governments	194,401	-	194,401
Due to the Board of County Commissioners	<u>1,125,148</u>	<u>222,747</u>	<u>1,347,895</u>
Total liabilities	<u>1,635,647</u>	<u>261,843</u>	<u>1,897,490</u>
 Fund balance	 <u>-</u>	 <u>-</u>	 <u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,635,647</u>	<u>\$ 261,843</u>	<u>\$ 1,897,490</u>

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2020

	General Fund	GIS Fund	Total
Revenues:			
Intergovernmental	\$ 1,816,227	\$ -	\$ 1,816,227
Charges for services	335,645	105	335,750
Interest earned	10,877	-	10,877
Miscellaneous	90,273	-	90,273
Total revenues	<u>2,253,022</u>	<u>105</u>	<u>2,253,127</u>
Expenditures:			
General government:			
Personnel services	7,444,605	995,689	8,440,294
Operating expenditures	1,090,402	576,731	1,667,133
Capital outlay	92,156	22,432	114,588
Total expenditures	<u>8,627,163</u>	<u>1,594,852</u>	<u>10,222,015</u>
Excess of expenditures over revenues	<u>(6,374,141)</u>	<u>(1,594,747)</u>	<u>(7,968,888)</u>
Other financing sources (uses):			
Board of County Commissioners fees and appropriations	7,690,802	1,817,494	9,508,296
Distribution of excess fees and appropriations to the Board of County Commissioners	(1,122,260)	(222,747)	(1,345,007)
Distribution of excess fees to other taxing districts	(194,401)	-	(194,401)
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>6,374,141</u>	<u>1,594,747</u>	<u>7,968,888</u>
Excess of expenditures and other financing uses over revenues and other financing sources	-	-	-
Fund balance – beginning of year	-	-	-
Fund balance – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND (BUDGETARY BASIS)**

YEAR ENDED SEPTEMBER 30, 2020

	Budget		Budgetary basis - actual	Variance with final budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,316,734	\$ 1,318,027	\$ 1,318,027	\$ -
Charges for services	-	-	-	-
Interest earned	-	-	10,877	10,877
Miscellaneous	-	-	90,273	90,273
Total revenues	<u>1,316,734</u>	<u>1,318,027</u>	<u>1,419,177</u>	<u>101,150</u>
Expenditures:				
General government:				
Personnel services	8,023,890	8,006,183	6,991,101	1,015,082
Operating expenditures	932,095	932,095	710,061	222,034
Capital outlay	<u>47,815</u>	<u>66,815</u>	<u>92,156</u>	<u>(25,341)</u>
Total expenditures	<u>9,003,800</u>	<u>9,005,093</u>	<u>7,793,318</u>	<u>1,211,775</u>
Excess of expenditures over revenues	<u>(7,687,066)</u>	<u>(7,687,066)</u>	<u>(6,374,141)</u>	<u>1,312,925</u>
Other financing sources (uses):				
Board of County Commissioners fees and appropriations	7,687,066	7,687,066	7,690,802	3,736
Distribution of excess fees and appropriations to the Board of County Commissioners	-	-	(1,122,260)	(1,122,260)
Distribution of excess fees to other taxing districts	<u>-</u>	<u>-</u>	<u>(194,401)</u>	<u>(194,401)</u>
Total other financing sources	<u>7,687,066</u>	<u>7,687,066</u>	<u>6,374,141</u>	<u>(1,312,925)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance – beginning of year			<u>-</u>	
Fund balance – end of year			<u>\$ -</u>	

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GIS FUND**

YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with final budget
	Original	Final		
Revenues:				
Aerial map sales	\$ -	\$ -	\$ 105	\$ 105
Total revenues	-	-	105	105
Expenditures:				
General government:				
Personnel services	1,239,075	1,216,683	995,689	220,994
Operating expenditures	559,819	578,378	576,731	1,647
Capital outlay	18,600	22,433	22,432	1
Total expenditures	1,817,494	1,817,494	1,594,852	222,642
Excess of expenditures over revenues	(1,817,494)	(1,817,494)	(1,594,747)	222,747
Other financing sources (uses):				
Board of County				
Commissioners fees and appropriations	1,817,494	1,817,494	1,817,494	-
Distribution of excess appropriations to the Board of County Commissioners	-	-	(222,747)	(222,747)
Total other financing sources	1,817,494	1,817,494	1,594,747	(222,747)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund balance – beginning of year			-	
Fund balance – end of year			\$ -	

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies

Financial Reporting Entity

The Lee County, Florida, Property Appraiser (the “Property Appraiser”) is an elected constitutional officer as provided for by the Constitution of the State of Florida. For financial reporting purposes the Property Appraiser is deemed to be part of the primary government of Lee County, Florida (the “County”) and, therefore, is included as such in the County’s Comprehensive Annual Financial Report (CAFR). Pursuant to Section 195.087, *Florida Statutes*, the Property Appraiser’s general fund budget is submitted to the State of Florida Department of Revenue for approval, and a copy of the general fund budget along with the GIS fund budget is forwarded to Lee County, Florida (the “County”).

Measurement Focus, Basis of Accounting, and Basis of Presentation

The special-purpose financial statements presented include the general fund and special revenue fund of the Property Appraiser’s office. The accompanying financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Section 10.550, *Rules of the Auditor General - Local Governmental Entity Audits* (the “Rules”), which require the Property Appraiser to only present fund financial statements. In conformity with the Rules, the Property Appraiser has not presented government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

Fund financial statements report detailed information about the Property Appraiser. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

The financial activities of the Property Appraiser, as a constitutional officer, are included in the Lee County, Florida, Comprehensive Annual Financial Report.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance current liabilities of the fiscal year). For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures only to the extent they have matured and were paid.

Charges for services and interest income are recognized as they are earned and become measurable and available to pay liabilities of the current period.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation, continued

Substantially all of the Property Appraiser's revenue is received from taxing authorities. These monies are unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt or earlier if the "susceptible to accrual" criterion is met.

Florida Statutes provide that the amount by which revenues exceed annual expenditures (excess fees) in the General Fund be remitted to each taxing authority which paid fees to the Property Appraiser immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenues were recognized.

Florida Statutes further provide that the excess of revenues over expenditures held by the Property Appraiser be distributed to each taxing authority in the same proportion as the commissions and fees paid by each taxing authority bear to total commission and fee revenue paid to the Property Appraiser. The amounts of these distributions are recorded as liabilities and as other financing uses in the accompanying special-purpose financial statements.

Capital outlay expended in the General and GIS funds' operations are capitalized in the basic financial statements of the Board rather than in the governmental funds of the Property Appraiser.

Governmental Funds

The Lee County, Florida, Property Appraiser has two major governmental funds:

General Fund – The General Fund is used to account for the general operations of the Property Appraiser. Excess revenue in this fund is paid to the Board of County Commissioners and the respective special taxing districts at year end.

GIS Fund – The GIS Fund is a special revenue fund used to account for the restricted revenues and expenditures associated with the operations of Lee County's Geographical Information System (GIS). Excess revenue in this fund is paid to the Board of County Commissioners at year-end.

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Cash Equivalents

Cash equivalents and investments are defined as highly liquid investments with original maturities of three months or less and are carried at cost.

Fair Value of Financial Investments

The Property Appraiser adheres to GASB Statement No. 72, “Fair Value Measurements and Application.” This Standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. This Standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. This Standard establishes a fair value hierarchy which consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Property Appraiser has the ability to access. At September 30, 2020, the Property Appraiser held no such assets.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices or securities with similar characteristics or discounted cash flows. At September 30, 2020, the Property Appraiser held no such assets.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. At September 30, 2020, the Property Appraiser held no such assets.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Compensated Absences

All full-time employees of the Property Appraiser, not including the elected Property Appraiser as he is prevented from accumulating sick and vacation time hours, accumulate sick and vacation hours based on the number of years of continuous service and other criterion. Upon termination, employees receive 100% of allowable accumulated vacation hours and a percentage of unused sick hours, depending on years of service. Vacation and sick leave are included in operating costs when the payments are made to employees. The Property Appraiser does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Compensated Absences, continued

compensated absences is not reported in these special-purpose financial statements of the Property Appraiser but, rather, is reported in the basic financial statements of the County.

Net Pension and OPEB Liability

Employees of the Property Appraiser are generally entitled to future retirement and OPEB benefits. Such liability is actuarially determined and reported in the government-wide financial statements and in the related notes of the County financial statements. Only pension and OPEB contribution expenses are reported in the special-purpose financial statements of the Property Appraiser.

Use of Estimates

The preparation of the special-purpose financial statements, in accordance with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the special-purpose financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 6, 2020 which is the date the special-purpose financial statements were available to be issued.

(2) Budgetary Process

Florida Statutes govern the preparation, adoption, and administration of the Property Appraiser's annual budget for the General Fund. The Property Appraiser prepares a budget for the General Fund and submits it to the Florida Department of Revenue for approval. A copy of the approved General Fund budget is provided to the Board. Any subsequent amendments must be approved by the Florida Department of Revenue. The Property Appraiser also adopts a budget for its GIS Fund pursuant to an Interlocal Agreement with the Board. This budget is approved annually by the Board.

The annual budget serves as the legal authorization for expenditures. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budget control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser. Amendments to the approved General Fund budget must be approved by the Florida Department of Revenue.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other changes applicable to the fiscal year, whenever legally authorized.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(2) Budgetary Process (continued)

The GIS Fund budget is prepared on a basis consistent with generally accepted accounting principles (“GAAP”). The Property Appraiser’s General Fund budget is prepared based on Florida Department of Revenue Rules, which differs from GAAP in that costs and offsetting revenues related to TRIM notices, as well as non-ad valorem commissions on cost recovery revenues received from Special Districts and other governments and expenditures paid from these commissions, are not recognized under the budgetary basis of accounting; however, all such revenues and expenditures are recognized under the GAAP basis.

The General Fund actual results of operations in the statement of revenues, expenditures, and changes in fund balance – budget to actual – General Fund are presented on a budgetary basis. Adjustments to convert the results of operations at the end of the year, for the year ended September 30, 2020, from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Intergovernmental Revenue	Charges for Services	Personnel Services	Operating Expenditures
Budgetary basis (Non-GAAP)	\$ 1,318,027	\$ -	\$ 6,991,101	\$ 710,061
Charges for services not budgeted (TRIM)	-	329,951	-	-
Operating expenditures not budgeted (TRIM)	-	-	-	329,951
Operating expenditures not budgeted (cost recovery)	-	-	-	50,390
Charges for services not budgeted (cost recovery)	-	5,694	-	-
Intergovernmental revenue not budgeted (cost recovery)	498,200	-	-	-
Personnel services not budgeted (cost recovery)	-	-	453,504	-
GAAP Basis	<u>\$ 1,816,227</u>	<u>\$ 335,645</u>	<u>\$ 7,444,605</u>	<u>\$ 1,090,402</u>

(3) Cash

At September 30, 2020, the carrying value of the Property Appraiser’s cash was as follows:

Type	Carrying Value
Cash on hand	\$ 1,000
Demand deposits	<u>1,896,490</u>
Total cash	<u>\$ 1,897,490</u>

Custodial Credit Risk

At September 30, 2020, the Property Appraiser’s deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(3) Cash (continued)

Credit and Interest Rate Risk

The Property Appraiser's policy is to follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Property Appraiser to invest in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities; or interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida, national banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

At September 30, 2020, the Property Appraiser's investments of \$192 were in the State Board of Administration ("SBA"). SBA investments consist of Florida PRIME only.

The Florida PRIME is an external investment pool that is not registered with the Securities Exchange Commission (SEC), but operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Florida PRIME is rated AAAM by Standard and Poor's. The Florida PRIME had a weighted average days to maturity (WAM) of 48 days at September 30, 2020. The weighted average life (WAL) for Florida PRIME at September 30, 2020 was 63 days. Rule 2a7 allows funds to use amortized cost to maintain a constant NAV of \$1.00 per share. Accordingly, the Property Appraiser's investment in Florida PRIME is reported at the account balance (pooled shares), which is considered fair value.

The Property Appraiser adheres to the requirements of GASB Statement No. 79 which requires the following disclosures related to its Florida PRIME (the "trust fund") investment:

Redemption Gates: Chapter 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to a payment at any time from the moneys in the trust fund. However, the Executive Director of the fund may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable for the time the Executive Director has

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(3) Cash (continued)

Credit and Interest Rate Risk, continued

instituted such measures to review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on the contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the “expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

Redemption Fees: As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Securities Lending: Florida PRIME did not participate in a securities lending program during the fiscal year ending September 30, 2020.

Foreign Currency Risk: Florida PRIME was not exposed to any foreign currency risk during the fiscal year ending September 30, 2020.

(4) Capital Assets

Capital assets used by the Property Appraiser are capitalized in the basic financial statements of the County rather than in the governmental funds of the Property Appraiser. Upon acquisition, such assets are recorded as expenditures in the governmental funds of the Property Appraiser, and are capitalized at cost in the basic financial statements of the Board. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date received. The Property Appraiser maintains custodial responsibility for the capital assets used by the office. No depreciation expense has been provided on capital assets in these special-purpose financial statements. However, depreciation expense is recorded in the basic financial statements of the County.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(5) Long-Term Liabilities

Vacation leave is accrued as benefits are earned by employees of the Property Appraiser. Sick leave is accrued as benefits are earned by employees, but only to the extent that it is possible the Property Appraiser will compensate the employees for the benefits through cash payment at termination or retirement during the current fiscal year.

