

# **Lee County, Florida**

## **Financial Reports**

**For The**

**Fiscal Year Ended September 30, 2021**



**Prepared By:**

**General Accounting Office, Finance & Records Department**

**Clerk to Board of County Commissioners**

**Kevin C. Karnes**

**Lee County, Florida**  
**FINANCIAL REPORTS**  
**As of September 30, 2021**

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June 21, 2022

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, FL 32399-1450

Dear Ms. Norman,

We are pleased to submit a copy of the Lee County, Florida *Annual Comprehensive Financial Report* for the fiscal year ended September 30, 2021, in addition to an electronic version.

The County's Annual Comprehensive Financial Report and the Financial Assistance Report were presented to the Board of County Commissioners for acceptance on April 5, 2022, and June 21, 2022, respectively. The Independent Auditors' Report was dated March 16, 2022, followed by the Management Letter and the Single Audit Independent Auditor's Report dated June 9, 2022.

Sincerely,

*Michele Crowell*

Michele Crowell  
General Accounting Manager

MC/sms

FINANCE DEPARTMENT

# Annual Comprehensive Financial Report



## **Lee County, Florida**

**Fiscal Year Ended September 30, 2021**



Lee County, Florida

# Annual Comprehensive Financial Report

For the  
Fiscal Year Ended September 30, 2021



Lee County  
*Southwest Florida*

Prepared by:  
General Accounting Office, Finance & Records Department

Clerk to Board of County Commissioners

Kevin Karnes

Lee County, Florida  
PRINCIPAL OFFICIALS  
As of September 30, 2021

*Elected Officials*

Board of County Commissioners, Port Commissioners:

Commissioner, District 1 .....	Kevin Ruane	* **
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.....	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  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
 September 30, 2021  
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# Introductory Section







March 16, 2022

To the Citizens of Lee County:

We are pleased to present to you the accompanying Annual Comprehensive Financial Report of Lee County (the County) for the fiscal year ended September 30, 2021. 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, 2021, 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, 2021. 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. Lee County is the largest of the five counties that make-up Southwest Florida. The incorporated cities, towns, and villages include: Fort Myers (County Seat), Cape Coral, Estero, Bonita Springs, Fort Myers Beach, and Sanibel. 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, Pine Island, and Captiva Island. Lee County's climate can be classified as subtropical with temperatures averaging 53 degrees low to 74 degrees high (Fahrenheit) in January and 75 degrees low to 91 degrees high (Fahrenheit) in August.



Lee County is home to one of the fastest-growing populations in the nation and that trend looks to continue. With approximately 26 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 33.5 percent increase in Lee County's 25 to 54 age group by 2040. The estimated population in 2021 is 782,579.



## 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.



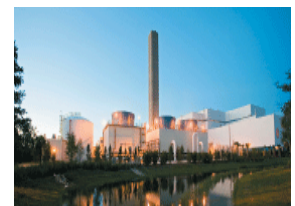
The Board of County Commissioners (the Board) is the legislative body for the County, having the responsibility of budgeting and providing all the funding used by the various County departments and the separate Constitutional Officers, with the exception of fees collected by the Clerk of Circuit Court, 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 Annual Comprehensive 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. There are more than 100 golf courses in Lee County and the County ranks in the top ten 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. Lee County received approximately 4.2 million visitors in fiscal year 2021 that generated \$3.4 billion in economic impact. The Lee County Visitor and Convention Bureau reported tourist tax collections of \$52.8 million in fiscal year 2021, up 41.4 percent from fiscal year 2020. Fiscal year 2020 tourism was impacted by the COVID-19 pandemic. The tourism figures provided by Lee County’s Visitor and Convention Bureau for fiscal year 2021 showed that the number of visitors increased 25.0 percent and spending by visitor’s increased 25.2 percent year over year. Passenger traffic at Southwest Florida International Airport (“SWFIA”) reflected a 29.1 percent increase from the previous fiscal year. Southwest Florida International Airport served approximately 9.0 million passengers in fiscal year 2021 and is one of the top 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 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 a coastal hub for business growth and talented workers. With the region’s business incentives, tax structure, 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, NeoGenomics Laboratories, Hertz Global Holdings, and cancer care service provider 21<sup>st</sup> 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 15.3 percent increase in Lee County’s labor force by 2028. The labor force at September 30, 2021, 2020, and 2019 was 361,206; 338,831; and 348,608, respectively. Employment in the County as of September 30, 2021, is estimated at 346,867.

The unemployment rate decreased from 6.4 percent in 2020 to 4.0 percent in 2021. The County's unemployment level is below Florida's rate of 4.9 percent and below the national rate of 4.8 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 19.6 percent in Trade, Transportation and Utilities, 16.0 percent in Government (Federal, State and Local), 13.7 percent in Leisure and Hospitality, 13.7 percent in Professional and Business Services, 11.7 percent in Education and Health Services, 15.2 percent in Mining, Logging, Construction and Manufacturing, and 10.1 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 but is slowing down compared to the frenzied pace a year ago. Foreclosures filed in the County decreased, from 608 in fiscal year 2020 to 265 in fiscal year 2021 which represents a 56 percent decrease from prior year. The housing market saw a significant increase in median sales price and new pending sales 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 23.3 percent, from \$292,000 in September 2020 to \$360,000 in September 2021. New pending sales increased by 40.0 percent and closed sales decreased 7.4 percent, year over year. The median sale price for existing townhouses and condominiums in September 2021 and 2020 was \$255,000 and \$215,000, respectively, which represents an 18.6 percent increase. Townhouse and condo new pending sales increased 27.7 percent and closed sales decreased 14.2 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 2021 include (total cost in millions):

- \$3.2 Gateway/Commerce Roundabout
- \$3.9 Kismet/Littleton Realignment
- \$9.1 North Lee County Deep Injection Well
- \$18.8 Alico Road widening – Ben Hill to Airport Road
- \$28.1 Replacement of twenty-seven passenger boarding bridges at Southwest Florida International Airport

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

#### ***Southwest Florida International Airport***

- \$11.0 Design of rental car relocation facilities
- \$27.6 Design to rehabilitate roadways
- \$29.5 South quad hangars and ramp design and construction
- \$68.5 Design of the rehabilitation of airside pavements (taxiways and aircraft parking aprons)
- \$82.1 Final design and construction of a new Air Traffic Control Tower
- \$258.9 Parallel runway site preparation to include design of a 9,100 foot parallel runway, storm drainage system, environmental permitting and mitigation design



\$331.6 Design of the terminal expansion project to include consolidation of security checkpoints and increasing concession areas

**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

**Water and Wastewater**

\$14.0 Relocate potable, reuse, force main, and raw transmission lines for Corkscrew Road widening

\$15.6 Fort Myers Beach Water Reclamation Facility deep injection well

\$21.9 Fiesta Village Water Reclamation Facility deep injection well

\$17.2 Estero Boulevard force main relocation

\$13.2 RSW transmission Main-Ben Hill to Treeline

\$30.9 Three Oaks Water Reclamation Facility Expansion

\$40.8 North Lee County Water Treatment Plant Expansion

\$51.7 North Lee County Wellfield expansion

\$94.0 SE Water Reclamation Facility

**Solid Waste**

\$15.3 Landfill Expansion Class I

**Transportation**

\$15.0 Widening of Littleton Road

\$23.0 Widening of Ortiz Road from Colonial Boulevard to State Road 82

\$44.8 Widening of Corkscrew Road from Ben Hill to Alico

\$56.0 Replacement of the Big Carlos Pass Bridge

\$68.0 Widening of Burnt Store Road from Pine Island Road to Van Buren Parkway

\$82.0 Construction of Estero Boulevard

\$109.0 Extension of Alico Road to State Road 82

\$125.0 Extension of Three Oaks North to Daniels Parkway

**Culture and Recreation**

\$6.5 Larry Kiker Preserve

\$6.9 Able Canal Greenway

\$8.7 Causeway Islands Park shoreline stabilization

\$10.2 Expansion of Lehigh Community Park

**Natural Resources**

\$7.1 San Carlos Park drainage Improvements

\$7.9 Captiva Island beach renourishment

**Facilities**

\$6.6 Emergency generators for thirteen facilities

## Cash Management and Investments

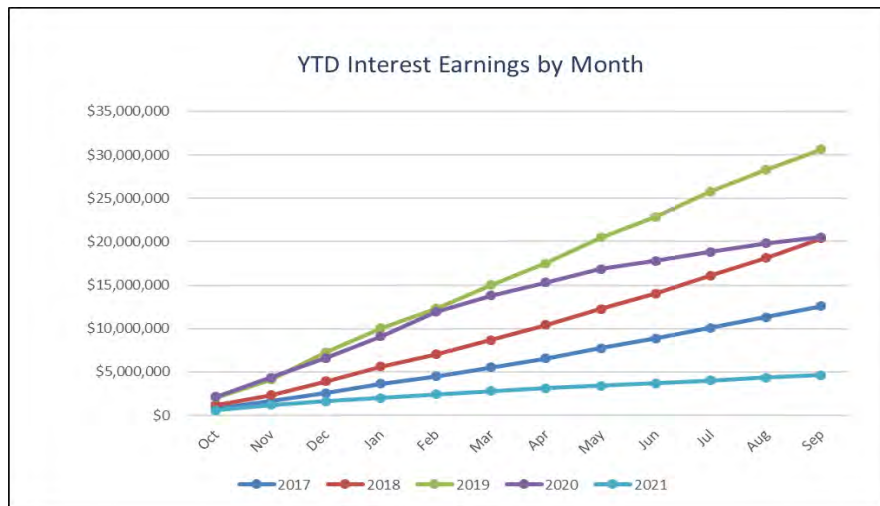
The cash needs of the County are monitored daily and cash that is temporarily idle during the year is invested in accordance with the County’s investment policy. The primary objective of the investment policy is the preservation of capital and the protection of investment principal. The investment portfolio as of September 30, 2021 was \$1,467,775,000.



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 sixty one days to five years and interest earned ranged from .30 percent to 1.64 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 .15 percent.
- The County also participates in three additional investment pools. The average yield for the Florida Cooperative Liquid Assets Securities System (FLCLASS) was .13 percent, the Florida Fixed Income Trust (FLFIT) was .16 percent, and the Florida Surplus Asset Fund Trust (FLSAFE) was .09 percent.

The County earned a total of \$88.8 million in interest earnings over the last five years, of which \$4.6 million was earned in fiscal year 2021. Interest earnings have significantly decreased over the last five years as a result of lower rates. The Federal Open Market Committee lowered the Federal Funds Rate in March of 2020 in a response to the COVID-19 pandemic.



## 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the 36th 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 Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive 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, Brandi Marchese, and Vily Andre are especially noteworthy.