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of the Board:

	October 1, 2019	Additions	Retirements	September 30, 2020
Accrued compensated absences	<u>\$ 640,703</u>	<u>\$ 520,967</u>	<u>\$ (512,805)</u>	<u>\$ 648,865</u>

Substantially all the balance outstanding at September 30, 2020 is expected to be paid during the fiscal year ending September 30, 2021. These long-term liabilities are not reported in the special-purpose financial statements of the Property Appraiser since they have not matured.

(6) Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans (FRS Plan and HIS) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officials Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(7) Defined Benefit Pension Plans, (continued)

Contributions

The Florida Legislature established contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2020 were as follows:

Class (2)	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/19 – 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/20 – 6/30/21.

* As defined by plan.

The Property Appraiser’s contributions excluding employee contributions to the defined-benefit pension plan totaled \$666,141 for the year ended September 30, 2020, including HIS plan contributions. The Property Appraiser contributed 100 percent of the required contributions. Employee contributions to the defined-benefit pension plan totaled \$150,669 for the year ended September 30, 2020.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits. The following chart shows the percentage value for each year of service credit earned:

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Benefits Provided, continued

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected Officials	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the Property Appraiser's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the Property Appraiser's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Defined Contribution Plan, continued

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the Florida SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Other Postemployment Benefits (OPEB)

The Property Appraiser provides postretirement healthcare benefits in accordance with Section 110.123, *Florida Statutes*, to all employees who retire from the Property Appraiser. The Property Appraiser pays 50 percent of the premium cost for the retiree to participate in the Board's self-insurance fund. Effective January 1, 2008, for employees hired after December 31, 2007, the subsidy for retiree health benefits has been eliminated. Expenditures for postretirement healthcare benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported (IBNR) to the Board. The Property Appraiser paid \$226,255 to the Board for the postretirement healthcare benefit for its retirees during the year ended September 30, 2020. The Property Appraiser is charged by the Board for participation in the postretirement healthcare benefits plan. As required by Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Board engaged an actuarial firm to determine the County's annual required contribution and unfunded obligation, which are the responsibility of the Board's general fund. Further information about OPEB is available in the County's comprehensive annual financial report.

**LEE COUNTY, FLORIDA PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(7) Deferred Compensation

The Property Appraiser offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Property Appraiser employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation balance is not available to participants or their estate until termination, retirement, death, or unforeseeable emergency.

(8) Risk Management

The Property Appraiser is exposed to various risks of loss, including general liability, health, dental, disability and life, property and casualty, auto and physical damage, and workers' compensation. A self-insurance internal service fund is maintained by the Board of County Commissioners to administer insurance activities. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Board. During the year ended September 30, 2020, the Property Appraiser paid \$1,521,835 (including \$103,750 paid by employees for health) to the Board of County Commissioners for health, life, dental and disability coverage including cost of retiree coverage of \$199,369, into the risk management program. The Board of County Commissioners paid \$68,091 to the self insurance fund on behalf of the Property Appraiser for general liability, property and casualty, auto and physical damage and workers' compensation during the year ended September 30, 2020.

Under this program, the Board of County Commissioners provides coverage for group health, dental, general liability claims and workers compensation. Lee County, Florida purchases commercial insurance for claims in excess of coverage provided by the risk management program and all other risks of loss. There have been no significant reductions in insurance coverage in the last fiscal year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

(9) Claims and Contingencies

Litigation

The Property Appraiser is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. In the opinion of the Property Appraiser and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Property Appraiser.

ADDITIONAL REPORTS

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Kenneth M. Wilkinson
Property Appraiser, Lee County, Florida
2480 Thompson Street
Fort Myers, Florida 33901

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the special-purpose financial statements of each major fund of the Lee County, Florida, Property Appraiser (the “Property Appraiser”) as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements which collectively comprise the special-purpose financial statements of the Property Appraiser, and have issued our report thereon dated November 6, 2020 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 6, 2020

Independent Accountant's Report on Compliance
With Section 218.415, *Florida Statutes*

To the Honorable Kenneth M. Wilkinson
Property Appraiser, Lee County, Florida
2480 Thompson Street
Fort Myers, Florida 33901

We have examined the Lee County, Florida, Property Appraiser's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Lee County, Florida, Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on Lee County, Florida, Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Lee County, Florida, Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lee County, Florida, Property Appraiser's compliance with specified requirements.

In our opinion, Lee County, Florida, Property Appraiser's complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of Lee County, Florida, Property Appraiser, Board of Commissioners, management and the Auditor General of the State of Florida and other state agencies, and is not intended for and should not be used by anyone other than these specified parties.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 6, 2020

Independent Auditor's Report to Management

To the Honorable Kenneth M. Wilkinson
Property Appraiser, Lee County, Florida
2480 Thompson Street
Fort Myers, Florida 33901

We have audited the special-purpose financial statements of the Lee County, Florida, Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 6, 2020.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in this report, which is dated November 6, 2020, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with *Florida Statute 218.39(2)* and Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

Section 10.554(1)(i)(1)., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit.

Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)(3)., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the special-purpose financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)(4)., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Property Appraiser.

Prior Year Comments:

No financially significant comments noted.

Current Year Comments:

No financially significant comments noted.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Lee County, Florida, Property Appraiser, Board of Commissioners, management, the Auditor General of the State of Florida and other state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tuscán & Company, P.A." with a stylized flourish at the end.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 6, 2020

EXHIBIT



STATE OF FLORIDA
LEE COUNTY PROPERTY APPRAISER
KENNETH M. WILKINSON, C.F.A.



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P.O. Box 1546
Fort Myers, Florida 33902-1546

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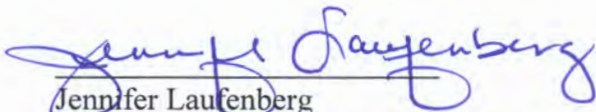
December 10, 2020

Mr. Jeffrey M. Tuscan
Tuscan & Company, P.A.
12621 World Plaza Lane
Building 55
Fort Myers, Florida 33907

Dear Mr. Tuscan,

We are in agreement with the basic financial statements for 2019-2020 and have noted that there were no current year comments for our response.

Respectfully,


Jennifer Laufenberg
Administrative Services Director


Paula Placher
Accounting Specialist

**LEE COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
TOGETHER WITH
REPORTS OF INDEPENDENT AUDITOR**

YEAR ENDED SEPTEMBER 30, 2020

**LEE COUNTY, FLORIDA
SHERIFF**

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TUSCAN
& Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Report of Independent Auditor

To the Honorable Carmine Marceno
Sheriff, Lee County, Florida
14750 Six Mile Cypress Parkway
Fort Myers, Florida 33912

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Lee County, Florida, Sheriff (the “Sheriff”), as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements which collectively comprise the Sheriff’s special-purpose financial statements, as listed in the table of contents.

Management’s Responsibility for the Special-Purpose Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

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

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

INTEGRITY SERVICE EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the special-purpose financial statements, the accompanying special-purpose financial statements referred to above were solely prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Sheriff. Additionally, the special-purpose financial statements present only the Sheriff and are not intended to and do not present the financial position and changes in financial position of Lee County, Florida taken as a whole as of and for the year ended September 30, 2020, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Financial Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Sheriff's basic special-purpose financial statements. The other financial information section is presented for purposes of additional analysis and is not a required part of the special-purpose 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 special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Sheriff's special-purpose financial statements. The Exhibit – Management's Response to Independent Auditor's Report to Management is not a required part of the special-purpose financial statements but is required by Government Auditing Standards and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. Such information has not been subjected to the auditing procedures applied in the audit of the special-purpose financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, *Florida Statutes*

In accordance with Section 218.415, *Florida Statutes*, we have also issued a report dated November 20, 2020, on our consideration of the Sheriff's compliance with provisions of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, *Florida Statutes* in considering the Sheriff's compliance with Section 218.415, *Florida Statutes*.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 20, 2020, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Sheriff's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." with a stylized flourish at the end.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 20, 2020

SPECIAL-PURPOSE FINANCIAL STATEMENTS

LEE COUNTY, FLORIDA
SHERIFF
SPECIAL-PURPOSE BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Grants Fund	Off-Duty Detail Fund	Canteen Fund	Forfeitures Fund	Total
ASSETS						
Cash	\$ 9,236,975	\$ 500	\$ -	\$ 1,574,115	\$ 148,907	\$ 10,960,497
Receivables, net	29,380	-	115,957	349,027	-	494,364
Due from other funds	1,021,365	-	-	-	-	1,021,365
Due from Lee County, Florida, Board of County Commissioners	788	1,247,143	93,054	-	-	1,340,985
Due from other governmental units	-	221,565	-	-	-	221,565
Total assets	\$ 10,288,508	\$ 1,469,208	\$ 209,011	\$ 1,923,142	\$ 148,907	\$ 14,038,776
LIABILITIES AND FUND BALANCE						
Liabilities:						
Contracts and accounts payable	\$ 5,963,756	\$ 17,175	\$ -	\$ 91,030	\$ -	\$ 6,071,961
Accrued liabilities	3,569,801	-	72,428	-	-	3,642,229
Due to other funds	-	884,782	136,583	-	-	1,021,365
Due to other governmental units	-	-	-	-	5,000	5,000
Due to Lee County, Florida, Board of County Commissioners	754,951	-	-	-	143,907	898,858
Unearned revenue	-	567,251	-	-	-	567,251
Total liabilities	10,288,508	1,469,208	209,011	91,030	148,907	12,206,664
Fund balance:						
Restricted for:						
Inmate welfare	-	-	-	1,832,112	-	1,832,112
Law enforcement activities	-	-	-	-	-	-
Total fund balance	-	-	-	1,832,112	-	1,832,112
Total liabilities and fund balance	\$ 10,288,508	\$ 1,469,208	\$ 209,011	\$ 1,923,142	\$ 148,907	\$ 14,038,776

See accompanying notes to special-purpose financial statements.

**LEE COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Off-Duty Detail Fund</u>	<u>Canteen Fund</u>	<u>Forfeitures Fund</u>	<u>Total</u>
Revenues:						
Intergovernmental	\$ -	\$ 9,160,972	\$ -	\$ -	\$ 49,462	\$ 9,210,434
Charges for services	-	-	3,282,589	2,818,837	-	6,101,426
Interest	161,118	-	-	-	1,414	162,532
Miscellaneous	833,818	129,612	-	-	-	963,430
Total revenues	<u>994,936</u>	<u>9,290,584</u>	<u>3,282,589</u>	<u>2,818,837</u>	<u>50,876</u>	<u>16,437,822</u>
Expenditures:						
General government:						
Personnel services	9,303,752	-	-	-	-	9,303,752
Operating	198,531	-	-	-	-	198,531
Public safety:						
Personnel services	145,602,205	7,101,028	2,866,626	1,163,252	-	156,733,111
Operating	34,109,288	2,135,428	178,303	1,309,635	26,619	37,759,273
Capital outlay	20,042,363	1,129,128	237,660	472,526	-	21,881,677
Debt service	580,556	-	-	-	-	580,556
Total expenditures	<u>209,836,695</u>	<u>10,365,584</u>	<u>3,282,589</u>	<u>2,945,413</u>	<u>26,619</u>	<u>226,456,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(208,841,759)</u>	<u>(1,075,000)</u>	<u>-</u>	<u>(126,576)</u>	<u>24,257</u>	<u>(210,019,078)</u>
Other financing sources (uses):						
Proceeds from capital lease	8,938,659	-	-	-	-	8,938,659
Proceeds from disposition of assets	3,933,836	-	-	-	-	3,933,836
Lee County, Florida, Board of County Commissioners appropriations						
	196,713,441	1,075,000	-	-	-	197,788,441
Distribution of excess appropriations to the Lee County, Florida, Board of County Commissioners						
	(744,177)	-	-	-	-	(744,177)
Transfers out to Lee County BOCC	-	-	-	-	(361,472)	(361,472)
Total other financing sources (uses)	<u>208,841,759</u>	<u>1,075,000</u>	<u>-</u>	<u>-</u>	<u>(361,472)</u>	<u>209,555,287</u>
Net change in fund balance	-	-	-	(126,576)	(337,215)	(463,791)
Fund balance - beginning of year	-	-	-	1,958,688	337,215	2,295,903
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,832,112</u>	<u>\$ -</u>	<u>\$ 1,832,112</u>

See accompanying notes to special-purpose financial statements.

**LEE COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with final budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ 161,118	\$ 161,118	\$ -
Miscellaneous	-	833,818	833,818	-
Total revenues	-	994,936	994,936	-
Expenditures:				
General government:				
Personnel services	8,922,961	9,303,752	9,303,752	-
Operating	240,508	198,531	198,531	-
Public safety:				
Personnel services	144,429,407	145,602,205	145,602,205	-
Operating	38,020,565	34,109,288	34,109,288	-
Capital outlay	5,100,000	7,393,714	7,393,714	-
Debt service	-	580,556	580,556	-
Total expenditures	196,713,441	197,188,046	197,188,046	-
Deficiency of revenues under expenditures	(196,713,441)	(196,193,110)	(196,193,110)	-
Other financing sources (uses):				
Proceeds from capital lease	-	-	-	-
Proceeds from disposition of assets	-	223,846	223,846	-
Lee County, Florida, Board of County Commissioners appropriations	196,713,441	196,713,441	196,713,441	-
Distribution of excess appropriations to the Lee County, Florida, Board of County Commissioners	-	(744,177)	(744,177)	-
Total other financing sources (uses)	196,713,441	196,193,110	196,193,110	-
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund balance – beginning of year			-	
Fund balance – end of year			\$ -	

See accompanying notes to special-purpose financial statements.