Respectfully submitted,

*Kevin C. Karnes*

Kevin C. Karnes  
Clerk of the Court & Comptroller

*Terry Mallow*

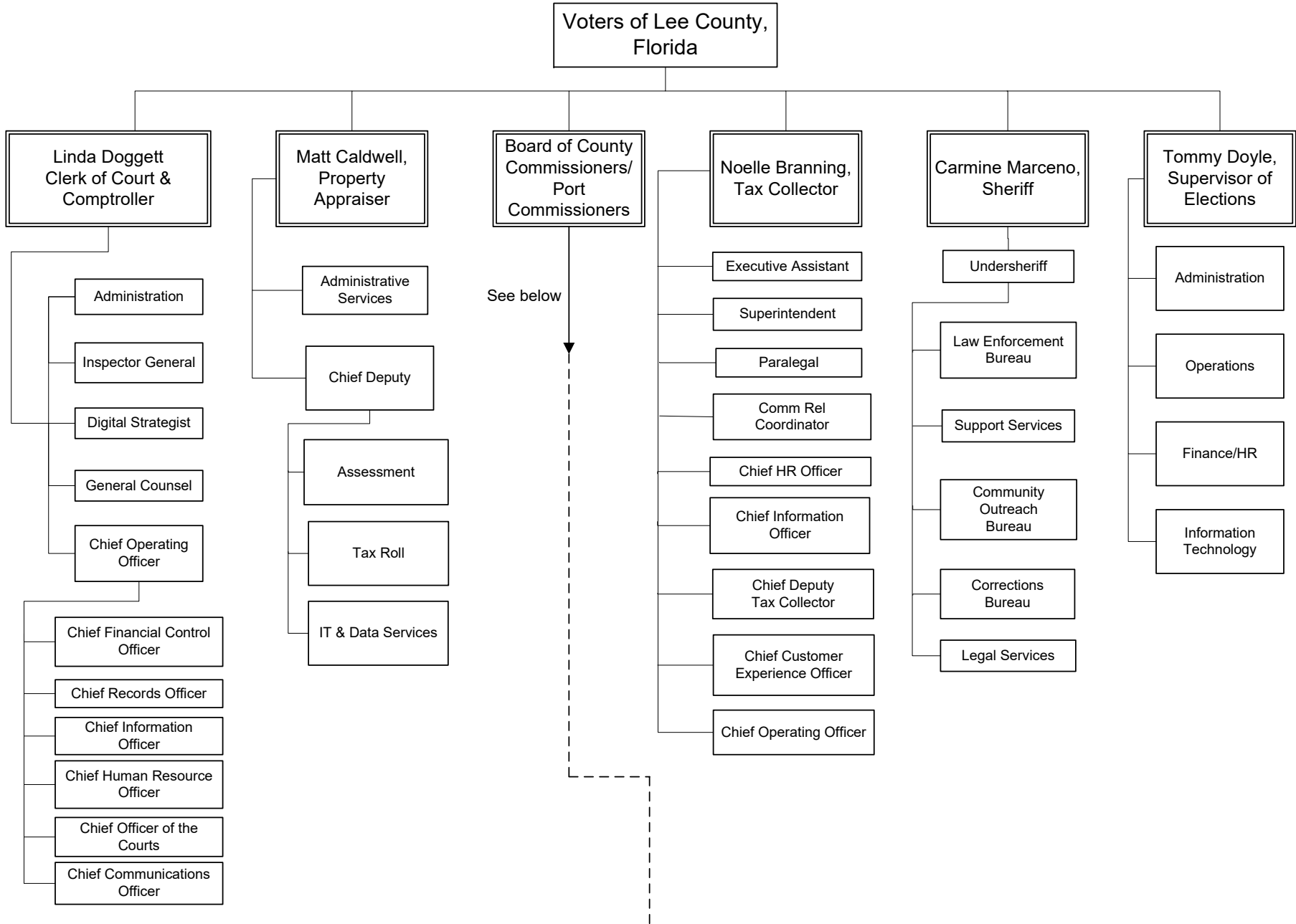
Terry Mallow, CPA  
Chief Financial Control Officer

*Michele Crowell*

Michele Crowell  
General Accounting Manager

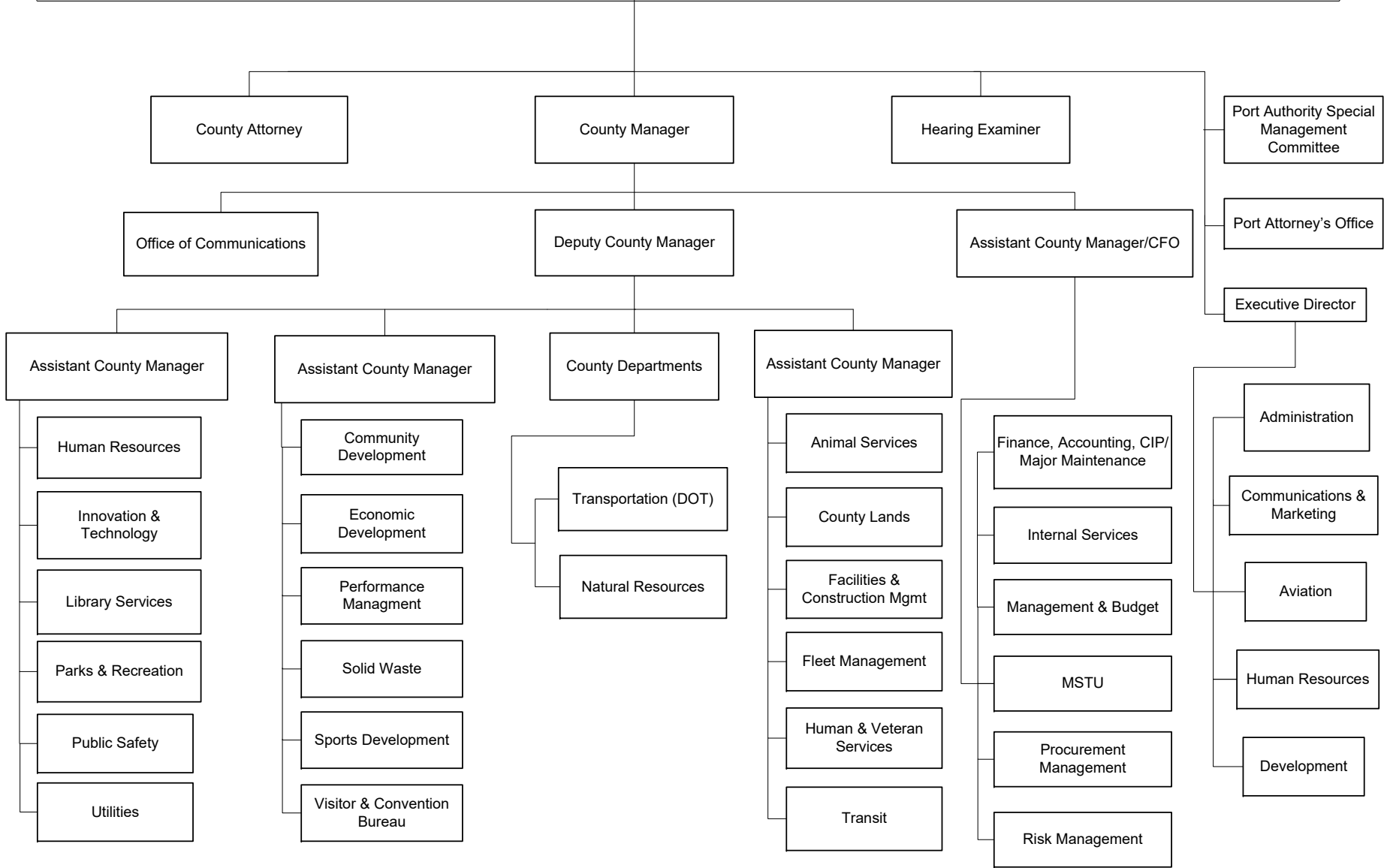
# Lee County Government

as of September 30, 2021



**Board of County Commissioners/ Port Commissioners**

Commissioner, District 1 Kevin Ruane	Commissioner, District 2 Cecil Pendergrass	Commissioner, District 3 Raymond Sandelli	Commissioner, District 4 Brian Hamman	Commissioner, District 5 Frank Mann Sr.
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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Lee  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

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, 2021, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, 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.

### ***Emphasis of Matters***

As discussed in Note IX to the financial statements, in 2021 the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement of beginning net position, fiduciary net position, and fund balance for the change in accounting principle. Our opinion is not modified with respect to this matter.

As discussed in Note IX to the financial statements, in 2021 the County corrected errors related to self-insurance claims payable and revenue recognition. As a result of the error, the County reported a restatement of net position and fund balance, respectively, for the corrections. Our opinion is not modified with respect to this matter.

### ***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 104 to 107, 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 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, supplementary financial information, statistical section, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Board of County Commissioners  
Lee County, Florida

The supplementary 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, the supplementary 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 information has 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 16, 2022, 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 16, 2022



## **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, 2021. 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 2021, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in total net position of \$3,153,811,000.
- The County's total net position increased \$221,042,000, or 7.5 percent, in comparison to prior year.
- The County's governmental activities total net position of \$1,508,202,000 increased \$143,650,000, or 10.5 percent, in comparison to prior year. The unrestricted net position is a deficit balance of \$552,416,000.
- The County's business-type activities total net position of \$1,645,609,000 increased \$77,392,000, or 4.9 percent, in comparison to prior year. Approximately 9.2 percent of the total, or \$151,022,000 is unrestricted, and thus available for spending at the County's discretion.
- The County reported a liability of \$185,941,000 for its proportionate share of the FRS and HIS net pension liabilities.
- The County reported a total other postemployment benefits liability of \$652,769,000.
- Total revenues increased \$172,372,000, or 13.3 percent, in comparison to prior year.
- Total expenses decreased \$28,977,000, or 2.3 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 custodial 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 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 statements (found on pages 45-46) are 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 2021 and 2020.

Summary of Net Position  
September 30, 2021 and 2020  
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$1,013,317	\$888,636	\$687,685	\$650,542	\$1,701,002	\$1,539,178
Capital assets	1,919,718	1,896,620	1,856,529	1,839,684	3,776,247	3,736,304
Total assets	2,933,035	2,785,256	2,544,214	2,490,226	5,477,249	5,275,482
Total deferred outflows of resources	215,748	285,061	49,375	63,326	265,123	348,387
Current liabilities	186,774	147,711 *	66,207	57,742	252,981	205,453 *
Non-current liabilities	933,683	1,424,335 *	785,278	898,645	1,718,961	2,322,980 *
Total liabilities	1,120,457	1,572,046	851,485	956,387	1,971,942	2,528,433
Total deferred inflows of resources	520,124	133,769	96,495	28,948	616,619	162,717
Net Position:						
Net investment in capital assets	1,705,218	1,664,219	1,291,191	1,247,707	2,996,409	2,911,926
Restricted	355,400	334,167	203,396	196,524	558,796	530,691
Unrestricted (deficit)	(552,416)	(633,884)	151,022	123,986	(401,394)	(509,898)
Total net position	\$1,508,202	\$1,364,502 *	\$1,645,609	\$1,568,217	\$3,153,811	\$2,932,719 *

NOTE: Fiscal year 2020 balances are restated due to correction of errors related to the Sheriff's self-insurance claims payable and unearned revenue. Additional information can be found in Note IX on page 101.

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 \$2,996,409,000 (95.0 percent of total net position) increased \$84,483,000, or 2.9 percent, in comparison to prior year.

The restricted net position balance of \$558,796,000 (17.7 percent of total net position) increased \$28,105,000, or 5.3 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 \$401,394,000 and increased \$108,504,000 or 21.3 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, 2021 and 2020**  
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$147,253	\$131,958	\$389,124	\$352,015	\$536,377	\$483,973
Operating grants and contributions	137,039	103,754	29,258	50,781	166,297	154,535
Capital grants and contributions	66,888	21,755	72,549	44,475	139,437	66,230
General revenues:						
Taxes	526,971	481,967	5,455	4,649	532,426	486,616
Grants and contributions not restricted to specific programs	84,359	70,123	-	-	84,359	70,123
Other	9,994	26,540	2,847	11,348	12,841	37,888
<b>Total revenues</b>	<b>972,504</b>	<b>836,097</b>	<b>499,233</b>	<b>463,268</b>	<b>1,471,737</b>	<b>1,299,365</b>
<b>Expenses:</b>						
Program activities:						
General government	339,647	337,632			339,647	337,632
Public safety	269,623	292,276	**		269,623	292,276
Physical environment	15,965	16,458			15,965	16,458
Transportation	72,252	75,765			72,252	75,765
Economic environment	30,870	28,098			30,870	28,098
Human services	33,412	24,125			33,412	24,125
Culture and recreation	79,949	83,546			79,949	83,546
Interest on long-term debt	6,389	6,771			6,389	6,771
Indirect expenses	(5,276)	(5,000)	5,276	5,000	-	-
Business-type activities:						
Airport			113,608	122,825	113,608	122,825
Water and Wastewater			128,047	134,432	128,047	134,432
Transit			32,692	32,087	32,692	32,087
Transportation Facilities			24,705	22,650	24,705	22,650
Solid Waste			103,536	103,007	103,536	103,007
<b>Total expenses</b>	<b>842,831</b>	<b>859,671</b>	<b>407,864</b>	<b>420,001</b>	<b>1,250,695</b>	<b>1,279,672</b>
Total change in net position						
before transfers	129,673	(23,574)	91,369	43,267	221,042	19,693
Transfers	13,977	44,558	(13,977)	(44,558)	-	-
<b>Change in net position</b>	<b>143,650</b>	<b>20,984</b>	<b>77,392</b>	<b>(1,291)</b>	<b>221,042</b>	<b>19,693</b>
Net position October 1, as restated	1,364,552 *	1,343,518	1,568,217	1,569,508	2,932,769 *	2,913,026
<b>Net position September 30</b>	<b>\$1,508,202</b>	<b>\$1,364,502</b>	<b>\$1,645,609</b>	<b>\$1,568,217</b>	<b>\$3,153,811</b>	<b>\$2,932,719</b>

\*Fiscal year 2021 beginning net position is restated due to the implementation of GASB 84. Additional information can be found in Note IX on page 101.

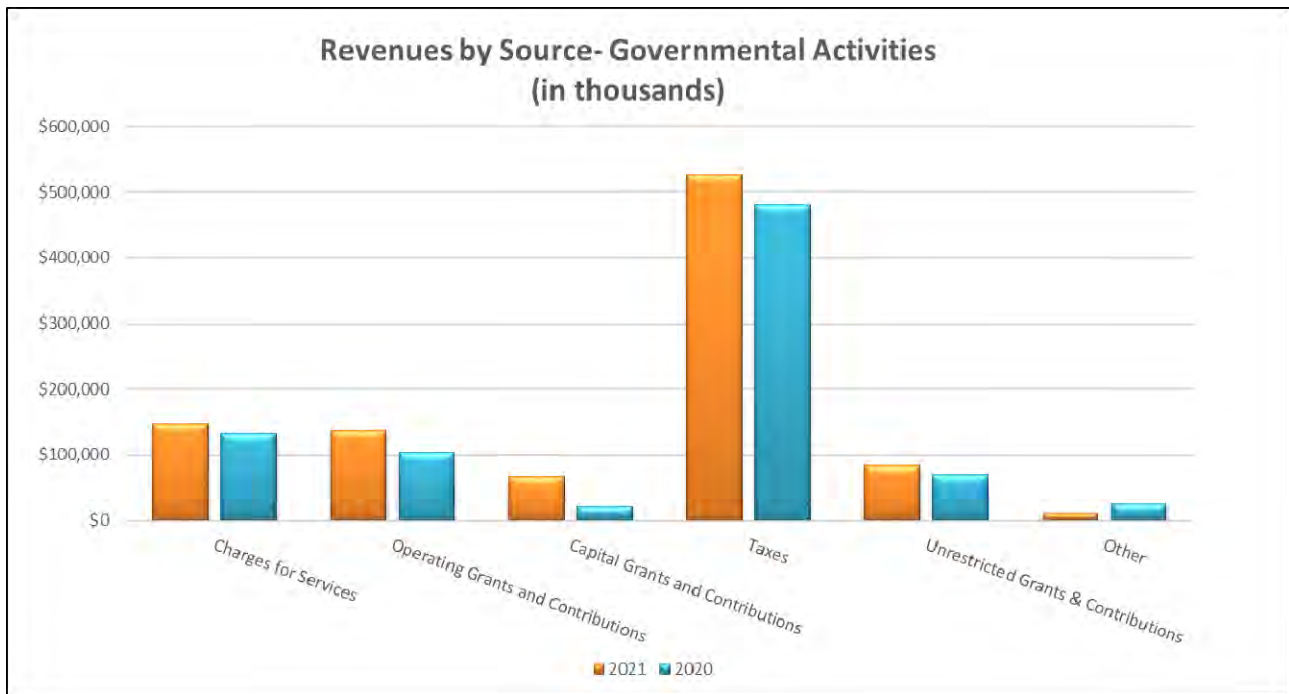
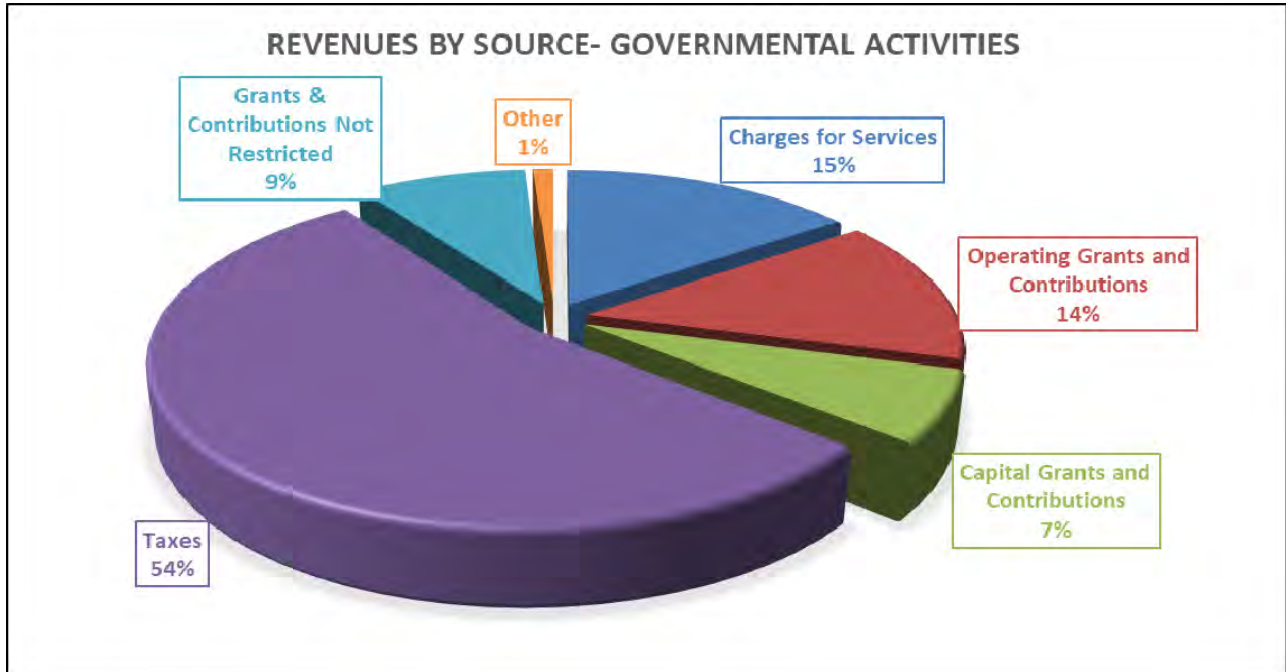
\*\* Fiscal year 2020 balances are restated due to correction of error adjustments related to the Sheriff's self-insurance claims payable and unearned revenue. Additional information can be found in Note IX on page 101.

Total revenues increased \$172,372,000, or 13.3 percent, in comparison to prior year. Total expenses decreased \$28,977,000, or 2.3 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 \$147,779,000, (\$69,313,000), (\$451,589,000), \$386,355,000 , and \$143,700,000, respectively. The increase in the governmental activities’ net investment in capital assets is \$40,999,000, or 2.5 percent, in comparison to prior year.

Total revenues for governmental activities increased \$136,407,000 or 16.3 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 2021 and a chart of revenues by source for 2021 and 2020.

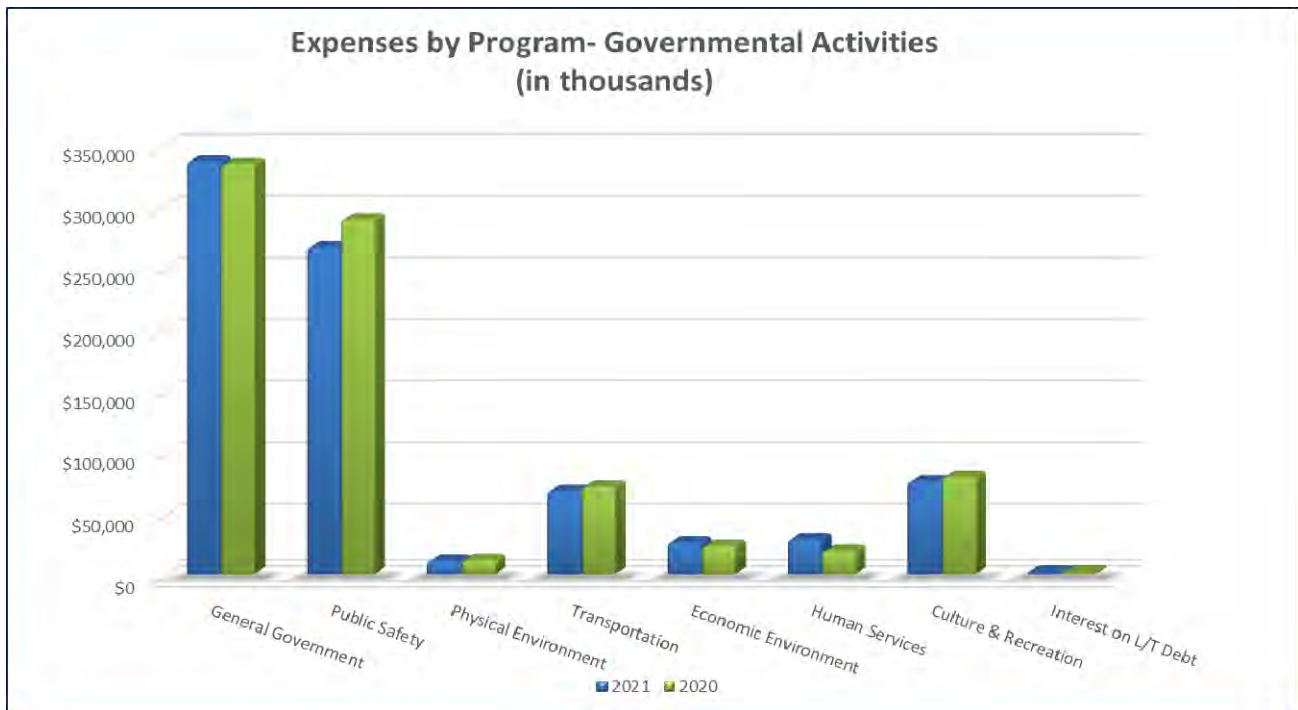


## Lee County, Florida

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

- Operating grants and contributions increased \$33,285,000, or 32.1 percent, in comparison to prior year primarily due to an increase of \$19,188,000 in Cares Act grant funding for community aid programs and COVID-19 expenses, \$10,051,000 in Cares Act Emergency Rental Assistance grant funding, and \$2,235,000 for COVID-19 Emergency Solutions grant funding received in the current year.
- Capital grants and contributions increased \$45,133,000, or 207.5 percent, in comparison to prior year, primarily due to \$29,034,000 in School and Fire Impact Fees previously reported in an Agency Fund, an increase of \$9,894,000 in Road Impact Fee revenue, and an increase of \$5,485,000 in FDOT grants and contributions related to road projects.
- Taxes increased \$45,004,000, or 9.3 percent, in comparison to prior year, due to an increase of \$27,765,000 in Ad Valorem taxes collected as a result of an increase in the property value base, an increase of \$14,832,000 in Tourist Tax revenue as a result of increased visitation over prior year, and an increase of \$2,166,000 in gas taxes.