LEE COUNTY, FLORIDA

SHERIFF

SPECIAL-PURPOSE STATEMENT OF NET POSITION - INTERNAL SERVICE FUND

SEPTEMBER 30, 2020

ASSETS

	<u>Amounts</u>
Current assets:	
Cash	\$ 19,732,709
Total current assets	<u>19,732,709</u>

LIABILITIES

Current liabilities:	
Accounts payable	147,836
Due to other funds	-
Self-insurance claims payable	<u>4,329,010</u>
Total current liabilities	<u>4,476,846</u>

NET POSITION

Unrestricted	<u>15,255,863</u>
Total net position	<u>\$ 15,255,863</u>

LEE COUNTY, FLORIDA
SHERIFF

**SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - INTERNAL SERVICE FUND**
YEAR ENDED SEPTEMBER 30, 2020

	<u>Amounts</u>
Operating revenues:	
Charges for services	<u>\$ 32,607,121</u>
Operating expenses:	
Claims and claims expenses	25,980,958
Reinsurance premiums	2,399,469
Contractual services and expense	1,292,403
Operating expenses	176,909
Medical, pharmacy supplies/dispensing	166,145
Administrative and other expenses	<u>1,344,493</u>
Total operating expenses	<u>31,360,377</u>
Operating income	1,246,744
Nonoperating revenues:	
Interest income and other	<u>89,062</u>
Change in net assets	1,335,806
Net position - beginning of year	<u>13,920,057</u>
Net position - end of year	<u><u>\$ 15,255,863</u></u>

LEE COUNTY, FLORIDA

SHERIFF

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2020

	<u>Amounts</u>
Cash flows from operating activities:	
Cash payments for claims and claim-related services	\$ (25,946,208)
Cash payments for reinsurance premiums	(2,399,469)
Cash payments for administrative services and supplies	(1,344,493)
Cash paid for contractual services, operating supplies and expenses	(1,627,524)
Cash received from other funds for services	<u>32,607,121</u>
Net cash provided by (used in) operating activities	<u>1,289,427</u>
Cash flows from investing activities:	
Interest income and other	<u>89,062</u>
Net cash provided by investing activities	<u>89,062</u>
Net increase in cash and cash equivalents	1,378,489
Cash - beginning of year	<u>18,354,220</u>
Cash - end of year	<u><u>\$ 19,732,709</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ 1,246,744
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Increase in self-insurance claims payable	34,750
Decrease in accounts payable	7,933
Decrease in due to other funds	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>\$ 1,289,427</u></u>

LEE COUNTY, FLORIDA
SHERIFF
SPECIAL-PURPOSE STATEMENT OF FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2020

ASSETS	<u>Amounts</u>
Cash	\$ 110,519
Accounts receivable	490
Total assets	<u>\$ 111,009</u>
 LIABILITIES	
Accounts payable	\$ 26,169
Due to individuals	55,673
Due to other governments	29,167
Total liabilities	<u>\$ 111,009</u>

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies

Financial Reporting Entity

The Lee County, Florida, Sheriff (the “Sheriff”) is an elected constitutional officer as provided for by the Constitution of the State of Florida. For financial reporting purposes, the Sheriff is deemed to be part of the primary government of Lee County, Florida (the “County”) and, therefore, is included as such in the County’s Comprehensive Annual Financial Report (“CAFR”). Pursuant to Sections 129.03 and 30.49, *Florida Statutes*, the Sheriff’s general fund budget is submitted to the Lee County, Florida, Board of County Commissioners (the “Board”) for approval. The Sheriff is the chief law enforcement officer for Lee County, Florida and is responsible also for operating the County’s corrections and detention facilities.

Measurement Focus, Basis of Accounting, and Basis of Presentation

These special-purpose financial statements include the general fund, special revenue funds, proprietary fund (Internal Service Fund) and agency funds of the Sheriff’s office. The accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Section 10.550, *Rules of the Auditor General- Local Governmental Entity Audits* (the “Rules”), which require the Sheriff to only present fund financial statements. In conformity with the Rules, the Sheriff has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of the financial position and changes in its financial position.

As a result of the budgetary oversight by the Board and the financial dependency on the Board, the financial activities of the Sheriff are included in the Lee County, Florida, Comprehensive Annual Financial Report.

Transfers to the Sheriff’s general fund are provided by appropriations from the Board pursuant to *Florida Statutes*. Estimated receipts and budgeted fund balances must equal appropriations. The Sheriff is required to refund to the Board all excess appropriations (excess fees), in the general fund, annually; therefore, no unappropriated general fund balance is carried forward.

Fund financial statements report detailed information about the Sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies, (continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance current liabilities of the fiscal year). For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year-end with the exception of grants, which have a period of availability of one year. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

Interest and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in the prior years. The Off-Duty Detail fund had an allowance of \$0 as of September 30, 2020.

Substantially all of the Sheriff's revenue is appropriated by (derived from) the Board. In applying the susceptible to accrual concept to intergovernmental revenue, these are essentially two types of revenue. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Sheriff; therefore, revenue is recognized based upon expenditures incurred. Certain intergovernmental revenue is recorded in this manner. In the other, monies are virtually unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, earlier if the "susceptible to accrual" criterion is met.

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures (excess fees), in the general fund, be remitted, by the Sheriff, to the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenues were recognized. The amount of this distribution is recorded as a liability and distribution of excess appropriations in the accompanying special-purpose financial statements.

Capital outlays expended in the governmental fund operations are recorded as capital assets in the basic financial statements of the County rather than in the special-purpose financial statements of the Sheriff.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies, (continued)

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Restricted fund balances are constrained for a specific purpose by creditors, grantors, contributors, laws or regulations, or through constitutional provisions or enabling legislation.

The Sheriff has five major governmental funds:

General Fund – This fund is used to account for the general operations of the Sheriff.

Grants Fund – This fund is used to account for grants, donations, and miscellaneous revenues from other agencies intended to be used for specific purposes.

Off-Duty Detail Fund – This fund is used to account for the contracted use of off-duty deputies. This fund bills for the services performed and pays the respective deputies and related operating and capital costs.

Canteen Fund – This fund is used to account for the financial activity of the Sheriff's canteen (commissary and sundries for inmate use), specific revenue sources (proceeds from sales) that are legally restricted to specific purposes – inmate welfare.

Forfeitures Fund – This fund is used to account for the activities of the federal and local forfeiture funds. The federal forfeiture fund accounts for monies seized under federal laws and used in accordance with the U.S. Departments of Treasury and Justice guidelines. The local forfeiture fund accounts for monies seized locally.

On September 30, 2020, the funds remaining in the federal forfeiture fund were transferred to the Lee County Board of County Commissioners, in accordance with clarified policy requirements established by the U.S. Department of Justice and U.S. Department of Treasury.

Proprietary Fund Type

Internal Service Fund – This fund is used to account for the health, life, dental, and prescription insurance services provided to employees and dependents as well as retirees of the Sheriff on a cost-reimbursement basis. This fund also includes a health clinic which is funded on a fixed fee per-employee basis. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Interest income is recorded as non-operating income.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies, (continued)

Fiduciary Funds

Agency Funds – These funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations nor have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are the Civil Fees and Levies Fund and the Inmate Fund.

Cash

Cash includes cash on hand and demand deposits held by a financial institution (a qualified public depository).

For the purpose of the Statement of Cash Flows, the Sheriff considers all highly liquid investments, including both unrestricted and restricted, with a maturity of three months or less, when purchased, to be cash equivalents.

Unearned Revenue

The Sheriff receives grant awards from various federal, state and local agencies/individuals. These awards are recorded as unearned revenue until amounts have been earned or expended.

Compensated Absences

Employees of the Sheriff accumulate annual leave including sick and vacation time based on their number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave if they meet certain criteria. Included in compensated absences are amounts for the related employment taxes that would be due upon termination of employees. The Sheriff does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the financial statements of the Sheriff but, rather, is reported in the basic financial statements of the County.

Capital Leases

The Sheriff from time to time enters capital leases as a means to finance the acquisition of capital assets. Capital assets are inventoried and maintained by the Sheriff but capitalized and recorded by the County. The Sheriff does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for capital leases is not reported in the special-purpose financial statements of the Sheriff but, rather, is reported in the basic financial statements of the County.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies, (continued)

Use of Estimates

The preparation of these special-purpose financial statements, in accordance with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the special-purpose financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 20, 2020, which is the date the financial statements were available to be issued.

(2) Budgetary Process

Section 30.49, *Florida Statutes*, govern the preparation, adoption, and administration of the Sheriff's annual budget. The Sheriff prepares a budget for the general fund and submits it to the Board for approval. The budget for the general fund is prepared on a basis consistent with accounting principles generally accepted in the United States of America except the acquisition of capital leases and proceeds from disposition (trade in) of related assets are not budgeted (Non-GAAP budgetary basis). Any subsequent amendment to the budget must be approved by the Board. The annual budget serves as the legal authorization for expenditures. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budget control is maintained at the fund level.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other changes applicable to the fiscal year, whenever legally authorized.

The Sheriff's general fund is the only major fund with a legally adopted budget and the only fund required to have a legally adopted budget.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(2) Budgetary Process, (continued)

Explanation of difference between budgetary inflows and outflows and revenues and expenditures:

Expenditures	<u>General Fund</u>
Actual amounts (Non-GAAP budgetary basis) total expenditures as reported on the schedule of revenues, expenditures and changes in fund balance - budget to actual	\$ 197,188,046
Differences - budget to GAAP:	
Capital outlay for equipment for financial reporting purposes, but not reported as an expenditure for budgetary purposes	<u>12,648,649</u>
Total expenditures reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 209,836,695</u>
Other Financing Sources (uses)	
Actual amounts (Non-GAAP budgetary basis) net other financing sources (uses) as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 196,193,110
Differences - budget to GAAP:	
Capital lease proceeds for equipment for financial reporting purposes, but not reported as an expenditure for budgetary purposes	8,938,659
Proceeds from disposition of assets for financial reporting purposes, but not reported for budgetary purposes	<u>3,709,990</u>
Net other financing sources (uses) reported on the statement of revenues, expenditures and changes in fund balance	<u>\$ 208,841,759</u>

(a) Fair Value of Financial Investments

The Sheriff adheres to GASB Statement No. 72, "Fair Value Measurements and Application." This Standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. This Standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. This Standard establishes a fair value hierarchy which consists of three levels on inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sheriff has the ability to access. At September 30, 2020, the Sheriff held no such investments using these inputs.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(a) Fair Value of Financial Investments, (continued)

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices or securities with similar characteristics or discounted cash flows. At September 30, 2020, the Sheriff held no such investments using these inputs.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. At September 30, 2020, the Sheriff held no such investments using these inputs.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

(3) Cash

At September 30, 2020, the carrying value of the Sheriff’s cash was as follows:

Type	Carrying value	Credit rating
Cash on hand	\$ 3,000	N/A
Demand deposits	<u>30,800,725</u>	N/A
Total cash	<u>\$ 30,803,725</u>	

(a) Credit Risk

The Sheriff’s policy is to follow the guidance in Section 219.075, *Florida Statutes* regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Sheriff to invest in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities; or interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida, national banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash, (continued)

(b) Interest Rate Risk

The Sheriff’s policy allows investments in individual certificates of deposit having staggered maturities and no maturity exceeding one year. The Sheriff had no such investments as of September 30, 2020 or during the year ended September 30, 2020.

(4) Capital Assets

Capital assets used by the Sheriff are capitalized in the basic financial statements of the County rather than in the governmental funds of the Sheriff. Upon acquisition, such assets are recorded as capital outlay expenditures in the governmental funds of the Sheriff, and are capitalized at cost in the basic financial statements of the County. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date received. The Sheriff maintains custodial responsibility for the capital assets used by the office. No depreciation expense has been provided on capital assets in these special-purpose financial statements. However, depreciation expense for these assets is recorded in the basic financial statements of the County.

A summary of changes in capital assets that are reported in the basic financial statements of the County for the year ended September 30, 2020 is as follows:

Governmental Activities	Balance	Additions		Balance
	October 1	Adjustments	Deletions	September 30
	2019			2020
Machinery and equipment	\$ 69,586,847	\$ 22,007,866	\$ (8,357,062)	\$ 83,237,651

Additions to capital assets of \$22,007,866 include capital outlay of \$21,881,677 in the governmental funds, internal service fund of \$0 and noncash additions of \$126,189 for the year ended September 30, 2020.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(4) Capital Assets, (continued)

The following changes in accumulated depreciation of machinery and equipment occurred during the year ended September 30, 2020:

<u>Governmental Activities</u>	Balance	Additions		Balance
	October 1 2019	Adjustments	Deletions	September 30 2020
Accumulated depreciation	\$ 50,269,483	\$ 6,396,859	\$ (7,932,250)	\$ 48,734,092

Depreciation expense of \$6,396,859 is recorded as governmental activities public safety expense in the government-wide financial statements of the County for the year ended September 30, 2020.

The Sheriff has capital assets under capital leases of \$17,584,663 at September 30, 2020. As such, the County recognized depreciation expense on these capital assets of \$1,547,990 for the year ended September 30, 2020. As such, accumulated depreciation for capital assets under capital lease is \$3,111,061 at September 30, 2020.

During the year ended September 30, 2020, the Sheriff recognized proceeds from the sale of capital assets of \$3,933,836 which resulted in a gain from the disposition of capital assets of \$3,509,024 for the County's government-wide financial statement purposes.