The following is a chart of expenses by program for governmental activities for fiscal years 2021 and 2020.



Total expenses for governmental activities decreased \$16,840,000, or -2.0 percent, in comparison to prior year. The main components of the change in total expenses for governmental activities were as follows:

- Public safety expense decreased by \$22,653,000, or 7.8 percent, primarily due to a decrease in other postemployment benefits expense of \$10,490,000 as a result of a large gain due to assumption changes, and a decrease in pension expense of \$18,010,000 as a result of a large investment gain, offset by an increase of \$3,707,000 for fire impact fee payments which were previously reported in an Agency Fund.
- Human services expense increased \$9,287,000, or 38.5 percent, primarily due to an increase in other postemployment benefits expense of \$5,625,000 and pension expense of \$1,422,000 as a result of a larger allocation to the human services program related to additional positions hired for COVID related community programs and an increase in homelessness program expenses of \$1,900,000.

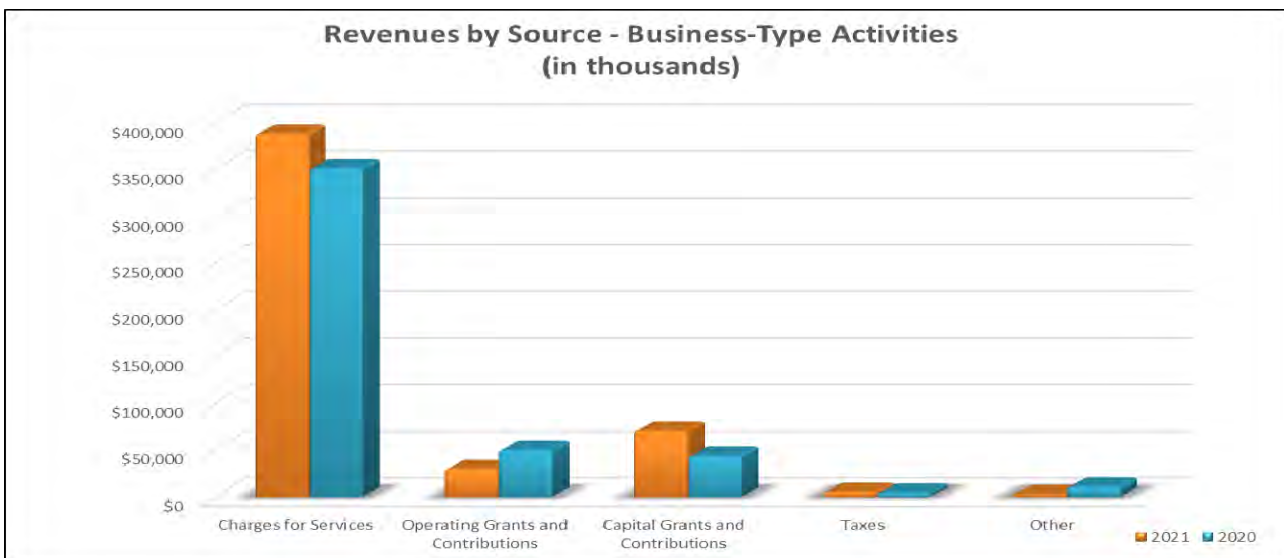
### ***Business-Type Activities***

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 \$53,988,000, (\$13,951,000), (\$104,902,000), \$67,547,000, and \$77,392,000, respectively. The increase in the business-type activities’ net investment in capital assets is \$43,484,000, or 3.5 percent, in comparison to prior year.

Total revenues reported in business-type activities increased \$35,965,000, or 7.8 percent, in comparison to prior year. The increase is primarily due to an increase in charges for services of \$37,109,000, or 10.5 percent, an increase in capital grants and contributions of \$28,074,000, or 63.1 percent, offset by a decrease in operating grants and contributions of \$21,523,000, or 42.4 percent and a decrease in other revenue of \$8,501,000, or 74.9 percent.

- Port Authority charges for services increased \$20,179,000, or 20.3 percent, as a result of higher user fees and concession revenue due to an increase in air traffic in the current year. The prior year was impacted by the COVID-19 pandemic and a one month rent relief program to tenants.
- Solid Waste charges for services increased \$15,124,000, or 16.7 percent, primarily due to ferrous metals market pricing more than double compared to last year, recycling commodities market improvement, increase in natural gas prices, and an increase in gate fees and tonnage for Horticulture.
- Port Authority capital grants and contributions increased \$18,401,000, or 177.4 percent, due to more grant funds received in the current year as a result of capital projects moving forward after being on hold.
- Water and Wastewater capital grants and contributions increased \$7,255,000, or 23.0 percent, due to increased developer contributions in the current year.
- Transit capital grants and contributions increased \$1,432,000, or 56.6 percent, primarily due to capital grants received in the current year for purchases of buses, vans and capital projects.
- Solid Waste operating grants and contributions decreased \$30,034,000, or 100.0 percent, due to Hurricane Irma grant reimbursements received in the prior year.
- Transit operating grants and contributions increased \$7,312,000 or 77.9 percent, as a result of more COVID-19 related grant funds to reimburse personnel costs.
- Other revenue decreased \$8,501,000 or 74.9 percent, across all funds primarily due to lower interest earnings and a decrease in fair value of investments.

The following is a chart of revenues by source for business-type activities for fiscal years 2021 and 2020.



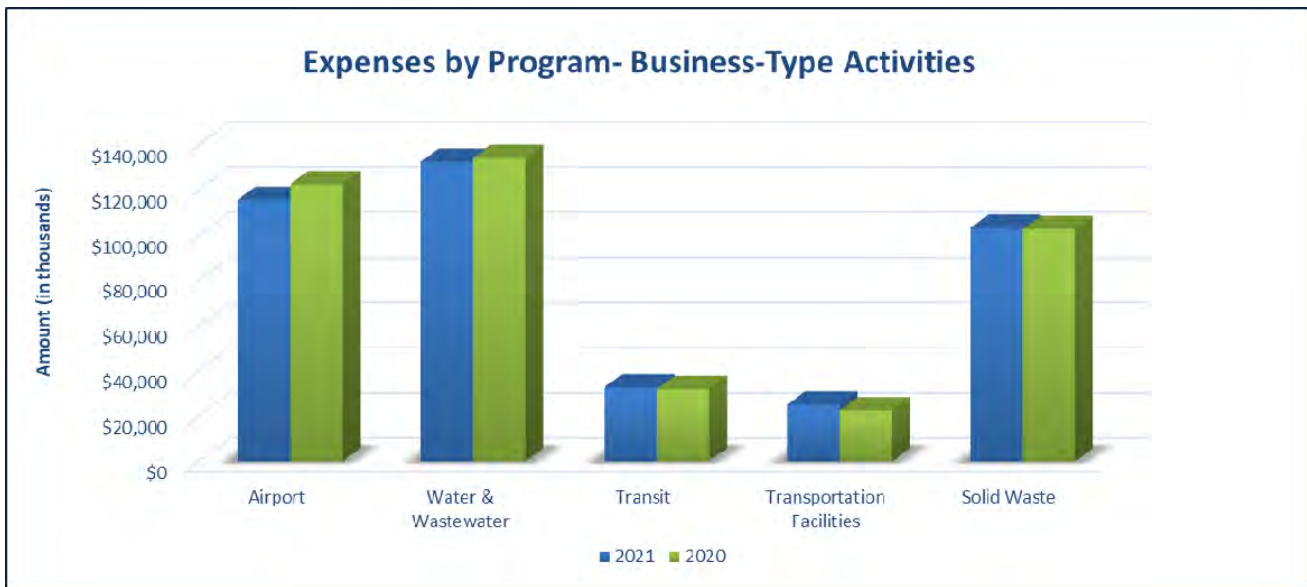
Total business-type expenses decreased \$12,137,000, or 2.9 percent, in comparison to prior year. The decrease is primarily due to a decrease in Airport expenses of \$9,217,000, or 7.5 percent, a decrease in Water and Wastewater

## Lee County, Florida

expenses of \$6,385,000, or 4.7 percent, offset by an increase in Transportation Facilities expense of \$2,055,000, or 9.1 percent.

- Airport expenses are lower in the current year as a result of a \$13,114,000 decrease in pension and other postemployment benefit expense offset by an increase in contractual services, materials, and supplies of \$2,906,000 due to an increase in janitorial services and parking lot management.
- Water and Wastewater expenses are lower in the current year as a result of a decrease contractual services, materials, and supplies expense of \$6,535,000 (primarily due to lower costs associated with the City of Ft. Myers interlocal agreement), a decrease of \$4,350,000 in pension and other postemployment benefit expense, offset by an increase in depreciation expense of \$3,590,000.
- Transportation Facilities expenses are higher in the current year as a result of an increase in other expense of \$2,159,000 due to higher postage costs and bad debt expense.

The following is a chart of expenses by program for business-type activities for fiscal years 2021 and 2020.



## ***Financial Analysis of the Government's Funds***

### ***Governmental Funds***

**G**overnmental 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.

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 \$69,285,000, or 12.8 percent. Taxes increased \$22,777,000, or 6.6 percent, due to an increase of \$22,178,000 in Ad Valorem taxes as a result of higher assessed property values. Intergovernmental revenue increased \$45,421,000, or 33.4 percent, primarily due to \$19,188,000 in Cares Act grant funding for COVID-19 expenditures and community aid, \$10,051,000 in Cares Act Emergency Rental Assistance grant funding, and an increase of \$10,291,000 in local half-cent sales tax revenue. Total expenditures increased \$38,993,000, or 8.3 percent, due to an increase of \$43,119,000 in general government operating expenditures primarily due to expenses of \$19,188,000 related to COVID-19 and community aid programs, expenses of \$10,291,000 for the



## Lee County, Florida

Emergency Rental Assistance program, and \$3,326,000 for COVID-19 vaccine expenses offset by a decrease of \$10,423,000 in public safety capital expenditures primarily due to radio equipment and vehicle purchases by the Sheriff in the prior year.

**Transportation Capital Improvements Fund-** Total revenues increased \$7,463,000, or 27.2 percent. Tax revenue increased \$2,166,000, or 10.6 percent, due to higher gas taxes as a result of increased travel. Intergovernmental revenue increased \$1,484,000, or 36.8 percent, due to an increase in Florida Department of Transportation grants received for road projects. Special assessments revenue increased \$4,168,000, or 100.0 percent, due to the Corkscrew Road Widening project proportional share. Total expenditures increased \$2,495,000, or 4.8 percent, due to costs associated with the Burnt Store Road and Estero Road projects.

### *Proprietary Funds*

**P**roprietary 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 increased \$15,328,000, or 17.8 percent, in comparison to prior year as a result of higher user fees and concession revenue due to an increase in air traffic. Air traffic was impacted by the COVID-19 pandemic in the prior year. Total operating expenses decreased \$9,270,000, or 8.4 percent, in comparison to prior year as a result of lower pension and other postemployment expense of \$13,114,000 offset by an increase of \$2,906,000 in contractual services, materials, and supplies due to an increase in janitorial services and parking lot management. Capital grants and contributions were \$18,401,000, or 177.4 percent, higher compared to the prior year due to grants received for capital projects moving forward after being put on hold in the prior year.

**Water and Wastewater** – Net operating revenue increased \$529,000, or .5 percent, in comparison to prior year. Operating expenses decreased \$6,830,000 or 5.3 percent, in comparison to prior year as a result of a decrease in contractual services, materials, and supplies of \$6,535,000 primarily due to lower costs associated with the City of Ft. Myers interlocal agreement, a decrease in pension and other postemployment benefit expense of \$4,350,000, and an increase in depreciation expense of \$3,590,000. Capital contributions were \$7,255,000, or 23.0 percent, higher compared to the prior year due to an increase in developer contributions.

**Transportation Facilities** – Net operating revenue increased by \$938,000, or 2.2 percent, in comparison to prior year. Total operating expenses increased \$2,075,000, or 10.9 percent, in comparison to prior year primarily due to an increase other expenses related to higher postage costs and bad debt expense.

**Solid Waste** – Net operating revenue increased \$15,393,000, or 16.6 percent, in comparison to prior year primarily due to ferrous metals market pricing more than double compared to last year, recycling commodities market improvement, increase in natural gas prices, and an increase in gate fees and tonnage for horticulture. Total operating expenses decreased \$414,000 or .4 percent, in comparison to prior year. Grants decreased \$30,296,000, or 103.1 percent, in comparison to prior year due to Hurricane Irma FEMA grant reimbursements received in the prior year.

### ***General Fund Budgetary and Actual Highlights***

The difference between the original adopted and final amended revenue and expenditures budget in the General Fund is an increase \$19,328,000 and \$26,835,000. The changes include:

- \$10,025,000 for Sheriff capital outlay for vehicles, software, security, and surveillance updates, and equipment purchases.
- \$7,364,000 for Cares Act Emergency Rental Assistance grant funding and related expenditures.



## Lee County, Florida

- \$1,652,000 increase for the Cares Act Emergency Solutions Grant funding and related expenditures for homeless housing and services for at-risk homelessness.
- \$1,595,000 increase for West Coast Inland Navigation District (WCIND) pass through grant funding and related expenditures for navigation related major maintenance projects.
- \$1,127,000 increase for grants received and related expenditures for housing assistance, homeless prevention projects, homeless housing and relocation services, and the Bob Janes Triage Center.
- \$980,000 increase for the Low Income Home Energy Assistance Program (LIHEAP) grant funding and related expenditures.

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 \$78,276,000. 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, 2021 and 2020.

Lee County, Florida  
Summary of Capital Assets  
September 30, 2021 and 2020  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Artwork	\$323	\$323	\$293	\$293	\$616	\$616
Land	699,522	700,587	227,504	227,504	927,026	928,091
Construction in progress	78,229	72,451	189,805	146,098	268,034	218,549
Easements & rights of way	68,980	68,974	19,792	19,786	88,772	88,760
Software in progress	-	475	-	-	-	475
Buildings	622,147	622,603	674,244	675,990	1,296,391	1,298,593
Improvement other than buildings	236,019	233,275	664,480	624,466	900,499	857,741
Machinery & equipment	282,806	310,089	582,460	570,176	865,266	880,265
Software	19,620	20,943	8,037	8,037	27,657	28,980
Infrastructure	905,178	834,362	1,080,615	1,081,109	1,985,793	1,915,471
Total capital assets	<u>2,912,824</u>	<u>2,864,082</u>	<u>3,447,230</u>	<u>3,353,459</u>	<u>6,360,054</u>	<u>6,217,541</u>
Accumulated depreciation	<u>(993,106)</u>	<u>(967,462)</u>	<u>(1,590,701)</u>	<u>(1,513,775)</u>	<u>(2,583,807)</u>	<u>(2,481,237)</u>
Total	<u>\$1,919,718</u>	<u>\$1,896,620</u>	<u>\$1,856,529</u>	<u>\$1,839,684</u>	<u>\$3,776,247</u>	<u>\$3,736,304</u>

Noteworthy capital asset purchases/completed projects that took place in fiscal year 2021 were as follows:

- Gateway/Commerce Roundabout road project
- Kismet/Littleton realignment road project
- Alico Road widening from Ben Hill Griffin Parkway to Airport Road
- North Lee County deep injection well project
- Replacement of twenty-seven passenger boarding bridges at Southwest Florida International Airport

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

**Debt Administration**

At September 30, 2021, the County had \$630,185,000 of outstanding bonded debt. The revenue bonds, which are each payable from a specific revenue stream, had an outstanding balance of \$630,185,000, or 100 percent of the total bonded debt. The outstanding bond balance decreased \$71,560,000 or -10.2 percent, in comparison to prior year. On June 30, 2021, the County issued the Airport Revenue Refunding Bonds, Series 2021A, in the amount of \$139,560,000. The proceeds were used to currently refund \$172,715,000 of outstanding Airport Revenue Refunding Bonds, Series 2011A.

Total long-term liabilities of \$880,781,000, 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 \$50,471,000, or -5.4 percent, in comparison to prior year. The following is a schedule of outstanding bonds as of September 30, 2021 and 2020.

Lee County, Florida  
 Summary of Outstanding Debt  
 September 30, 2021 and 2020  
 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$175,795	\$179,895	\$454,390	\$521,850	\$630,185	\$701,745
Total	\$175,795	\$179,895	\$454,390	\$521,850	\$630,185	\$701,745

Standard and Poor’s Rating Group suggests that debt service should not exceed 10-15 percent of appropriations. The fiscal year 2021 debt service was 4.0 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 70-81.

**Economic Factors and Next Year’s Budget Rates**

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

- Lee County had a 4.0 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 2021-2022 budget.
- There was an increase in the property values from fiscal year 2021, which is used for fiscal year 2022, of 7.7 percent, based upon values determined by the Property Appraiser.
- The County will receive approximately \$150,000,000 from the American Rescue Plan Act of 2021 to support public health efforts, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer, and broadband infrastructure. The County also has approximately \$20,580,000 available for rental assistance programs.

**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, 3<sup>rd</sup> 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, 2021  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 560,805	\$ 402,603	\$ 963,408
Receivables (net)	11,838	37,598	49,436
Due from other governments	7,195	4,649	11,844
Internal balances	23,408	(23,408)	-
Inventories	3,957	2,938	6,895
Prepays	4,850	1,992	6,842
Other assets	250	114	364
Restricted assets:			
Cash, cash equivalents and investments	383,802	258,500	642,302
Receivables	5,987	2,699	8,686
Due from other governments	10,931	-	10,931
Inventory	294	-	294
Capital assets:			
Non-depreciable	847,054	437,394	1,284,448
Depreciable, net	1,072,664	1,419,135	2,491,799
Total Assets	<u>2,933,035</u>	<u>2,544,214</u>	<u>5,477,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on refunding of debt	4,120	9,445	13,565
Unamortized pension costs and subsequent contributions	86,935	17,367	104,302
Unamortized other postemployment benefits costs and subsequent contributions	124,693	22,563	147,256
Total Deferred Outflows of Resources	<u>215,748</u>	<u>49,375</u>	<u>265,123</u>
<b>LIABILITIES</b>			
Contracts and accounts payable	20,741	28,405	49,146
Accrued liabilities	7,585	1,507	9,092
Due to other governments	11,393	2,117	13,510
Due to individuals	430	-	430
Customer deposits	5,130	1,162	6,292
Unearned revenues	95,887	2,241	98,128
Refunds and rebates	-	14,768	14,768
Net pension liability	421	109	530
Liabilities payable from restricted assets:			
Contracts and accounts payable	18,316	2,459	20,775
Accrued liabilities	457	-	457
Due to other governments	14,750	34	14,784
Customer deposits	6,982	2,610	9,592
Unearned revenue	508	2,302	2,810
Accrued interest payable	4,174	8,493	12,667
Noncurrent liabilities:			
Due within one year	35,279	44,538	79,817
Due in more than one year	227,372	573,592	800,964
Net pension liability	150,680	34,731	185,411
Other postemployment benefits liability	520,352	132,417	652,769
Total Liabilities	<u>1,120,457</u>	<u>851,485</u>	<u>1,971,942</u>

(continued)

Lee County, Florida  
STATEMENT OF NET POSITION  
As of September 30, 2021  
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Gain on refunding of debt	103	157	260
Unamortized pension costs	255,961	44,726	300,687
Unamortized other postemployment benefits costs	264,060	51,612	315,672
Total Deferred Inflows of Resources	<u>520,124</u>	<u>96,495</u>	<u>616,619</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,705,218	1,291,191	2,996,409
Restricted for:			
Capital projects	203,337	123,254	326,591
Debt service	11,873	29,291	41,164
Inventory for resale	294	-	294
Special revenue funds:			
Improvement districts	11,145	-	11,145
Culture & recreation	10,389	-	10,389
Economic development	40,217	-	40,217
Health, safety & welfare	14,455	-	14,455
Transportation roads	48,500	-	48,500
Court programs	3,714	-	3,714
Public records	6,698	-	6,698
Inmate welfare	2,295	-	2,295
Driver's education	739	-	739
Law enforcement activities	1,744	-	1,744
Renewal and replacement	-	50,851	50,851
Unrestricted (deficit)	<u>(552,416)</u>	<u>151,022</u>	<u>(401,394)</u>
Total Net Position	<u>\$ 1,508,202</u>	<u>\$ 1,645,609</u>	<u>\$ 3,153,811</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, 2021  
(amounts expressed in thousands)

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
						Governmental Activities	Business-type Activities	
<b>PRIMARY GOVERNMENT:</b>								
Governmental activities:								
General government	\$ 339,647	\$ (12,104)	\$ 83,955	\$ 91,679	\$ 20,149	\$ (131,760)	\$ -	\$ (131,760)
Public safety	269,623	785	46,608	17,511	8,947	(197,342)	-	(197,342)
Physical environment	15,965	195	2,602	374	476	(12,708)	-	(12,708)
Transportation	72,252	1,298	5,167	10,081	6,391	(51,911)	-	(51,911)
Economic environment	30,870	533	88	13,079	-	(18,236)	-	(18,236)
Human services	33,412	355	2,677	3,613	388	(27,089)	-	(27,089)
Culture and recreation	79,949	3,662	6,156	702	30,537	(46,216)	-	(46,216)
Interest on long-term debt	6,389	-	-	-	-	(6,389)	-	(6,389)
Total governmental activities	848,107	(5,276)	147,253	137,039	66,888	(491,651)	-	(491,651)
Business-type activities:								
Airport	113,608	741	119,741	13,547	28,771	-	47,710	47,710
Water and Wastewater	128,047	2,139	117,183	-	38,830	-	25,827	25,827
Transit	32,692	723	3,262	15,711	4,948	-	(9,494)	(9,494)
Transportation Facilities	24,705	703	43,399	-	-	-	17,991	17,991
Solid Waste	103,536	970	105,539	-	-	-	1,033	1,033
Total business-type activities	402,588	5,276	389,124	29,258	72,549	-	83,067	83,067
Total primary government	1,250,695	-	536,377	166,297	139,437	(491,651)	83,067	(408,584)
General revenues:								
Taxes:								
Property taxes						425,375	2,803	428,178
Gas taxes						22,530	-	22,530
Tourist taxes						52,822	-	52,822
Communication taxes						6,540	-	6,540
Franchise fees						18,775	2,652	21,427
Local business taxes						929	-	929
Grants and contributions not restricted to specific programs						84,359	-	84,359
Investment earnings						1,030	704	1,734
Miscellaneous						8,964	2,143	11,107
Transfers						13,977	(13,977)	-
Total general revenues and transfers						635,301	(5,675)	629,626
Change in net position						143,650	77,392	221,042
Net position - beginning - as restated						1,364,552	1,568,217	2,932,769
Net position - ending						\$ 1,508,202	\$ 1,645,609	\$ 3,153,811

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

Lee County, Florida  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of September 30, 2021  
(amounts expressed in thousands)