(5) Changes in Long-Term Obligations

The following changes in long-term obligations occurred during the year ended September 30, 2020:

<u>Governmental Activities</u>	Balance	Additions	Retirements / Adjustments	Balance
	October 1 2019			September 30 2020
Capital leases	\$ 3,593,969	\$ 8,938,659	\$ (466,628)	\$ 12,066,000
Compensated absences	14,455,042	9,248,058	(7,858,712)	15,844,388
	\$ 18,049,011	\$ 18,186,717	\$ (8,325,340)	\$ 27,910,388

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(5) Changes in Long-Term Obligations, (continued)

The following is a summary of the long-term obligations at September 30, 2020:

	<u>Amount</u>
\$4,936,014 capital lease payable for the purchase of a helicopter. This lease was amended effective January 1, 2018. The amended lease agreement is payable in eight (8) annual payments of \$580,556, including interest at a fixed rate of 3.17%. Final payment due on December 4, 2025. The lease agreement is collateralized by the specific helicopter.	\$ 3,127,341
\$8,938,659 capital lease payable for the purchase of equipment of 12,648,649. The lease agreement is payable in seven (7) annual payments of \$1,408,870, including interest at a fixed rate of 2.52% beginning November 1, 2020. Final payment due on November 1, 2026. The lease agreement is collateralized by the specific equipment.	8,938,659
Accrued compensated absences. Employees of the Sheriff are entitled to paid leave based on length of service and job classification.	<u>15,844,388</u>
	<u>\$ 27,910,388</u>

The annual debt service requirements at September 30, 2020, were as follows:

<u>Years Ending September 30</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payments</u>
2021	\$ 1,665,036	\$ 324,390	\$ 1,989,426
2022	1,710,124	279,302	1,989,426
2023	1,756,447	232,979	1,989,426
2024	1,804,040	185,386	1,989,426
2025	1,852,938	136,488	1,989,426
2026-2027	<u>3,277,415</u>	<u>120,879</u>	<u>3,398,294</u>
	12,066,000	1,279,424	<u>\$ 13,345,424</u>
Accrued compensated absences	<u>15,844,388</u>	-	
Total long-term debt	<u>\$ 27,910,388</u>	<u>\$ 1,279,424</u>	

Interest expenditures for the year ended September 30, 2020 were \$113,928.

Of these liabilities, approximately 34% of the outstanding balance is expected to be paid during the fiscal year ending September 30, 2021. These long-term liabilities are not reported in the financial statements of the Sheriff since they have not matured. These long-term liabilities are reported in the government-wide financial statements of the County.

**LEE COUNTY FLORIDA
SHERIFF**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(6) Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans (FRS Plan and HIS) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officials Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Plan Description, (continued)

enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Contributions

The Florida Legislature established contribution rate for participating employers and employees. Contribution rate during the year ended September 30, 2020 were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to members from All of the Above Classes	N/A	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/19 – 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/20 – 6/30/21.

* As defined by plan.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Contributions, (continued)

The Sheriff’s contributions, excluding employee contributions, to the defined-benefit pension plan totaled \$19,925,982 for the year ended September 30, 2020, including HIS plan contributions. The Sheriff contributed 100 percent of the required contributions. Employee contributions to the defined-benefit pension plan totaled \$2,682,400 for the year ended September 30, 2020.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected Officials	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00

**LEE COUNTY FLORIDA
SHERIFF**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(6) Defined Benefit Pension Plans, (continued)

Benefits Provided, (continued)

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the Sheriff's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the Sheriff's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

**LEE COUNTY FLORIDA
SHERIFF**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(6) Defined Benefit Pension Plans, (continued)

Defined Contribution Plan, (continued)

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts; and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the Florida SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Defined Benefit Pension Plans, (continued)

Other Postemployment Benefits (OPEB)

The Sheriff provides postretirement healthcare benefits in accordance with *Florida Statutes* Section 110.123, *State Group Insurance Program*, to all employees who retire from the Sheriff. Retiring employees having 10 years creditable service with the Sheriff and having participated in the Florida Retirement System for 15 years meet the eligibility requirements. At September 30, 2020, 507 retirees meet the eligibility requirements. The Lee County Sheriff pays 75% of the premium cost for the qualified retiree and 50% of the premium costs for dependents of a qualified retiree to participate in the Self-Insurance Benefit Plan. The Sheriff also pays an additional 5% of the premium cost for each year of creditable service over 15 years up to 100% of the premium cost. Expenditures for postretirement healthcare benefit cannot be reasonably estimated, as the claim information is estimated without separating the retirees from the active employees. As required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, liabilities and activities related to these benefits are reported in the government-wide financial statements of the County.

(7) Risk Management

The Sheriff participates in the Florida Sheriff's Association (the "Association") insurance program. The Association maintains a self-insurance program to administer insurance activities relating to property, general, automobile, public official's liability, workers' compensation, and auto physical damage. The Association absorbs losses related to these programs up to an aggregate annual limit. Excess and other specific coverages are purchased from third-party carriers. The Sheriff participates in the Association's self-insurance program for general, automobile, automobile physical damage, public official's liability, and workers' compensation. The Sheriff cannot be additionally assessed for claims paid by the program. For the fiscal year ended September 30, 2020, the Sheriff paid premiums of \$6,088,576 to the Association's insurance program.

The Sheriff has a self-insurance plan (the "Plan") for its in-house medical clinic, group health, life, prescription, and dental coverage provided to employees and their dependents as well as retirees. The Sheriff is the plan administrator and a third party acts as the claim administrator. The Plan's activity is recorded in an internal service fund which is reflected within these special-purpose financial statements. Cigna serves as the third-party administrator for the Sheriff for this coverage and to operate the employee clinic. As of September 30, 2020, the Plan has an individual participant stop-loss limit of \$175,000 and excess loss coverage to an aggregate individual stop-loss limit of \$1 million. The Plan then covers losses in excess of this amount.

Premiums paid to the Plan were \$34,243,457 in fiscal year 2020, and the Sheriff funded an estimated reserve for claims incurred but not yet reported (IBNR) of \$4,157,382 at September 30, 2020. The Plan purchased excess coverage which is included in estimated claims payable total of \$4,329,010 and other specific coverage from third-party carriers.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Risk Management, (continued)

There have been no significant reductions in insurance coverage in the last fiscal year. The Plan is analyzed annually per Florida Statute Section 112.08 by an actuary and determined to be actuarially sound. For the years ending 2020, 2019, and 2018, claims exceeded the individual stop loss deductible of \$175,000 by \$2,089,653, \$1,171,698, and \$1,090,571, respectively.

Estimated self-insurance claims payable in the Sheriff’s internal service fund is based on an estimate provided by Cigna, the third party administrator. Changes in the balance of estimated self-insurance claims payable for the fiscal years ended September 30 are as follows:

Years Ended:	Beginning of Year		Claim	Balance
	October 1	Additions	Payments	September 30
2020	\$ 4,294,260	\$ 26,015,708	\$ 25,980,958	\$ 4,329,010
2019	3,861,167	28,438,438	28,005,345	4,294,260
2018	4,384,970	24,278,149	24,801,952	3,861,167
2017	4,113,949	25,445,686	25,174,665	4,384,970
2016	3,810,811	25,672,331	25,369,193	4,113,949

The Board maintains a self-insurance internal service fund (the “Fund”) to administer insurance activities relating to group health, life, prescription, dental coverage, property, general liability, automobile and public official’s liability, workers’ compensation, and auto physical damage. The Sheriff participates in the Board’s self-insurance program for property coverage only. As such, the Board paid the Fund \$458,500 on behalf of the Sheriff for this coverage. The Fund absorbs losses up to a specified amount annually. Excess and other specific coverages are purchased from third party carriers.

(8) Lease Obligations

The Sheriff rents various office spaces for multi-year terms or on a month to month basis. Rent expense for these leases for the year ended September 30, 2020 was \$1,012,059.

The Sheriff, also, leases certain equipment under multi-year non-cancellable operating leases. Rent expense under these non-cancellable operating leases was \$254,342 for the year ended September 30, 2020.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(8) Lease Obligations, (continued)

Future minimum lease payments at September 30 are as follows:

<u>Years ended</u> <u>September 30</u>	<u>Amounts</u>
2021	\$ 563,474
2022	359,501
2023	261,446
2024	31,370
2025	15,901
	<u>\$ 1,231,692</u>

(9) Commitments and Contingencies

(a) Commitments

The Sheriff has agreements with a corporation for the provision of inmate medical services and food services at its corrections and detention facilities which is accounted for in the general fund. The contracts are paid 100% by the Sheriff through its annual budget.

The contract for inmate medical services ends on September 30, 2021, is renewable for an additional two (2) year term, and is cancellable with one hundred twenty (120) days written notice. The contract calls for minimum payment to the provider of approximately \$650,158 per month through September 30, 2020 with proposed annual CPI adjustments, not to exceed 3%.

The contract for inmate food service ends on January 31, 2022 and may be renewed for two (2) successive one (1) year periods. The food services are based on a cost per meal per inmate basis, and the future contract commitment is estimated at approximately \$2,800,000 per year based on the results of the current year. No liability is recorded in the general fund's statements, as any future commitment will be budgeted and paid from the subsequent year's budget.

For the fiscal year ended September 30, 2020, the Sheriff paid \$12,081,924 for inmate medical services and \$2,660,387 for food service at its corrections and detention facilities.

LEE COUNTY FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(9) Commitments and Contingencies, (continued)

(a) *Commitments, (continued)*

The Sheriff also has an agreement with a corporation to arrange for medical staff, including doctors, to be located at a site (clinic) designated by the Sheriff to provide medical services to the employees and their dependents and retirees of the Sheriff which is accounted for in the internal service fund. The agreement was renewed effective in July 1, 2016 for a three (3) year term that automatically renews thereafter unless it is cancelled with one hundred twenty (120) day written notice. The agreement automatically renews unless cancelled in writing. Specific to this contract no liability is recorded in the internal service fund statements, as any future commitment will be budgeted and paid from the subsequent year's budget.

(b) *Litigation*

The Sheriff is involved from time to time in certain routine litigation, as a plaintiff or defendant, the substance of which, as either liabilities or recoveries in the opinion of management, would not materially affect the financial position of the Sheriff. The Sheriff is not in a position at this time to predict the final outcome of the lawsuits or claims or the amount of costs and/or potential recovery. The Sheriff plans to vigorously contest these matters unless first settled or closed. Results of such claims are covered by the Florida Sheriff's Risk Management Fund described in Note 7.

(c) *Grants*

The Sheriff is the recipient of grants that are subject to special compliance requirements and audits by the grantor agencies that may result in disallowed expense amounts. These amounts constitute a contingent liability of the Sheriff. The Sheriff does not believe any contingent liabilities to be material to the financial statements.

(10) Deferred Compensation

The Sheriff offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Sheriff employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants or their estate until termination, retirement, death, or unforeseeable emergency.

OTHER FINANCIAL INFORMATION

LEE COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
SEPTEMBER 30, 2020

	Civil Fees and Levies Fund	Inmate Fund	Total All Agency Funds
Assets:			
Cash	\$ 55,731	\$ 54,788	\$ 110,519
Accounts receivable	490	-	490
Total assets	<u>\$ 56,221</u>	<u>\$ 54,788</u>	<u>\$ 111,009</u>
Liabilities:			
Accounts payable	\$ -	\$ 26,169	\$ 26,169
Due to individuals	27,054	28,619	55,673
Due to other governmental units	29,167	-	29,167
Total liabilities	<u>\$ 56,221</u>	<u>\$ 54,788</u>	<u>\$ 111,009</u>

LEE COUNTY, FLORIDA

SHERIFF

COMBINING STATEMENT OF CHANGES IN ASSETS AND

LIABILITIES - ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2020

	Balance October 1 2019	Additions	Deletions	Balance September 30 2020
Civil Fees and Levies				
Assets:				
Cash	\$ 52,933	\$ 466,040	\$ 463,242	\$ 55,731
Accounts receivable	3,260	325,453	328,223	490
Total assets	<u>\$ 56,193</u>	<u>\$ 791,493</u>	<u>\$ 791,465</u>	<u>\$ 56,221</u>
Liabilities:				
Accounts payable	\$ 328	\$ -	\$ 328	\$ -
Due to individuals	22,842	83,987	79,775	27,054
Due to other governmental units	33,023	29,167	33,023	29,167
Total liabilities	<u>\$ 56,193</u>	<u>\$ 113,154</u>	<u>\$ 113,126</u>	<u>\$ 56,221</u>
Inmate Fund				
Assets:				
Cash	\$ 41,885	\$ 2,938,516	\$ 2,925,613	\$ 54,788
Total assets	<u>\$ 41,885</u>	<u>\$ 2,938,516</u>	<u>\$ 2,925,613</u>	<u>\$ 54,788</u>
Liabilities:				
Accounts payable	\$ 34,698	\$ 26,169	\$ 34,698	\$ 26,169
Due to individuals	7,187	3,163,090	3,141,658	28,619
Total liabilities	<u>\$ 41,885</u>	<u>\$ 3,189,259</u>	<u>\$ 3,176,356</u>	<u>\$ 54,788</u>
Total All Agency Funds				
Assets:				
Cash	\$ 94,818	\$ 3,404,556	\$ 3,388,855	\$ 110,519
Accounts receivable	3,260	325,453	328,223	490
Total assets	<u>\$ 98,078</u>	<u>\$ 3,730,009</u>	<u>\$ 3,717,078</u>	<u>\$ 111,009</u>
Liabilities:				
Accounts payable	\$ 35,026	\$ 26,169	\$ 35,026	\$ 26,169
Due to individuals	30,029	3,247,077	3,221,433	55,673
Due to other governmental units	33,023	29,167	33,023	29,167
Total liabilities	<u>\$ 98,078</u>	<u>\$ 3,302,413</u>	<u>\$ 3,289,482</u>	<u>\$ 111,009</u>

ADDITIONAL REPORTS



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 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Carmine Marceno
 Sheriff, Lee County, Florida
 14750 Six Mile Cypress Parkway
 Fort Myers, Florida 33912

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America, the special-purpose financial statements of each major fund and the aggregate remaining fund information of the Lee County, Florida, Sheriff (the “Sheriff”) as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements which collectively comprise the special-purpose financial statements of the Sheriff, and have issued our report thereon dated November 20, 2020 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INTEGRITY SERVICE EXPERIENCE

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Tuscan & Company, P.A.".