	General	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 313,583	\$ 179,820	\$ 379,055	\$ 872,458
Cash and cash equivalents with fiscal agent	-	-	7,782	7,782
Receivables (net)				
Accounts	6,794	96	636	7,526
Special assessments	-	-	2,888	2,888
Accrued interest	78	63	352	493
Due from other funds	1,400	9,197	7,886	18,483
Due from other governments	7,878	2,800	13,848	24,526
Inventory	685	-	3,037	3,722
Total assets	<u>330,418</u>	<u>191,976</u>	<u>415,484</u>	<u>937,878</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	12,405	11,718	12,073	36,196
Accrued liabilities	6,519	-	1,437	7,956
Due to other funds	4,582	1,007	5,125	10,714
Due to other governments	9,427	-	16,577	26,004
Due to individuals	430	-	-	430
Deposits and overbids	4,619	722	6,260	11,601
Unearned revenues	95,866	-	508	96,374
Other	511	-	-	511
Total liabilities	<u>134,359</u>	<u>13,447</u>	<u>41,980</u>	<u>189,786</u>
<b>Deferred Inflows of Resources:</b>				
Grants receivable	671	-	1,459	2,130
Special assessment receivable	-	-	3,102	3,102
Total deferred inflows of resources	<u>671</u>	<u>-</u>	<u>4,561</u>	<u>5,232</u>
<b>Fund Balances:</b>				
Nonspendable	391	-	3,037	3,428
Restricted	294	178,529	182,577	361,400
Committed	-	-	180,739	180,739
Assigned	32,760	-	2,590	35,350
Unassigned	161,943	-	-	161,943
Total fund balances	<u>195,388</u>	<u>178,529</u>	<u>368,943</u>	<u>742,860</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 330,418</u>	<u>\$ 191,976</u>	<u>\$ 415,484</u>	<u>\$ 937,878</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, 2021  
(amounts expressed in thousands)

Fund balances - total governmental funds		\$ 742,860
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	838,319	
Depreciable governmental capital assets, net	<u>1,051,927</u>	1,890,246
Other assets are not available to pay for current period expenditures and are reported as deferred inflows in the funds.		
		5,232
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.		
		4,067
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.		
		4,120
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.		
		(167,404)
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.		
		(137,053)
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	(189,736)	
Accrued interest payable	(4,174)	
Capital lease payable	(8,026)	
Notes payable	(11,127)	
Net pension liability	(148,975)	
Total other postemployment benefits liability	(513,670)	
Compensated absences	<u>(28,930)</u>	(904,638)
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.		
		(103)
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>70,875</u>
Net position of governmental activities		<u><u>\$1,508,202</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, 2021  
(amounts expressed in thousands)

	General	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 367,133	\$ 22,530	\$ 137,308	\$ 526,971
Licenses and permits	1,574	-	11,876	13,450
Intergovernmental	181,581	5,515	38,548	225,644
Charges for services	55,371	-	37,637	93,008
Fines and forfeitures	76	-	1,108	1,184
Impact fees	-	-	59,249	59,249
Special assessments	-	4,168	925	5,093
Miscellaneous	6,232	2,734	3,659	12,625
Total revenues	<u>611,967</u>	<u>34,947</u>	<u>290,310</u>	<u>937,224</u>
<b>EXPENDITURES</b>				
Current				
General government	220,108	-	72,114	292,222
Public safety	220,442	-	40,933	261,375
Physical environment	5,315	-	7,256	12,571
Transportation	-	10,535	38,019	48,554
Economic environment	8,404	-	25,993	34,397
Human services	17,312	-	7,814	25,126
Culture and recreation	15,982	-	58,679	74,661
Capital outlay				
General government	3,333	-	15,137	18,470
Public safety	10,889	-	2,533	13,422
Physical environment	141	-	2,804	2,945
Transportation	-	43,921	10,349	54,270
Economic environment	26	-	270	296
Human services	-	-	27	27
Culture and recreation	461	-	4,248	4,709
Debt service				
Principal retirement	4,311	-	12,675	16,986
Interest and fiscal charges	430	-	8,210	8,640
Bond issuance costs	-	-	30	30
Total expenditures	<u>507,154</u>	<u>54,456</u>	<u>307,091</u>	<u>868,701</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>104,813</u>	<u>(19,509)</u>	<u>(16,781)</u>	<u>68,523</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	6,374	21,528	140,297	168,199
Transfers out	(62,209)	(787)	(95,424)	(158,420)
Debt issuance	-	-	424	424
Total other financing sources and (uses)	<u>(55,835)</u>	<u>20,741</u>	<u>45,297</u>	<u>10,203</u>
Net change in fund balances	48,978	1,232	28,516	78,726
Fund balances - beginning (as restated)	146,410	177,297	340,427	664,134
Fund balances - ending	<u>\$ 195,388</u>	<u>\$ 178,529</u>	<u>\$ 368,943</u>	<u>\$ 742,860</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, 2021  
(amounts expressed in thousands)

Net change in fund balances - total governmental funds:		\$ 78,726
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	94,139	
Less current year depreciation	<u>(65,745)</u>	28,394
The net effect of various miscellaneous transactions involving capital and intangible assets (i.e., disposals, transfers, donations) is to decrease net position.		
		(7,764)
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.		
		420
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(1,257)
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	(424)	
Principal payments	<u>16,986</u>	16,562
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	34,136	
Other postemployment benefits	(12,816)	
Change in compensated absences	<u>(402)</u>	20,918
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	296	
Amortization of bond premiums, discounts, refunding gains and losses	<u>1,955</u>	2,251
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The net income of the internal service funds is reported with governmental activities		<u>5,400</u>
Change in net position of governmental activities		<u><u>\$143,650</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, 2021  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 361,790	\$ 361,790	\$ 367,133	\$ 5,343
Licenses and permits	400	400	1,574	1,174
Intergovernmental	96,367	110,361	104,407	(5,954)
Charges for services	68,053	72,809	73,376	567
Fines and forfeitures	160	160	76	(84)
Miscellaneous	6,048	6,626	6,613	(13)
Total revenues	<u>532,818</u>	<u>552,146</u>	<u>553,179</u>	<u>1,033</u>
<b>EXPENDITURES</b>				
Current				
General government	266,534	277,657	238,091	39,566
Public safety	248,399	244,261	220,442	23,819
Physical environment	5,658	7,518	5,315	2,203
Economic environment	11,303	14,105	8,281	5,824
Human services	20,558	21,973	17,312	4,661
Culture and recreation	20,589	20,679	15,982	4,697
Capital outlay				
General government	866	934	3,333	(2,399)
Public safety	1,040	11,080	10,889	191
Physical environment	110	110	141	(31)
Economic environment	-	-	26	(26)
Culture and recreation	232	232	461	(229)
Debt service				
Principal retirement	1,166	4,311	4,311	-
Interest and fiscal charges	-	430	430	-
Total expenditures	<u>576,455</u>	<u>603,290</u>	<u>525,014</u>	<u>78,276</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(43,637)</u>	<u>(51,144)</u>	<u>28,165</u>	<u>79,309</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	239,761	246,932	249,376	2,444
Transfers out	(297,454)	(297,454)	(304,688)	(7,234)
Total other financing sources (uses)	<u>(57,693)</u>	<u>(50,522)</u>	<u>(55,312)</u>	<u>(4,790)</u>
Net change in fund balance	(101,330)	(101,666)	(27,147)	74,519
Fund balances - beginning	<u>299,829</u>	<u>223,479</u>	<u>235,732</u>	<u>12,253</u>
Fund balances - ending	<u>\$ 198,499</u>	<u>\$ 121,813</u>	<u>\$ 208,585</u>	<u>\$ 86,772</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, 2021  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash, cash equivalents and investments	\$ 164,635	\$ 120,253	\$ 18,265	\$ 97,670	\$ 1,780	\$ 402,603	\$ 64,367
<b>Restricted assets</b>							
Cash, cash equivalents and investments	9,570	11,594	2,383	-	-	23,547	-
Cash and cash equivalents with fiscal agent	6,591	13,123	8,027	7,475	-	35,216	-
Receivables (net)	13,181	12,435	2,226	7,821	1,935	37,598	436
Due from other funds	-	50	12	193	95	350	1,079
Due from other governments	-	4,322	262	45	20	4,649	82
Inventories	209	2,341	388	-	-	2,938	529
Other	1,364	251	151	102	124	1,992	1,033
Total current assets	<u>195,550</u>	<u>164,369</u>	<u>31,714</u>	<u>113,306</u>	<u>3,954</u>	<u>508,893</u>	<u>67,526</u>
<b>Noncurrent Assets:</b>							
<b>Restricted assets</b>							
Cash, cash equivalents and investments	41,604	131,801	2,180	24,152	-	199,737	-
Receivables (net):	2,652	45	1	1	-	2,699	-
<b>Capital assets:</b>							
Non-depreciable	280,985	72,993	44,533	28,864	10,019	437,394	8,735
Depreciable	885,582	1,298,513	313,413	418,837	93,491	3,009,836	64,340
Less accumulated depreciation	(375,948)	(748,893)	(158,490)	(268,152)	(39,218)	(1,590,701)	(43,603)
Unamortized bond insurance	-	-	114	-	-	114	-
Total noncurrent assets	<u>834,875</u>	<u>754,459</u>	<u>201,751</u>	<u>203,702</u>	<u>64,292</u>	<u>2,059,079</u>	<u>29,472</u>
Total assets	<u>1,030,425</u>	<u>918,828</u>	<u>233,465</u>	<u>317,008</u>	<u>68,246</u>	<u>2,567,972</u>	<u>96,998</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Loss on refunding of debt	4,825	3,759	744	117	-	9,445	-
Unamortized pension costs and subsequent contributions	7,780	3,986	823	1,749	3,029	17,367	1,043
Unamortized other postemployment benefits costs	9,257	4,873	1,258	2,060	5,115	22,563	1,228
Total deferred outflows of resources	<u>21,862</u>	<u>12,618</u>	<u>2,825</u>	<u>3,926</u>	<u>8,144</u>	<u>49,375</u>	<u>2,271</u>

(continued)

Lee County, Florida  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
As of September 30, 2021  
(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
<b>LIABILITIES</b>							
<b>Current liabilities:</b>							
Contracts and accounts payable	14,747	4,956	348	7,809	545	28,405	2,861
Accrued liabilities	809	302	60	129	207	1,507	86
Refunds and rebates	14,768	-	-	-	-	14,768	-
Due to other funds	1	-	9,197	-	-	9,198	-
Due to other governments	530	524	542	430	91	2,117	139
Customer deposits	1,134	-	-	28	-	1,162	-
Unearned revenues	1,506	727	1	-	7	2,241	21
Self-insurance claims payable	-	-	-	-	-	-	12,443
Compensated absences	1,499	82	22	28	42	1,673	19
Net pension liability	36	27	7	11	28	109	7
<b>Current liabilities payable from restricted assets:</b>							
Contracts and accounts payable	-	2,412	47	-	-	2,459	-
Accrued liabilities	3,011	2,485	1,907	1,090	-	8,493	-
Due to other governments	-	-	34	-	-	34	-
Customer deposits	-	2,610	-	-	-	2,610	-
Unearned revenues	-	-	2,302	-	-	2,302	-
Notes payable - current	-	6,355	-	-	-	6,355	-
Revenue bonds payable - current	13,150	10,855	6,120	6,385	-	36,510	-
<b>Total current liabilities</b>	<b>51,191</b>	<b>31,335</b>	<b>20,587</b>	<b>15,910</b>	<b>920</b>	<b>119,943</b>	<b>15,576</b>
<b>Noncurrent liabilities:</b>							
Self-insurance claims payable	-	-	-	-	-	-	12,103
Compensated absences	423	1,193	320	402	613	2,951	267
Notes payable	18,850	63,100	-	-	-	81,950	-
Revenue bonds payable	212,248	133,108	79,591	40,551	-	465,498	-
Landfill closure and postclosure costs	-	-	-	23,193	-	23,193	-
Net pension liability	13,322	8,271	1,951	3,554	7,633	34,731	2,119
Total other postemployment benefits liability	60,037	26,508	6,842	11,207	27,823	132,417	6,682
<b>Total noncurrent liabilities</b>	<b>304,880</b>	<b>232,180</b>	<b>88,704</b>	<b>78,907</b>	<b>36,069</b>	<b>740,740</b>	<b>21,171</b>
<b>Total liabilities</b>	<b>356,071</b>	<b>263,515</b>	<b>109,291</b>	<b>94,817</b>	<b>36,989</b>	<b>860,683</b>	<b>36,747</b>

(continued)

Lee County, Florida  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
As of September 30, 2021  
(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
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Gain on refunding of debt	-	-	157	-	-	157	-
Unamortized pension costs	21,261	10,103	1,952	4,474	6,936	44,726	2,665
Unamortized other postemployment benefits costs	13,254	14,048	3,626	5,939	14,745	51,612	3,542
Total deferred inflows of resources	<u>34,515</u>	<u>24,151</u>	<u>5,735</u>	<u>10,413</u>	<u>21,681</u>	<u>96,495</u>	<u>6,207</u>
<b>NET POSITION</b>							
Net investment in capital assets	565,238	407,272	114,302	140,400	63,979	1,291,191	29,274
Restricted							
Capital projects	29,053	94,201	-	-	-	123,254	-
Debt service	3,661	13,125	6,120	6,385	-	29,291	-
Renewal and replacement	500	44,050	2,181	4,120	-	50,851	-
Unrestricted (deficit)	<u>63,249</u>	<u>85,132</u>	<u>(1,339)</u>	<u>64,799</u>	<u>(46,259)</u>	<u>165,582</u>	<u>27,041</u>
Total net position	<u>\$ 661,701</u>	<u>\$ 643,780</u>	<u>\$ 121,264</u>	<u>\$ 215,704</u>	<u>\$ 17,720</u>	<u>\$ 1,660,169</u>	<u>\$ 56,315</u>
						<u>(14,560)</u>	
						<u>\$ 1,645,609</u>	

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, 2021  
(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
<b>OPERATING REVENUES</b>							
User fees	\$ 51,343	\$ 114,924	\$ -	\$ 95,601	\$ 3,069	\$ 264,937	\$ 160,693
Tolls	-	-	43,341	-	-	43,341	-
Rentals and franchise fees	8,510	228	-	2,652	189	11,579	-
Concessions	48,953	-	-	-	-	48,953	-
Miscellaneous	315	2,031	58	9,938	4	12,346	-
Total operating revenues	109,121	117,183	43,399	108,191	3,262	381,156	160,693
Less: Rebates	(7,745)	-	-	-	-	(7,745)	-
Net operating revenues	101,376	117,183	43,399	108,191	3,262	373,411	160,693
<b>OPERATING EXPENSES</b>							
Salaries and wages	26,627	16,958	3,319	7,432	11,802	66,138	3,941
Employee benefits	8,743	6,636	1,561	2,944	5,940	25,824	1,363
Pension and OPEB expense (benefit)	4,525	3,010	(1,002)	640	3,306	10,479	2,566
Contractual services, materials and supplies	25,902	25,220	3,802	70,735	3,466	129,125	20,897
Utilities	4,546	6,040	236	1,128	478	12,428	3,305
Repairs and maintenance	3,094	5,984	158	1,891	1,734	12,861	3,281
Insurance	1,889	831	1,134	434	537	4,825	7,802
Insurance claims	-	-	-	-	-	-	113,658
Other	1,683	3,914	4,379	1,679	1,068	12,723	1,457
Depreciation	24,208	53,112	7,598	14,375	4,650	103,943	3,141
Total operating expenses	101,217	121,705	21,185	101,258	32,981	378,346	161,411
Operating income (loss)	159	(4,522)	22,214	6,933	(29,719)	(4,935)	(718)
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Investment earnings	314	265	(39)	159	5	704	20
Taxes	-	-	-	2,803	-	2,803	-
Grants	13,547	(100)	-	(899)	15,629	28,177	(128)
Interest expense	(10,252)	(5,767)	(2,746)	(985)	-	(19,750)	-
Excess fees - City of Sanibel	-	-	(1,211)	-	-	(1,211)	-
Gain (loss) on disposal of capital assets	(1,500)	(1,806)	(150)	(1,148)	(55)	(4,659)	4
Loss on discontinued projects	-	-	-	(53)	-	(53)	-
Passenger facility charges	18,365	-	-	-	-	18,365	-
Other revenues	1,078	715	348	2	-	2,143	671
Other expenses	(1,319)	(92)	-	-	-	(1,411)	-
Total non-operating revenues (expenses)	20,233	(6,785)	(3,798)	(121)	15,579	25,108	567

(continued)



Lee County, Florida  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2021  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit		
Income (loss) before contributions and transfers	20,392	(11,307)	18,416	6,812	(14,140)	20,173	(151)
Capital grants and contributions	28,771	38,830	-	-	4,948	72,549	-
Transfers in	-	-	-	152	3,681	3,833	5,698
Transfers out	-	(268)	(17,542)	-	-	(17,810)	(1,500)
Total contributions and transfers	28,771	38,562	(17,542)	152	8,629	58,572	4,198
Change in net position	49,163	27,255	874	6,964	(5,511)	78,745	4,047
Total net position - beginning, as restated	612,538	616,525	120,390	208,740	23,231	1,581,424	52,268
Total net position - ending	<u>\$ 661,701</u>	<u>\$ 643,780</u>	<u>\$ 121,264</u>	<u>\$ 215,704</u>	<u>\$ 17,720</u>	<u>\$ 1,660,169</u>	<u>\$ 56,315</u>
						Change in net position	78,745
						Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(1,353)
						Change in net position of business-type activities	<u>\$ 77,392</u>

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, 2021  
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 111,386	\$ 113,488	\$ 42,009	\$ 108,770	\$ 3,709	\$ 379,362	\$ 17,173
Receipts from interfund services provided	-	-	-	-	-	-	143,225
Cash received from customer deposits	191	712	-	5	-	908	-
Cash returned from customer deposits	(80)	(598)	-	-	-	(678)	-
Payments to suppliers	(33,899)	(47,880)	(6,851)	(72,624)	(9,160)	(170,414)	(148,663)
Payments to employees	(32,872)	(17,319)	(4,030)	(9,116)	(11,071)	(74,408)	(4,676)
Payments for interfund services used	(7,299)	(9,003)	(1,864)	(3,017)	(6,392)	(27,575)	(1,499)
Net cash provided by (used in) operating activities	<u>37,427</u>	<u>39,400</u>	<u>29,264</u>	<u>24,018</u>	<u>(22,914)</u>	<u>107,195</u>	<u>5,560</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Non-capital grants received	13,213	-	-	-	18,261	31,474	-
Non-capital grants issued	-	(100)	(792)	(721)	(82)	(1,695)	(128)
Transfers in	-	-	-	153	3,681	3,834	5,698
Transfers out	-	(268)	(59,099)	-	-	(59,367)	(1,500)
Net cash provided by (used in) noncapital financing activities	<u>13,213</u>	<u>(368)</u>	<u>(59,891)</u>	<u>(568)</u>	<u>21,860</u>	<u>(25,754)</u>	<u>4,070</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from capital debt	8,696	91	-	-	-	8,787	-
Proceeds from special assessments	-	69	-	-	-	69	-
Proceeds from capital grants	24,308	16,836	-	-	5,701	46,845	-
Proceeds from passenger facilities charges	17,062	-	-	-	-	17,062	-
Capital asset purchases	(64,366)	(28,251)	(135)	(3,344)	(4,998)	(101,094)	(7,959)
Principal paid on bonds, loans, and interfund loans	(13,251)	(15,929)	(5,835)	(6,075)	-	(41,090)	-
Interest paid on bonds, loans, and interfund loans	(15,298)	(6,216)	(3,961)	(2,331)	-	(27,806)	-
Proceeds from sale of capital assets	132	31	-	185	137	485	609
Net cash provided by (used in) capital and related financing activities	<u>(42,717)</u>	<u>(33,369)</u>	<u>(9,931)</u>	<u>(11,565)</u>	<u>840</u>	<u>(96,742)</u>	<u>(7,350)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on investments	314	444	25	233	8	1,024	56
Net cash provided by investing activities	<u>314</u>	<u>444</u>	<u>25</u>	<u>233</u>	<u>8</u>	<u>1,024</u>	<u>56</u>
Net increase (decrease) in cash and cash equivalents and investments	8,237	6,107	(40,533)	12,118	(206)	(14,277)	2,336
Cash and cash equivalents at beginning of year	214,163	270,664	71,388	117,179	1,986	675,380	62,031
Cash and cash equivalents at end of year	<u>\$ 222,400</u>	<u>\$ 276,771</u>	<u>\$ 30,855</u>	<u>\$ 129,297</u>	<u>\$ 1,780</u>	<u>\$ 661,103</u>	<u>\$ 64,367</u>
Classified as:							
Current assets							
Cash, cash equivalents and investments	\$ 164,635	\$ 120,253	\$ 18,265	\$ 97,670	\$ 1,780	\$ 402,603	\$ 64,367
Restricted assets	16,161	24,717	10,410	7,475	-	58,763	-
Non-current							
Restricted assets	41,604	131,801	2,180	24,152	-	199,737	-
Totals	<u>\$ 222,400</u>	<u>\$ 276,771</u>	<u>\$ 30,855</u>	<u>\$ 129,297</u>	<u>\$ 1,780</u>	<u>\$ 661,103</u>	<u>\$ 64,367</u>

(continued)

Lee County, Florida  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2021  
(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		
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>							
Purchase of capital assets on account	\$ 5,215	\$ 3,303	\$ 31	\$ 35	\$ 385	\$ 8,969	\$ 199
Contributions of capital assets	-	21,994	-	-	-	21,994	-
Loss on disposal of capital assets	(1,632)	(1,837)	(150)	(1,386)	(192)	(5,197)	(606)
Bond proceeds deposited directly to an irrevocable trust	172,945	28,160	-	-	-	201,105	-
Issuance cost paid directly from bond proceeds	(326)	-	-	-	-	(326)	-
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ 159	\$ (4,522)	\$ 22,214	\$ 6,933	\$ (29,719)	\$ (4,935)	\$ (718)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	24,208	53,112	7,598	14,375	4,650	103,943	3,141
Other revenues	1,078	715	348	2,805	-	4,946	671
(Increase) in accounts receivable	(2,151)	(414)	(138)	(2,222)	(3)	(4,928)	(18)
(Increase) decrease in due from other funds	-	88	23	47	71	229	(981)
(Increase) decrease in due from other governments	63	(4,321)	5	(12)	378	(3,887)	13
(Increase) decrease in inventories	(67)	(105)	140	-	-	(32)	(66)
(Increase) in other assets	(176)	(59)	(28)	(72)	(9)	(344)	(96)
Increase (decrease) in contracts and accounts payable	3,293	1,441	89	(170)	(82)	4,571	(365)
Increase in accrued liabilities	75	48	7	18	36	184	30
Increase in refunds and rebates	10,127	-	-	-	-	10,127	-
Increase (decrease) in due to other funds	1	-	-	-	-	1	(10)
Increase (decrease) in due to other governments	134	(7,814)	6	26	18	(7,630)	27
Increase in customer deposits	111	114	-	5	-	230	-
Increase in unearned revenues	894	161	441	-	-	1,496	21
Increase (decrease) in compensated absences	(60)	36	10	(41)	(20)	(75)	(33)
(Decrease) in net pension liability	(27,480)	(12,168)	(2,937)	(5,164)	(8,055)	(55,804)	(2,750)
Decrease in deferred outflows of resources related to pensions	4,531	1,986	572	788	1,395	9,272	398
Increase in deferred inflows of resources related to pensions	20,674	9,692	1,833	4,292	6,524	43,015	2,576
(Decrease) in total other postemployment benefits liability	(2,107)	(7,365)	(3,169)	(3,833)	(7,313)	(23,787)	(466)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	1,455	660	377	396	624	3,512	(61)
Increase in deferred inflows of resources related to other postemployment benefits	2,665	8,115	1,873	3,305	8,591	24,549	2,288
Increase in landfill closure and postclosure costs	-	-	-	2,542	-	2,542	-
Increase in other liabilities	-	-	-	-	-	-	1,959
<b>Total adjustments</b>	<b>37,268</b>	<b>43,922</b>	<b>7,050</b>	<b>17,085</b>	<b>6,805</b>	<b>112,130</b>	<b>6,278</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 37,427</b>	<b>\$ 39,400</b>	<b>\$ 29,264</b>	<b>\$ 24,018</b>	<b>\$ (22,914)</b>	<b>\$ 107,195</b>	<b>\$ 5,560</b>