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 20, 2020



TUSCAN
 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants
 American Institute of Certified Public Accountants
 Private Companies Practice Section
 Tax Division

**Independent Accountant’s Report on Compliance
 With Section 218.415, Florida Statutes**

To the Honorable Carmine Marceno
 Sheriff, Lee County, Florida
 14750 Six Mile Cypress Parkway
 Fort Myers, Florida 33912

We have examined the Lee County, Florida, Sheriff’s compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Lee County, Florida, Sheriff’s compliance with those requirements. Our responsibility is to express an opinion on Lee County, Florida, Sheriff’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Lee County, Florida, Sheriff’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lee County, Florida, Sheriff’s compliance with specified requirements.

In our opinion, Lee County, Florida, Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of Lee County, Florida, Sheriff, Board of Commissioners, management and the Auditor General of the State of Florida, and is not intended for and should not be used by anyone other than these specified parties.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
 Fort Myers, Florida
 November 20, 2020



TUSCAN
 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Independent Auditor’s Report to Management

To the Honorable Carmine Marceno
 Sheriff, Lee County, Florida
 14750 Six Mile Cypress Parkway
 Fort Myers, Florida 33912

We have audited the special-purpose financial statements of the Lee County, Florida, Sheriff (the “Sheriff”) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 20, 2020.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in this report, which is dated November 20, 2020 should be considered in conjunction with this report to management letter.

Additionally, our audit was conducted in accordance with Florida Statute 218.39(2) and Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor’s report.

Section 10.554(1)(i)(1)., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit.

Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(e)(3)., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the special-purpose financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

INTEGRITY SERVICE EXPERIENCE

Section 10.554(1)(i)(4)., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the special-purpose financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There are no component units related to the Sheriff.

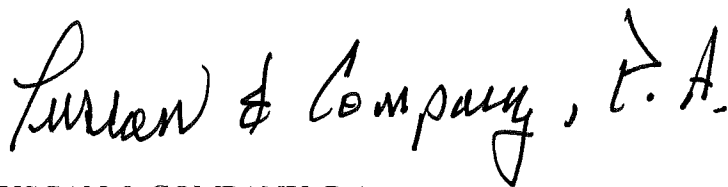
Prior Year Comments:

No financially significant comments noted.

Current Year Comments:

No financially significant comments noted.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Lee County, Florida, Sheriff, Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tuscán & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 20, 2020

EXHIBIT

Carmine Marceno
Sheriff



"Proud to Serve"

State of Florida
County of Lee

November 25, 2020

Tuscan & Company, PA
Attn: Mr. Jeffrey Tuscan, CPA
12621 World Plaza Lane
Building 55
Fort Myers, FL 33907

Dear Mr. Tuscan,

RE: Lee County Sheriff's Office Response to FY 19/20 Independent Auditor's Report to Management

Thank you again for your effort to make the auditing process of our financial records a success. I have reviewed the Finance Statements for year ending September 30, 2020 and accept the Audit, which states that there were no management comments. I look forward to working with Tuscan & Company, PA next fiscal year.

Respectfully,

A handwritten signature in black ink, appearing to be "C. Marceno".

Sheriff Carmine Marceno
Lee County



"The Lee County Sheriff's Office is an Equal Opportunity Employer"
14750 Six Mile Cypress Parkway • Fort Myers, Florida 33912-4406 • (239) 477-1000

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
TOGETHER WITH
REPORTS OF INDEPENDENT AUDITOR**

YEAR ENDED SEPTEMBER 30, 2020

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

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Certified Public Accountants & Consultants

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Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Independent Auditor’s Report

To the Honorable Tommy Doyle
 Lee County, Florida, Supervisor of Elections
 2480 Thompson Street
 Fort Myers, Florida 33901

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the general fund of the Lee County, Florida, Supervisor of Elections (the “Supervisor of Elections”), as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements which collectively comprise the Lee County, Florida, Supervisor of Elections special-purpose financial statements, as listed in the table of contents.

Management’s Responsibility for the Special-Purpose Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position thereof, and the budgetary comparison for the general fund

INTEGRITY SERVICE EXPERIENCE

for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Supervisor of Elections. Additionally, the special-purpose financial statements present only the Supervisor of Elections and are not intended to and do not present the financial position and changes in financial position of Lee County, Florida, taken as a whole as of and for the year ended September 30, 2020 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Information

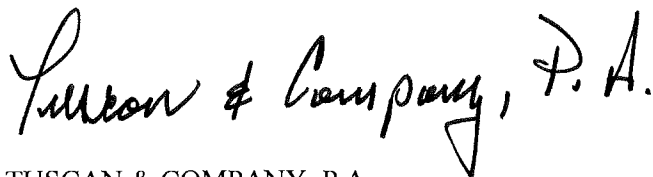
Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Supervisor of Elections' special-purpose financial statements. The Exhibit – Management's Response to Independent Auditor's Report to Management is not a required part of the special-purpose financial statements but is required by Government Auditing Standards and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. Such information has not been subjected to the auditing procedures applied in the audit of the special-purpose financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, *Florida Statutes*, we have also issued a report dated November 11, 2020 on our consideration of the Supervisor of Elections' compliance with provisions of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, *Florida Statutes* in considering the Supervisor of Elections' compliance with Section 218.415, *Florida Statutes*.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 11, 2020, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Supervisor of Elections' internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 11, 2020

SPECIAL-PURPOSE FINANCIAL STATEMENTS

**LEE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 SPECIAL-PURPOSE BALANCE SHEET - GENERAL FUND**

SEPTEMBER 30, 2020

	<u>Amounts</u>
ASSETS	
Cash and cash equivalents	\$ 1,323,339
Due from the Board of County Commissioners	2,641
Due from other governments	<u>332,468</u>
Total assets	<u><u>\$ 1,658,448</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 218,399
Accrued liabilities	121,382
Due to the Board of County Commissioners	1,195,912
Unearned revenue -State grant	<u>122,755</u>
Total liabilities	<u>1,658,448</u>
 Fund balance - Assigned	 <u>-</u>
Total liabilities and fund balance	<u><u>\$ 1,658,448</u></u>

**LEE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Amounts</u>
Revenues:	
Charges for services	\$ 15,157
Intergovernmental	553,610
Miscellaneous revenue	8,494
Total revenues	<u>577,261</u>
Expenditures:	
General government:	
Personnel services	4,906,739
Operating expenditures	3,868,586
Capital outlay	250,039
Total expenditures	<u>9,025,364</u>
Excess of expenditures over revenues	<u>(8,448,103)</u>
Other financing sources (uses):	
Lee County, Florida, Board of County Commissioners appropriations	9,644,015
Distribution of excess appropriations to the Lee County, Florida, Board of County Commissioners	<u>(1,195,912)</u>
Total other financing sources	<u>8,448,103</u>
Excess of expenditures and other financing uses over revenues and other financing sources	-
Fund balance – beginning of year	<u>-</u>
Fund balance – end of year	<u><u>\$ -</u></u>

LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with final budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 15,157	\$ 15,157
Intergovernmental	-	-	553,610	553,610
Miscellaneous revenue	-	-	8,494	8,494
Total revenues	-	-	577,261	577,261
Expenditures:				
General government:				
Personnel services	5,265,095	5,265,095	4,906,739	358,356
Operating expenditures	4,173,420	4,173,420	3,868,586	304,834
Capital outlay	205,500	205,500	250,039	(44,539)
Total expenditures	9,644,015	9,644,015	9,025,364	618,651
Excess of expenditures over revenues	(9,644,015)	(9,644,015)	(8,448,103)	1,195,912
Other financing sources (uses):				
Transfers in:				
Lee County, Florida, Board of County Commissioners appropriations	9,644,015	9,644,015	9,644,015	-
Transfers out:				
Distribution of excess appropriations to the Lee County, Florida, Board of County Commissioners	-	-	(1,195,912)	(1,195,912)
Total other financing sources	9,644,015	9,644,015	8,448,103	(1,195,912)
Excess of expenditures and other financing uses over revenues and other financing sources	-	-	-	-
Fund balance – beginning of year	-	-	-	-
Fund balance – end of year	\$ -	\$ -	\$ -	\$ -

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies

Financial Reporting Entity

The Lee County, Florida, Supervisor of Elections (the “Supervisor of Elections”) is an elected constitutional officer as provided for by the Constitution of the State of Florida. For financial reporting purposes the Supervisor of Elections is deemed to be part of the primary government of Lee County, Florida (the “County”) and, therefore, is included as such in the County’s comprehensive annual financial report (CAFR). Pursuant to Chapter 129.202(1)(a), *Florida Statutes*, the Supervisor of Elections’ Board of County Commissioners funded portion of the budget is submitted to the Lee County, Florida, Board of County Commissioners (the “Board”) for approval.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The special-purpose financial statements presented include the General Fund of the Supervisor of Elections. The accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Section 10.550, *Rules of the Auditor General - Local Governmental Entity Audits (the “Rules”)*, which require the Supervisor of Elections’ financial statements to only present fund financial statements. In conformity with the Rules, the Supervisor of Elections has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

The financial activities of the Supervisor of Elections, as a constitutional officer, are included in the Lee County, Florida, Comprehensive Annual Financial Report.

Transfers-in are provided by appropriations from the Board pursuant to *Florida Statutes* and are the Supervisor of Elections primary source of revenue. The Supervisor of Elections is required to refund to the Board all excess appropriations annually; therefore, no unappropriated fund balance is, generally, carried forward.

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures (excess fees) be remitted to the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenues were recognized. The amount of this transfer is recorded as a liability and as other financing use in the accompanying special-purpose financial statements.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

Capital outlays expended in the General Fund operations are capitalized in the basic financial statements of the County rather than in the governmental funds of the Supervisor of Elections.

The modified accrual basis of accounting is used by the General Fund, which accounts for all the general operations of the Supervisor of Elections. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance current liabilities of the fiscal year). For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 60 days of the end of the current period. Grant revenues are considered available if collected within one year of the current period. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures only to the extent they have matured and were paid.

Investment return and other revenues are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Governmental Funds

Governmental funds (General Fund) are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. The Supervisor of Elections' only governmental fund and only fund is the General Fund. The General Fund is used to account for all the general operations of the Supervisor of Elections.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less and are carried at cost.

Fair Value of Financial Investments

The Supervisor of Elections adheres to GASB Statement No. 72, "Fair Value Measurement and Application." This Standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. This Standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Fair Value of Financial Investments, (continued)

This Standard establishes a fair value hierarchy which consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Supervisor of Elections has the ability to access. At September 30, 2020, the Supervisor of Elections held no such assets.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices or securities with similar characteristics or discounted cash flows. At September 30, 2020, the Supervisor of Elections held no such assets.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. At September 30, 2020, the Supervisor of Elections held no such assets.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Compensated Absences

The Supervisor of Elections’ employees accumulate sick and annual leave based on the number of years of continuous service. Upon termination of employment, employees generally receive payment for all outstanding accumulated annual leave and 50 percent of accumulated sick leave, if vested, and 25 percent of accumulated sick leave if not vested. Payments for annual and sick leave are included in operating costs when the payments are made to the employee. The Supervisor of Elections does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the special-purpose financial statement of the Supervisor of Elections General Fund but, rather, is reported in the basic financial statements of the County.

Net Pension and OPEB Liability

Employees of the Supervisor of Elections are generally entitled to future retirement and OPEB benefits. Such liability is actuarially determined and reported in the government-wide financial statements and in the related notes of the County financial statements. Only pension and OPEB contribution expenses are reported in the special-purpose financial statements of the Supervisor of Elections.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements, in accordance with generally accepted principles in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the special-purpose financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 11, 2020, which is the date the special-purpose financial statements were available to be issued.

(2) Budgetary Process

Florida Statutes Chapter 129.201 govern the preparation, adoption, and administration of the Supervisor of Elections' annual budget. The Supervisor of Elections submits its original budget for the General Fund to the Board for approval. Funding received from sources other than the Board as well as the respective expenditures do not require Board approval. The Supervisor of Elections has the authority to reallocate the budget between line items without further Board approval. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The annual budget serves as the legal authorization for expenditures. Substantially all subsequent amendments to the Supervisor of Elections' total budget must be approved by the Board. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other changes applicable to the fiscal year, whenever legally authorized.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(3) Cash and Cash Equivalents

At September 30, 2020, the carrying value of the Supervisor of Elections' cash and cash equivalents was as follows:

Type	Carrying value	Credit rating
Cash and Cash Equivalents		
Cash on hand	\$ 200	N/A
Demand deposits	<u>1,323,139</u>	N/A
Total cash and cash equivalents	<u>\$ 1,323,339</u>	

At September 30, 2020, the Supervisor of Elections has restricted cash of \$122,755 equal to unearned grant revenue.

Custodial Credit Risk

At September 30, 2020, the Supervisor of Elections' deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit and Interest Rate Risk

The Supervisor of Elections' policy is to follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Supervisor of Elections to invest in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities; or interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida, national banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under state supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law. There is no specific policy regarding interest rate risk. The Supervisor of Elections held no such investments at September 30, 2020.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(4) Capital Assets

Capital assets used by the Supervisor of Elections are reported in the basic financial statements of the County rather than in the governmental funds of the Supervisor of Elections. Upon acquisition, such assets are recorded as expenditures in the General Fund of the Supervisor of Elections, and are capitalized at cost in the basic financial statements of the County. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date received. The Supervisor of Elections maintains custodial responsibility for the capital assets used by the Supervisor of Elections. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense is recorded in the basic financial statements of the County.

(5) Long-Term Liabilities

Annual and sick leave is accrued as benefits are earned by employees of the Supervisor of Elections.

The following is a summary of changes in long-term liabilities, specific to the Supervisor of Elections, which are reported in the basic financial statements of the County:

	October 1, 2019	Additions	Retirements	September 30, 2020
Accrued compensated absences	\$ 214,927	\$ 254,233	\$ (233,045)	\$ 236,115

Substantially all the balance outstanding at September 30, 2020 is expected to be paid during the fiscal year ended September 30, 2020. These long-term liabilities are not reported in the financial statements of the Supervisor of Elections since they have not matured.

(6) Defined Benefit Retirement Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Retirement Plans, (continued)

Background, (continued)

Essentially all regular employees of the Supervisor of Elections are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans (FRS Plan and HIS) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officials Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Retirement Plans, (continued)

Plan Description, (continued)

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Contributions

The Florida Legislature established contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2020 were as follows:

Class (2)	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.0
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	N/A	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/19 – 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/20 – 6/30/21.

* As defined by plan.

The Supervisor of Elections' contributions excluding employee contributions to the defined-benefit pension plan totaled \$357,129 for the year ended September 30, 2020, including HIS plan contributions. The Supervisor of Elections contributed 100 percent of the required contributions. Employee contributions to the defined-benefit pension plan totaled \$82,194 for the year ended September 30, 2020.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Retirement Plans, (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected Officials	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Retirement Plans, (continued)

Benefits Provided, continued

multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the Supervisor of Elections' proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the Supervisor of Elections' proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor of Elections' employees participating in DROP are not eligible to participate in the Investment Plan.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Retirement Plans, (continued)

Defined Contribution Plan, continued

Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the Florida SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Other Postemployment Benefits (OPEB)

The Supervisor of Elections provides postretirement healthcare benefits in accordance with Section 110.123, *Florida Statutes*, to all employees who retire from the Supervisor of Elections. The Supervisor of Elections pays 50 percent of the premium cost for the retiree to participate in the County's self-insurance fund. Expenditures for postretirement healthcare benefits are recognized by the Supervisor of Elections as retiree's claims are paid, amounting to \$47,187 for

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(6) Defined Benefit Retirement Plans, (continued)

Other Postemployment Benefits (OPEB), continued

the year ended September 30, 2020. As required by Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Board engaged an actuarial firm to determine the County's annual required contribution and unfunded obligation, which are the responsibility of the County's General Fund. Further information about OPEB is available in the County's comprehensive annual financial report.

(7) Risk Management

The Supervisor of Elections is exposed to various risks of loss, including general liability, health, dental, disability and life, property and casualty, auto and physical damage, and workers' compensation. A self-insurance internal service fund is maintained by the Board to administer insurance activities. All liabilities associated with these self-insured risks are reported in the basic financial statements of the County. As such, the Supervisor of Elections participates in the Board's self-insurance fund. During the year ended September 30, 2020, the Supervisor of Elections paid \$773,727, including \$82,681 paid by employees and \$691,046 paid by the Supervisor of Elections, to the Board for health, life, dental, EAP and disability in the risk management program. The Board paid \$61,433 to the self insurance fund on behalf of the Supervisor of Elections for general and auto liability, property and casualty, and workers' compensation.

Under this program, the Board provides coverage for group health, dental, general liability claims, and workers' compensation. The Board purchases commercial insurance for claims in excess of coverage provided by the risk management program and all other risks of loss. There have been no significant reductions in insurance coverage in the last fiscal year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

(8) Claims and Contingencies

Litigation

The Supervisor of Elections is routinely involved as defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. In the opinion of the Supervisor of Elections and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Supervisor of Elections.

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

(9) Lease Obligations

The Supervisor of Elections leases certain election related equipment and other support equipment under non-cancellable operating leases. Rent expense under non-cancellable operating leases was \$118,247 for the year ended September 30, 2020. Future minimum lease payments at September 30, 2020 are as follows:

<u>Years ending September 30</u>	<u>Future minimum lease payments</u>
2021	\$ 69,776
2022	56,967
2023	48,600
2024	15,493
	<u>\$ 190,836</u>

(10) Deferred Compensation

The Supervisor of Elections offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Supervisor of Elections employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation balance is not available to participants or their estate until termination, retirement, death, or unforeseeable emergency.

ADDITIONAL REPORTS



Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Tommy Doyle
Lee County, Florida, Supervisor of Elections
2480 Thompson Street
Fort Myers, Florida 33901

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America, the special-purpose financial statements of the General Fund of the Lee County, Florida, Supervisor of Elections (the “Supervisor of Elections”) as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements, which collectively comprise the special-purpose financial statement of the Supervisor of Elections and have issued our report thereon dated November 11, 2020 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control over Financial Reporting

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

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

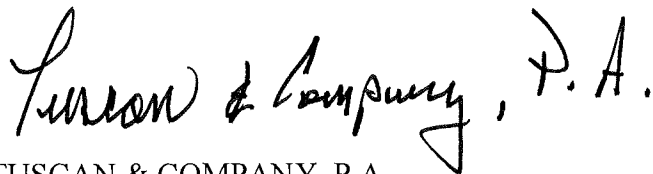
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; noncompliance with which could have a direct and material effect on the determination of special-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards except as noted in our Independent Auditor's Report to Management dated November 11, 2020.

Purpose of this Report

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

A handwritten signature in black ink that reads "Tuscany & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 11, 2020



TUSCAN
 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants
 American Institute of Certified Public Accountants
 Private Companies Practice Section
 Tax Division

**Independent Accountant’s Report on Compliance
 with Section 218.415, Florida Statutes**

To the Honorable Tommy Doyle
 Lee County, Florida, Supervisor of Elections
 2480 Thompson Street
 Fort Myers, Florida 33901

We have examined the Lee County, Florida, Supervisor of Elections’ compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Lee County, Florida, Supervisor of Elections’ compliance with those requirements. Our responsibility is to express an opinion on Lee County, Florida, Supervisor of Elections’ compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Lee County, Florida, Supervisor of Elections’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lee County, Florida, Supervisor of Elections’ compliance with specified requirements.

In our opinion, Lee County, Florida, Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of Lee County, Florida, Supervisor of Elections, the Board of Commissioners, management and the Auditor General of the State of Florida, and is not intended for and should not be used by anyone other than these specified parties.

TUSCAN & COMPANY, P.A.
 Fort Myers, Florida
 November 11, 2020



TUSCAN
& Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Independent Auditor's Report to Management

To the Honorable Tommy Doyle
Lee County, Florida, Supervisor of Elections
2480 Thompson Street
Fort Myers, Florida 33901

We have audited the special-purpose financial statements of the Lee County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2020, and have issued our report thereon dated November 11, 2020.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in this report, which is dated November 11, 2020, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with the Section 218.39(2) and Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

Section 10.554(1)(i)(1)., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit.

Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)(3)., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the special-purpose financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)(4), *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statement. The Supervisor of Elections is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Supervisor of Elections.

Prior Year Comment:

No financially significant comments noted.

Current Year Comment:

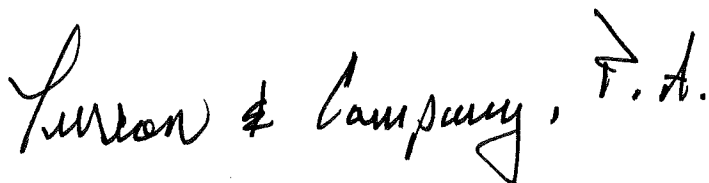
2020-01 Non Compliance with Florida Statute Section 129.202(1)(f)

Florida Statute Section 129.202(1)(f) requires the Supervisor of Elections to refund the Board all unexpended balances for his or her budget at the end of each fiscal year. The Supervisor of Elections refunded all unexpended balances within the statutory deadline of October 31, however, an amendment was made in mid-November to include a receivable for COVID related grant funds. This resulted in additional excess fees due to the Board of County Commissioners. Therefore, the excess fee report had to be amended subsequent to the October 31 requirement. These additional excess fees will be remitted to the Board of County Commissioners when the grant funds are received by the Supervisor of Elections. We did note these were unusual circumstances and not a routine issue.

Recommendation

We recommend that the Supervisor of Elections analyze any open grants at year end and record grant receivables as necessary.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Lee County, Florida, Supervisor of Elections, the Board of Commissioners, management and the Auditor General of the State of Florida. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tuscán & Company, P.A." with a stylized flourish at the end.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 11, 2020



TOMMY DOYLE, SUPERVISOR OF ELECTIONS

LEE COUNTY

ELECTIONS

P.O. BOX 2545
FORT MYERS, FL 33902
(239) LEE-VOTE
(239) 533-8683
FAX: (239) 533-6310
www.lee.vote

November 30th, 2020

Attn: Jeffrey M. Tuscan
Tuscan & Company, PA
12621 World Plaza Lane – Bldg. 55
Fort Myers, FL 33907

Re: Audit for fiscal year 2019 to 2020

Jeff,

We are in agreement with the Special-Purpose financial statements. In regards to the comment 2020-01 we will heed the recommendation to analyze future open grants at year end and record grant receivables as necessary.

Sincerely,

Tommy Doyle
Supervisor of Elections

**LEE COUNTY, FLORIDA
TAX COLLECTOR**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
TOGETHER WITH
REPORTS OF INDEPENDENT AUDITOR**

YEAR ENDED SEPTEMBER 30, 2020

**LEE COUNTY, FLORIDA
TAX COLLECTOR**

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American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Independent Auditor's Report

To the Honorable Larry Hart
Lee County, Florida, Tax Collector
2480 Thompson Street
Fort Myers, Florida 33901

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the general fund and the aggregate remaining fund information of the Lee County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements which collectively comprise the Tax Collector's special-purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Special-Purpose Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

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

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

INTEGRITY SERVICE EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the General Fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2020, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the special-purpose financial statements, the accompanying special-purpose financial statements referred to above were solely prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Tax Collector. Additionally, the special-purpose financial statements present only the Tax Collector and are not intended to and do not present the financial position and changes in financial position of Lee County, Florida taken as a whole as of and for the year ended September 30, 2020 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Financial Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Tax Collector's basic special-purpose financial statements. The other financial information section is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. Such other financial information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

Other Information


Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Tax Collector's special-purpose financial statements. The Exhibit – Management's Response to Independent Auditor's Report to Management is not a required part of the special-purpose financial statements but is required by Government Auditing Standards and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. Such information has not been subjected to the auditing procedures applied in the audit of the special-purpose financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, *Florida Statutes*

In accordance with Section 218.415, *Florida Statutes*, we have also issued a report dated November 18, 2020, on our consideration of the Tax Collector's compliance with provisions of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, *Florida Statutes* in considering the Tax Collector's compliance with Section 218.415, *Florida Statutes*.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 18, 2020 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tax Collector's internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 18, 2020

SPECIAL-PURPOSE FINANCIAL STATEMENTS

LEE COUNTY, FLORIDA
TAX COLLECTOR
SPECIAL-PURPOSE BALANCE SHEET - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Amounts</u>
Assets	
Cash and cash equivalents	\$ 11,652,972
Investments	8,823
Accounts receivable	99,781
Due from the Lee County, Florida, Board of County Commissioners	3,916
Due from other governmental units	<u>1,468</u>
Total assets	<u><u>\$ 11,766,960</u></u>
 Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 127,587
Accrued and other liabilities	435,138
Due to other governmental units	1,778,511
Due to Lee County, Florida, Board of County Commissioners	<u>9,425,724</u>
Total liabilities	<u>11,766,960</u>
 Fund balance	 -
Total liabilities and fund balance	<u><u>\$ 11,766,960</u></u>

See accompanying notes to special-purpose financial statements.

LEE COUNTY, FLORIDA
TAX COLLECTOR
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	<u>Amounts</u>
Revenues:	
Commissions and fees:	
Lee County, Florida, Board of County Commissioners	\$ 19,217,257
Other governmental units	5,165,870
Charges for services	8,206,027
Interest	86,615
Miscellaneous	120,768
Total revenues	<u>32,796,537</u>
Expenditures:	
General government:	
Personnel services	17,388,735
Operating	3,856,881
Capital outlay	348,411
Total expenditures	<u>21,594,027</u>
Excess of revenues over expenditures	<u>11,202,510</u>
Other financing uses:	
Distribution of excess commissions and fees to other governmental units	(1,778,511)
Distribution of excess commissions and fees to the Lee County, Florida, Board of County Commissioners	<u>(9,423,999)</u>
Total other financing uses	<u>(11,202,510)</u>
Excess of revenues over expenditures and other financing uses	-
Fund balance – beginning of year	<u>-</u>
Fund balance – end of year	<u><u>\$ -</u></u>

LEE COUNTY, FLORIDA

TAX COLLECTOR

**SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with final budget
	Original	Final		
Revenues:				
Commissions and fees:				
Board of County Commissioners	\$ 18,941,048	\$ 18,941,048	\$ 19,217,257	\$ 276,209
Other governmental units	5,003,728	5,003,728	5,165,870	162,142
Charges for services	8,536,102	8,536,102	8,206,027	(330,075)
Interest	170,421	170,421	86,615	(83,806)
Miscellaneous	52,959	52,959	120,768	67,809
Total revenues	<u>32,704,258</u>	<u>32,704,258</u>	<u>32,796,537</u>	<u>92,279</u>
Expenditures:				
General government:				
Personnel services	19,327,277	19,084,963	17,388,735	1,696,228
Operating	4,083,573	4,320,514	3,856,881	463,633
Capital outlay	347,629	353,002	348,411	4,591
Total expenditures	<u>23,758,479</u>	<u>23,758,479</u>	<u>21,594,027</u>	<u>2,164,452</u>
Excess of revenues over expenditures	<u>8,945,779</u>	<u>8,945,779</u>	<u>11,202,510</u>	<u>2,256,731</u>
Other financing uses:				
Distribution of excess commissions and fees to other governmental units	-	-	(1,778,511)	(1,778,511)
Distribution of excess commissions and fees to the Lee County, Florida, Board of County Commissioners	-	-	(9,423,999)	(9,423,999)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(11,202,510)</u>	<u>(11,202,510)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ 8,945,779</u>	<u>\$ 8,945,779</u>	<u>-</u>	<u>\$ (8,945,779)</u>
Fund balance – beginning of year				
Fund balance – end of year			<u>\$ -</u>	

LEE COUNTY, FLORIDA
TAX COLLECTOR
SPECIAL-PURPOSE STATEMENT OF FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Amounts</u>
ASSETS	
Cash and cash equivalents	\$ 9,346,362
Investments	6,368,165
Accounts receivable	1,462
Due from other governmental units	1,161,141
Due from Board of County Commissioners	<u>4,485</u>
Total assets	<u><u>\$ 16,881,615</u></u>
LIABILITIES	
Due to individuals	\$ 1,681,718
Due to other governmental units	14,421,419
Due to the Lee County, Florida, Board of County Commissioners	<u>778,478</u>
Total liabilities	<u><u>\$ 16,881,615</u></u>

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies

Financial Reporting Entity

The Lee County, Florida, Tax Collector (the “Tax Collector”) is an elected constitutional officer as provided for by the Constitution of the State of Florida. For financial reporting purposes, the Tax Collector is deemed to be part of the primary government of Lee County, Florida (the “County”) and, therefore, is included as such in the County’s Comprehensive Annual Financial Report (CAFR). Pursuant to Section 195.087, *Florida Statutes*, the Tax Collector’s budget is submitted to the Florida Department of Revenue for approval, and a copy is forwarded to the Lee County, Florida, Board of County Commissioners (the “Board”).

Measurement Focus, Basis of Accounting, and Basis of Presentation

The special-purpose financial statements presented include the General Fund and Agency Funds of the Tax Collector’s office. The accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Section 10.550, *Rules of the Auditor General - Local Governmental Entity Audits* (the “Rules”), which require the Tax Collector to only present fund financial statements. In conformity with the Rules, the Tax Collector has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of the financial position and changes in financial position in accordance with accounting principles generally accepted in the United States of America.

The financial activities of the Tax Collector, as a constitutional officer, are included in the Lee County, Florida, Comprehensive Annual Financial Report.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance current liabilities of the fiscal year). For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures only to the extent they have matured and were paid.

Investment return (interest income) and other revenue are recognized in the General Fund as they are earned and become measurable and available to pay liabilities of the current period.

The majority of the Tax Collector’s General Fund revenue is received from taxing authorities (governmental units). These monies are unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt or earlier if the “susceptible to accrual” criterion is met.

Florida Statutes provide that the amount by which revenues exceed annual expenditures be remitted to each governmental agency immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenues were recognized.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

Florida Statutes further provide that the excess of revenues over expenditures (excess fees) held by the Tax Collector be distributed to each governmental agency (taxing authorities) in the same proportion as the commissions and fees paid by each governmental agency bear to total commission and fee revenue. The amounts of these distributions are recorded as liabilities and as other financing uses in the accompanying special-purpose financial statements.

Capital outlays expended in the General Fund operations are capitalized in the basic financial statements of the County rather than in the governmental funds of the Tax Collector.

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Tax Collector's only governmental fund is the General Fund which is considered a major fund. The General Fund is used to account for the general operations of the Tax Collector and includes all transactions not accounted for in another fund.

Fiduciary Funds

Agency Funds – These funds are used to account for assets held by the Tax Collector in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Cash Equivalents

Cash equivalents and investments are defined as highly liquid investments with original maturities of three months or less and are carried at cost.

Fair Value of Financial Investments

The Tax Collector adheres to GASB Statement No. 72, "Fair Value Measurement and Application." This Standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. This Standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. This Standard establishes a fair value hierarchy which consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Tax Collector has the ability to access. At September 30, 2020, the Tax Collector held no such investments using such inputs.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Fair Value of Financial Investments, (continued)

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices or securities with similar characteristics or discounted cash flows. At September 30, 2020, the Tax Collector held no such investments using such inputs.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. At September 30, 2020, the Tax Collector held no such investments using such inputs.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Compensated Absences

Employees of the Tax Collector accumulate annual leave based on their number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated sick and vacation if they meet certain criteria. Payments for annual leave are included in operating costs when the payments are made to the employee. The Tax Collector does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in these special-purpose financial statements of the Tax Collector’s General Fund but, rather, is reported in the basic financial statements of the County.

Property and Other Taxes

Property taxes, both ad valorem and non-ad valorem in Lee County, Florida are levied by the Board and other taxing authorities. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board and other taxing authorities. No aggregate ad valorem tax millage in excess of 10 mills per \$1,000 of value can be levied by the Board against property in Lee County, Florida as specified in Section 200.071, *Florida Statutes*.

Each year, the total taxable property valuation is established by the Lee County, Florida, Property Appraiser. The list of property assessments is submitted to the State Department of Revenue for approval and then to the Lee County, Florida, Tax Collector for levy and collection. Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies (continued)

Chapter 197, Florida Statutes, governs property tax collections:

Current Taxes

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4 percent in November, 3 percent in December, 2 percent in January, and 1 percent for payment in February.

Unpaid Taxes – Sale of Tax Certificates

The Tax Collector advertises, as required by *Florida Statutes*, and sells tax certificates on all real property for unpaid taxes. The land is struck off the tax roll to the purchaser of the tax certificate. Certificates not sold are struck off to Lee County, Florida. The Tax Collector must receive payment before the certificates are delivered. Any person owning land upon which a tax certificate has been sold may redeem the tax certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

Two years after the purchase of a tax certificate, the certificate owner may file an application for tax deed sale. Lee County, Florida as a certificate owner, exercises similar procedures. Tax deeds are issued to the highest bidder for the property which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Use of Estimates

The preparation of the special-purpose financial statements, in accordance with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the special-purpose financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 18, 2020, which is the date the special-purpose financial statements were available to be issued.

(2) Budgetary Process

Florida Statutes govern the preparation, adoption, and administration of the Tax Collector's annual budget. The Tax Collector submits a budget for the General Fund to the Florida Department of Revenue for approval. A copy of the approved budget is provided to the Board. Any subsequent amendments to the Tax Collector's total budget must be approved by the Florida Department of Revenue. The budget for the General Fund is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The annual budget serves as the legal authorization for expenditures. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budget control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(2) Budgetary Process (continued)

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other changes applicable to the fiscal year, whenever legally authorized.

(3) Cash, Cash Equivalents, and Investments

At September 30, 2020, the carrying values of the Tax Collector’s cash, cash equivalents, and investments were as follows:

Type	Fund Type		Carrying Value Total	Credit Rating
	General	Agency		
Cash and cash equivalents:				
Cash on hand	\$ 58,750	\$ -	\$ 58,750	N/A
Demand deposits	<u>11,594,222</u>	<u>9,346,362</u>	<u>20,940,584</u>	N/A
Total cash and cash equivalents	<u>\$ 11,652,972</u>	<u>\$ 9,346,362</u>	<u>\$ 20,999,334</u>	
Investments:				
Florida PRIME	<u>\$ 8,823</u>	<u>\$ 6,368,165</u>	<u>\$ 6,376,988</u>	*AAAm
	<u>\$ 8,823</u>	<u>\$ 6,368,165</u>	<u>\$ 6,376,988</u>	

* Rating by S&P
N/A - not applicable

Custodial Credit Risk

At September 30, 2020, Tax Collector’s deposits of \$19,819,206 were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes* except as noted below. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

(a) Credit and Interest Rate Risk

The Tax Collector’s policy is to follow the guidance in Sections 219.075 and 218.415, *Florida Statutes* regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Tax Collector to invest in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities; or interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida, national banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under State supervision, or in federal savings and loan associations

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash, Cash Equivalents, and Investments (continued)

(a) Credit and Interest Rate Risk (continued)

located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

The Tax Collector's investment policy minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, to avoid the need to sell securities prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools.

At September 30, 2020, the Tax Collector's investments were in the State Board of Administration ("SBA"). SBA investments consist of Florida PRIME only.

The Florida PRIME is an external investment pool that is not registered with the Securities Exchange Commission (SEC), but operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Florida PRIME is rated AAAM by Standard and Poor's. The Florida PRIME had a weighted average days to maturity (WAM) of 48 days at September 30, 2020. The weighted average life (WAL) for Florida PRIME at September 30, 2020 was 63 days. Rule 2a7 allows funds to use amortized cost to maintain a constant NAV of \$1.00 per share. Accordingly, the Tax Collector's investment in Florida PRIME is reported at the account balance (pooled shares), which is considered fair value.

The Tax Collector adheres to the requirements of GASB Statement No. 79 which requires the following disclosures related to its Florida PRIME (the "trust fund") investment:

Redemption Gates: Chapter 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to a payment at any time from the moneys in the trust fund. However, the Executive Director of the fund may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable for the time the Executive Director has instituted such measures to review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on the contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash, Cash Equivalents, and Investments (continued)

(a) Credit and Interest Rate Risk (continued)

by the Trustees exceed 15 days.

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

Redemption Fees: As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Securities Lending: Florida PRIME did not participate in a securities lending program during the period October 1, 2019 through September 30, 2020.

Foreign Currency Risk: Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2019 – September 30, 2020.

(b) Fair Value

The carrying value of the cash, cash equivalents, and investments held by the Tax Collector approximate fair value.

(4) Capital Assets

Capital assets used by the Tax Collector are capitalized in the basic financial statements of the County rather than in the governmental funds of the Tax Collector. Upon acquisition, such assets are recorded as expenditures in the General Fund of the Tax Collector, and are capitalized at cost in the basic financial statements of the County. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date received. The Tax Collector maintains custodial responsibility for the capital assets used by the office. No depreciation expense has been provided on capital assets in these special-purpose financial statements. However, depreciation expense is recorded in the basic financial statements of the County.

(5) Accounts Payable

Accounts payable in the General Fund are due to various vendors. Accounts payable in the Agency Funds are primarily tax certificates.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Long-Term Liabilities

Vacation leave accrued as benefits are earned by employees, but only to the extent that it is possible the Tax Collector will compensate the employees for the benefits through cash payments at termination or retirement. Sick leave is accrued and recorded, at 50% of accumulated balance up to 240 hours, as it is paid to the employee at voluntary separation or retirement.

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of the County:

	<u>October 1</u> <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30</u> <u>2020</u>
Accrued compensated absences	\$ 593,132	\$ 1,037,364	\$ (639,663)	\$ 990,833

Substantially all the balance outstanding at September 30, 2020, is expected to be paid during the fiscal year ended September 30, 2021. These long-term liabilities are not reported in the financial statements of the Tax Collector since they have not matured.

(7) Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Tax Collector are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans (FRS Plan and HIS) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Defined Benefit Pension Plans, (continued)

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officials Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Defined Benefit Pension Plans, (continued)

Contributions

The Florida Legislature established contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2020 were as follows:

Class (2)	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan. Rates for 7/1/19 – 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs for the Investment Plan. Rates from 7/1/20 – 6/30/21.

* As defined by plan.

The Tax Collector’s contributions excluding employee contributions to the defined-benefit pension plan totaled \$1,209,570 for the year ended September 30, 2020, including HIS plan contributions. The Tax Collector contributed 100 percent of the required contributions.

Employee contributions to the defined-benefit pension plan totaled \$300,102 for the year ended September 30, 2020.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Defined Benefit Pension Plans, (continued)

Benefits Provided, (continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected Officials	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the Tax Collector’s proportionate share of FRS’s net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Defined Benefit Pension Plans, (continued)

Retiree Health Insurance Subsidy Program (HIS), (continued)

Plan Description, (continued)

retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the Tax Collector's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation, for service credit originally earned under the FRS Pension Plan, is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Defined Benefit Pension Plan, (continued)

Defined Contribution Plan, (continued)

placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the Florida SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Other Postemployment Benefits (OPEB)

The Tax Collector provides postretirement healthcare benefits in accordance with Section 110.123, *Florida Statutes*, to all employees who retire from the Tax Collector. The retiree pays 50% of the premium cost for the retiree to participate in the Board's self-insurance fund. Effective January 1, 2008, for employees hired after December 31, 2007, the subsidy for retiree health benefits has been eliminated. Expenditures for postretirement healthcare benefits are recognized by the Tax Collector as retirees premiums are paid and include a provision for estimated claims incurred but not yet reported (IBNR) to the Board. The Tax Collector is charged by Lee County, Florida for participation in the post retirement healthcare benefit plan. The Tax Collector paid the Board \$333,243 for the coverage of retirees during the year ended September 30, 2020. As required by Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Board engaged an actuarial firm to determine the County's approved required contribution and unfunded obligation, which are the responsibility of the Board's general fund. Further information about OPEB is available in the County's Comprehensive Annual Financial Report.

(8) Deferred Compensation

The Tax Collector offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time Tax Collector employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants or their estate until termination, retirement, death, or unforeseeable emergency.

(9) Risk Management

The Tax Collector is exposed to various risks of loss, including general liability, health, dental, disability and life, property and casualty, auto and physical damage, and workers' compensation. A self-insurance internal service fund is maintained by Lee County, Florida, Board of

LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(9) Risk Management (continued)

Commissioners to administer these insurance activities. All liabilities associated with these self-insured risks are reported in the basic financial statements of the County. As such, the Tax Collector participates in the Lee County, Florida, Board of Commissioners' self-insurance program. During the year ended September 30, 2020, the Tax Collector paid \$4,339,518 including \$223,513 (medical and dental) paid by employees, to Lee County, Florida, Board of Commissioners for participation in the risk management program for health, life, dental, and disability coverage including the cost of retiree coverage. The Lee County, Florida, Board of County Commissioners paid \$197,252 to the self-insurance fund on behalf of the Tax Collector for general liability, property and casualty, auto and physical damage and workers' compensation.

Under this program, Lee County, Florida, Board of Commissioners provides coverage for group health, dental, general liability claims, and workers compensation. Lee County, Florida, Board of Commissioners purchases commercial insurance for claims in excess of coverage provided by the risk management program and all other risks of loss. There have been no significant reductions in insurance coverage in the last fiscal year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

(10) Litigation

The Tax Collector is routinely involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. In the opinion of the Tax Collector and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Tax Collector.

OTHER FINANCIAL INFORMATION

LEE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING SPECIAL-PURPOSE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Tax	Tax	Motor	Driver	Hunting	Local	Birth	Concealed	Total
	Fund	Certificate	Vehicle	License	and Fishing	Business Tax	Certificate	Weapons	All Agency
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds
ASSETS									
Cash and cash equivalents	\$ 5,976,476	\$ 1,464,139	\$ 1,437,642	\$ 125,696	\$ 4,095	\$ 304,619	\$ 196	\$ 33,499	\$ 9,346,362
Investments	5,516,518	601,273	100,237	-	-	150,137	-	-	6,368,165
Accounts receivable	-	-	951	511	-	-	-	-	1,462
Due from other governmental units	1,161,141	-	-	-	-	-	-	-	1,161,141
Due from Lee County, Florida, Board of County Commissioners	4,485	-	-	-	-	-	-	-	4,485
Total assets	<u>\$ 12,658,620</u>	<u>\$ 2,065,412</u>	<u>\$ 1,538,830</u>	<u>\$ 126,207</u>	<u>\$ 4,095</u>	<u>\$ 454,756</u>	<u>\$ 196</u>	<u>\$ 33,499</u>	<u>\$ 16,881,615</u>
LIABILITIES									
Due to individuals	\$ 6,606	\$ 1,675,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,681,718
Due to other governmental units	12,285,060	390,300	1,504,913	126,207	4,095	77,149	196	33,499	14,421,419
Due to Lee County, Florida, Board of County Commissioners	366,954	-	33,917	-	-	377,607	-	-	778,478
Total liabilities	<u>\$ 12,658,620</u>	<u>\$ 2,065,412</u>	<u>\$ 1,538,830</u>	<u>\$ 126,207</u>	<u>\$ 4,095</u>	<u>\$ 454,756</u>	<u>\$ 196</u>	<u>\$ 33,499</u>	<u>\$ 16,881,615</u>

**LEE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1 2019	Additions	Deletions	Balance September 30 2020
Tax Fund				
Assets:				
Cash and cash equivalents	\$ 4,768,165	\$ 554,610,010	\$ 553,401,699	\$ 5,976,476
Investments	7,430,574	1,029,065,744	1,030,979,800	5,516,518
Due from other governmental units	375,158	1,208,601	422,618	1,161,141
Due from Lee County, Florida, Board of County Commissioners	-	4,485	-	4,485
Total assets	<u>\$ 12,573,897</u>	<u>\$ 1,584,888,840</u>	<u>\$ 1,584,804,117</u>	<u>\$ 12,658,620</u>
Liabilities:				
Due to individuals	\$ 11,692	\$ 4,021,902	\$ 4,026,988	\$ 6,606
Due to other governmental units	12,153,045	1,131,451,897	1,131,319,882	12,285,060
Due to Lee County, Florida, Board of County Commissioners	409,160	425,067,427	425,109,633	366,954
Total liabilities	<u>\$ 12,573,897</u>	<u>\$ 1,560,541,226</u>	<u>\$ 1,560,456,503</u>	<u>\$ 12,658,620</u>
Tax Certificate Fund				
Assets:				
Cash and cash equivalents	\$ 477,338	\$ 42,188,439	\$ 41,201,638	\$ 1,464,139
Investments	602,541	1,503,732	1,505,000	601,273
Total assets	<u>\$ 1,079,879</u>	<u>\$ 43,692,171</u>	<u>\$ 42,706,638</u>	<u>\$ 2,065,412</u>
Liabilities:				
Due to individuals	\$ 734,479	\$ 42,568,370	\$ 41,627,737	\$ 1,675,112
Due to other governmental units	345,400	1,123,800	1,078,900	390,300
Total liabilities	<u>\$ 1,079,879</u>	<u>\$ 43,692,170</u>	<u>\$ 42,706,637</u>	<u>\$ 2,065,412</u>
Motor Vehicle Fund				
Assets:				
Cash and cash equivalents	\$ 1,472,971	\$ 75,022,499	\$ 75,057,828	\$ 1,437,642
Investments	132,187	101,250	133,200	100,237
Accounts receivable	710	34,290	34,049	951
Total assets	<u>\$ 1,605,868</u>	<u>\$ 75,158,039</u>	<u>\$ 75,225,077</u>	<u>\$ 1,538,830</u>
Liabilities:				
Due to other governmental units	\$ 1,580,688	\$ 74,099,189	\$ 74,174,964	\$ 1,504,913
Due to Lee County, Florida, Board of County Commissioners	25,180	1,058,850	1,050,113	33,917
Total liabilities	<u>\$ 1,605,868</u>	<u>\$ 75,158,039</u>	<u>\$ 75,225,077</u>	<u>\$ 1,538,830</u>
Driver License Fund				
Assets:				
Cash and cash equivalents	\$ 177,742	\$ 6,594,011	\$ 6,646,057	\$ 125,696
Accounts receivable	1,450	2,709	3,648	511
Total assets	<u>\$ 179,192</u>	<u>\$ 6,596,720</u>	<u>\$ 6,649,705</u>	<u>\$ 126,207</u>
Liabilities:				
Due to other governmental units	\$ 179,192	\$ 6,596,720	\$ 6,649,705	\$ 126,207
Total liabilities	<u>\$ 179,192</u>	<u>\$ 6,596,720</u>	<u>\$ 6,649,705</u>	<u>\$ 126,207</u>

LEE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Balance October 1 2019	Additions	Deletions	Balance September 30 2020
Hunting and Fishing Fund				
Assets:				
Cash and cash equivalents	\$ 1,536	\$ 161,239	\$ 158,680	\$ 4,095
Total assets	<u>\$ 1,536</u>	<u>\$ 161,239</u>	<u>\$ 158,680</u>	<u>\$ 4,095</u>
Liabilities:				
Due to other governmental units	\$ 1,536	\$ 161,239	\$ 158,680	\$ 4,095
Total liabilities	<u>\$ 1,536</u>	<u>\$ 161,239</u>	<u>\$ 158,680</u>	<u>\$ 4,095</u>
Local Business Tax Fund				
Assets:				
Cash and cash equivalents	\$ 153,181	\$ 1,592,603	\$ 1,441,165	\$ 304,619
Investments	339,353	414,684	603,900	150,137
Total assets	<u>\$ 492,534</u>	<u>\$ 2,007,287</u>	<u>\$ 2,045,065</u>	<u>\$ 454,756</u>
Liabilities:				
Due to other governmental units	\$ 73,063	\$ 446,878	\$ 442,792	\$ 77,149
Due to Lee County, Florida, Board of County Commissioners	419,471	1,560,409	1,602,273	377,607
Total liabilities	<u>\$ 492,534</u>	<u>\$ 2,007,287</u>	<u>\$ 2,045,065</u>	<u>\$ 454,756</u>
Birth Certificate Fund				
Assets:				
Cash and cash equivalents	\$ 450	\$ 23,202	\$ 23,456	\$ 196
Total assets	<u>\$ 450</u>	<u>\$ 23,202</u>	<u>\$ 23,456</u>	<u>\$ 196</u>
Liabilities:				
Due to other governmental units	\$ 450	\$ 23,202	\$ 23,456	\$ 196
Total liabilities	<u>\$ 450</u>	<u>\$ 23,202</u>	<u>\$ 23,456</u>	<u>\$ 196</u>
Concealed Weapons Fund				
Assets:				
Cash and cash equivalents	\$ 12,087	\$ 1,316,416	\$ 1,295,004	\$ 33,499
Total assets	<u>\$ 12,087</u>	<u>\$ 1,316,416</u>	<u>\$ 1,295,004</u>	<u>\$ 33,499</u>
Liabilities:				
Due to other governmental units	\$ 12,087	\$ 1,316,416	\$ 1,295,004	\$ 33,499
Total liabilities	<u>\$ 12,087</u>	<u>\$ 1,316,416</u>	<u>\$ 1,295,004</u>	<u>\$ 33,499</u>
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 7,063,470	\$ 681,508,419	\$ 679,225,527	\$ 9,346,362
Investments	8,504,655	1,031,085,410	1,033,221,900	6,368,165
Accounts receivable	2,160	36,999	37,697	1,462
Due from other governmental units	375,158	1,208,601	422,618	1,161,141
Due from Lee County, Florida, Board of County Commissioners	-	4,485	-	4,485
Total assets	<u>\$ 15,945,443</u>	<u>\$ 1,713,843,914</u>	<u>\$ 1,712,907,742</u>	<u>\$ 16,881,615</u>
Liabilities:				
Due to individuals	\$ 746,171	\$ 46,590,272	\$ 45,654,725	\$ 1,681,718
Due to other governmental units	14,345,461	1,215,219,341	1,215,143,383	14,421,419
Due to Lee County, Florida, Board of County Commissioners	853,811	427,686,686	427,762,019	778,478
Total liabilities	<u>\$ 15,945,443</u>	<u>\$ 1,689,496,299</u>	<u>\$ 1,688,560,127</u>	<u>\$ 16,881,615</u>

ADDITIONAL REPORTS

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Larry Hart
Lee County, Florida, Tax Collector
2480 Thompson Street
Fort Myers, Florida 33901

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America, the special-purpose financial statements of the General Fund and the aggregate remaining fund information of the Lee County, Florida, Tax Collector (the “Tax Collector”) as of and for the year ended September 30, 2020, and the related notes to the special-purpose financial statements which collectively comprise the special-purpose financial statements of the Tax Collector, and have issued our report thereon dated November 18, 2020 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Tuscany & Company, P.A." in a cursive script.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

November 18, 2020



TUSCAN
 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants
 American Institute of Certified Public Accountants
 Private Companies Practice Section
 Tax Division

**Independent Accountant’s Report on Compliance
 With Section 218.415, Florida Statutes**

To the Honorable Larry Hart
 Lee County, Florida, Tax Collector
 2480 Thompson Street
 Fort Myers, Florida 33901

We have examined the Lee County, Florida, Tax Collector’s compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Lee County, Florida, Tax Collector’s compliance with those requirements. Our responsibility is to express an opinion on Lee County, Florida, Tax Collector’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Lee County, Florida, Tax Collector’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lee County, Florida, Tax Collector’s compliance with specified requirements.

In our opinion, Lee County, Florida, Tax Collector complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of Lee County, Florida, Tax Collector, Board of Commissioners, management and the Auditor General of the State of Florida, and is not intended for and should not be used by anyone other than these specified parties.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
 Fort Myers, Florida
 November 18, 2020

Independent Auditor's Report to Management

To the Honorable Larry Hart
Lee County, Florida, Tax Collector
2480 Thompson Street
Fort Myers, Florida 33901

We have audited the special-purpose financial statements of the Lee County, Florida, Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 18, 2020.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in this report, which is dated November 18, 2020, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Florida Statute 218.39(2) and Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

Section 10.554(1)(i)(1)., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit.

Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)(3)., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the special-purpose financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)(4)., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the special-purpose financial statements. The Tax Collector is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Tax Collector.

Prior Year Comments:

No financially significant comments noted.

Current Year Comments:

No financially significant comments noted.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Lee County, Florida, Tax Collector, Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tuscán & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
November 18, 2020

EXHIBIT



November 22, 2020

Mr. Jeff Tuscan
Tuscan & Company, P.A.
12621 World Plaza Lane, Building 55
Fort Myers, FL 339071

Re: Lee County Tax Collector Fiscal year 2019-2020 Audit

Dear Mr. Tuscan:

Please be advised the Lee County Tax Collector's Office is in receipt of and has reviewed the audited financial statements for Fiscal Year 2019-2020.

As a result of this review by our office, we further state there are no management letter concerns.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Helmer".

Tammy Helmer
Finance Director
P: 239.533.6029
F: 239.461.8851
Email: TammyHelmer@lectc.com