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

Lee County, Florida  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
As of September 30, 2021  
(amounts expressed in thousands)

ASSETS	
Cash, cash equivalents and investments	\$ 45,352
Accounts receivable	3
Due from other governments	550
Total Assets	45,905
LIABILITIES AND NET POSITION	
Contracts and accounts payable	3
Due to individuals	1,642
Due to other governments	20,520
Total Liabilities	22,165
Fiduciary Net Position Restricted for	
Individuals, organizations, and other governments	23,740
Total Fiduciary Net Position	23,740
Total Liabilities and Fiduciary Net Position	\$ 45,905

Lee County, Florida  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
For the Year Ended September 30, 2021  
(amounts expressed in thousands)

ADDITIONS	
Fees/Fines collected for other governments	\$ 1,570,262
Registry and other deposits collected	54,291
Total additions	<u>1,624,553</u>
DEDUCTIONS	
Fees/Fines disbursed to other governments	1,570,262
Registry and other deposits disbursed	44,285
Total deductions	<u>1,614,547</u>
Change in Fiduciary Net Position	10,006
Fiduciary Net Position - beginning (as restated)	13,734
Fiduciary Net Position - ending	<u>\$ 23,740</u>

See accompanying independent auditors' report.

# Notes to the Financial Statements



Lee County, Florida  
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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 *Annual Comprehensive 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 is 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

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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.

*Custodial Funds* - The custodial funds are used to account for assets collected and held by the County in a fiduciary capacity for individuals, organizations, and other governments.

### *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 fiduciary 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. Prepays 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 \$5,000. 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, 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 assessment and grant 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, the net difference between projected and actual earnings on investments, and changes in the proportion and differences

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between the County's contributions and proportionate share of 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 \$355,400,000 of governmental activities restricted net position, of which \$337,815,000 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 value 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, 2021 (dollars in thousands):

Net change in fund balance (GAAP basis)	\$48,978
Basis Difference:	
EMS ambulance fees not reported on a cash basis	(42)
Fair value adjustment	381
Unavailable revenues	(342)
Unearned revenues	(76,226)
Expenditures associated with inventory	<u>104</u>
Net change in fund balance non-GAAP	<u>(\$27,147)</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 2021 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, 2021.

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, 2021, the Self Insurance General Liability Fund had a deficit unrestricted net position balance of \$4,537,000. 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, 2021, 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	\$ 4,326			N/A
Cash with Fiscal Agent	N/A	42,996			N/A
Demand Deposits	N/A	239,289			N/A
Local Government Investment Pool					
FLCLASS	47 days	21,421			AAAm
FLFIT	79 days	21,124			AAAf/S1
FLSAFE	54 days	45,952			AAAm
Florida PRIME	49 days	797,891			AAAm
U.S. Treasury Note	11/30/2021	20,047			N/A
U.S. Treasury Note	4/15/2024	19,975			N/A
U.S. Treasury Note	5/15/2024	24,876			N/A

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Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
U.S. Treasury Note	6/15/2024	24,857			N/A
U.S. Treasury Note	6/15/2024	24,857			N/A
U.S. Treasury Note	7/15/2024	19,942			N/A
U.S. Treasury Note	9/15/2024	24,889			N/A
U.S. Treasury Note	9/15/2024	24,889			N/A
Federal Farm Credit	4/22/2024	14,455			AA+
Federal Farm Credit	7/23/2024	29,936			AA+
Federal Farm Credit	9/1/2026	24,833			AA+
Federal Farm Credit	9/1/2026	24,833			AA+
Federal Farm Credit	9/28/2026	24,869			AA+
Federal Home Loan Bank	5/24/2024	24,964			AA+
Federal Home Loan Bank	5/28/2024	24,972			AA+
Federal Home Loan Bank	8/26/2024	49,951			AA+
Federal Home Loan Bank	6/30/2026	24,959			AA+
Federal Home Loan Bank	8/14/2026	24,948			AA+
Federal Home Loan Bank	9/30/2026	25,011			AA+
Total		\$ 1,651,062			

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	\$ 963,408
Restricted cash, cash equivalents and investments	642,302

*Custodial Funds:*

Cash, cash equivalents and investments	45,352
Total	\$ 1,651,062

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, 2021, 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

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techniques include the use of option pricing models, discounted cash flow models, and similar techniques. At September 30, 2021, 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.

The County has the following recurring fair value measurements as of September 30, 2021 (dollars in thousands):

<i>Investments by fair value level (Level 2)</i>	
Debt securities	
U.S. Treasury securities	\$ 184,332
Agency securities	293,731
Total debt securities	478,063
Total Investments by fair value level	478,063
<i>Investments measured at the net asset value (NAV)</i>	
Florida Cooperative Liquid Assets Securities System (FLCLASS)	21,421
Florida Fixed Income Trust (FLFIT)	21,124
Florida Surplus Asset Fund Trust (FLSAFE)	45,952
Total investments measured at the NAV	\$ 88,497

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)	\$ 21,421	\$ -	Daily	3:00 p.m. EST (same day)	None
Florida Fixed Income Trust (FLFIT)	21,124	-	Daily	4:00 p.m. EST (same day)	None
Florida Surplus Asset Fund Trust (FLSAFE)	45,952	-	Daily	1:00 p.m. EST (same day)	None
Total investments measured at the NAV	\$ 88,497	\$ -			

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, 2021, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 4.4 percent of Florida PRIME's portfolio at September 30, 2021.

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

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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, 2021, 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).

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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 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*.

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, 2021, 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.

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*Receivables*

At September 30, 2021, 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	\$ 88,166	\$ 96	\$ 636	\$ 88,898
Special assessments	-	-	2,888	2,888
Accrued interest	78	63	352	493
Less: allowance for bad debt	(81,372)	-	-	(81,372)
Total net receivables	<u>\$ 6,872</u>	<u>\$ 159</u>	<u>\$ 3,876</u>	<u>\$ 10,907</u>

	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Accounts	\$ 7,082	\$ 12,078	\$ 5,917	\$ 7,780	\$ 3	\$ 32,860	\$ 420
Grants	9,251	-	-	-	1,931	11,182	-
Special assessments	-	535	-	-	-	535	-
Accrued interest	-	91	8	42	1	142	16
Less: allowance for bad debt	(500)	(224)	(3,698)	-	-	(4,422)	-
Total net receivables	<u>\$ 15,833</u>	<u>\$ 12,480</u>	<u>\$ 2,227</u>	<u>\$ 7,822</u>	<u>\$ 1,935</u>	<u>\$ 40,297</u>	<u>\$ 436</u>

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*Capital Assets*

Capital asset activity for the fiscal year ended September 30, 2021, 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	700,587	-	(1,065)	699,522
Construction in progress	72,451	83,379	(77,601)	78,229
Easements & rights of way	68,974	6	-	68,980
Software in progress	475	-	(475)	-
Total capital assets not being depreciated	<u>842,810</u>	<u>83,385</u>	<u>(79,141)</u>	<u>847,054</u>
Capital assets being depreciated:				
Buildings	622,603	30	(486)	622,147
Improvements other than buildings	233,275	2,847	(103)	236,019
Machinery and equipment	310,089	21,184	(48,467)	282,806
Software	20,943	-	(1,323)	19,620
Infrastructure	834,362	70,816	-	905,178
Total capital assets being depreciated	<u>2,021,272</u>	<u>94,877</u>	<u>(50,379)</u>	<u>2,065,770</u>
Less accumulated depreciation for:				
Buildings	226,665	13,080	(485)	239,260
Improvements other than buildings	156,365	13,351	(96)	169,620
Machinery and equipment	207,510	18,751	(41,337)	184,924
Software	17,281	1,194	(1,324)	17,151
Infrastructure	359,641	22,510	-	382,151
Total accumulated depreciation	<u>967,462</u>	<u>68,886</u>	<u>(43,242)</u>	<u>993,106</u>
Total capital assets being depreciated, net	<u>1,053,810</u>	<u>25,991</u>	<u>(7,137)</u>	<u>1,072,664</u>
Total governmental activities capital assets, net	<u>\$ 1,896,620</u>	<u>\$ 109,376</u>	<u>\$ (86,278)</u>	<u>\$ 1,919,718</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	27,281	-	-	27,281
Transportation Facilities	30,366	-	-	30,366
Solid Waste	28,099	-	-	28,099
Other non-major - Transit	9,099	-	-	9,099
Total land	<u>227,504</u>	<u>-</u>	<u>-</u>	<u>227,504</u>



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*Capital Assets (continued)*

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-Type Activities (continued):</i>				
Construction in progress				
Port Authority	106,432	65,596	(24,098)	147,930
Water and Wastewater	39,066	28,697	(27,621)	40,142
Transportation Facilities	-	48	-	48
Solid Waste	355	1,288	(878)	765
Other non-major - Transit	245	675	-	920
Total construction in progress	<u>146,098</u>	<u>96,304</u>	<u>(52,597)</u>	<u>189,805</u>
Easements & rights of way				
Port Authority	103	-	-	103
Water and Wastewater	5,564	6	-	5,570
Transportation Facilities	14,119	-	-	14,119
Total easements and rights of way	<u>19,786</u>	<u>6</u>	<u>-</u>	<u>19,792</u>
Total capital assets not being depreciated	<u>393,681</u>	<u>96,310</u>	<u>(52,597)</u>	<u>437,394</u>
Capital assets being depreciated:				
Buildings				
Port Authority	361,587	-	(2)	361,585
Water and Wastewater	136,145	38	(85)	136,098
Transportation Facilities	11,182	-	-	11,182
Solid Waste	126,713	-	(1,697)	125,016
Other non-major - Transit	40,363	-	-	40,363
Total buildings	<u>675,990</u>	<u>38</u>	<u>(1,784)</u>	<u>674,244</u>
Improvements other than buildings				
Port Authority	34,131	-	-	34,131
Water and Wastewater	547,603	40,210	(537)	587,276
Transportation Facilities	5,045	-	-	5,045
Solid Waste	34,976	392	-	35,368
Other non-major - Transit	2,711	-	(51)	2,660
Total improvements other than buildings	<u>624,466</u>	<u>40,602</u>	<u>(588)</u>	<u>664,480</u>
Machinery and equipment				
Port Authority	94,092	25,458	(14,290)	105,260
Water and Wastewater	198,793	9,828	(10,460)	198,161
Transportation Facilities	6,600	117	(651)	6,066
Solid Waste	224,983	4,053	(3,135)	225,901
Other non-major - Transit	45,708	3,940	(2,576)	47,072
Total machinery and equipment	<u>570,176</u>	<u>43,396</u>	<u>(31,112)</u>	<u>582,460</u>
Software				
Port Authority	3,761	-	-	3,761
Water and Wastewater	2,391	-	-	2,391
Transportation Facilities	482	-	-	482
Other non-major - Transit	1,403	-	-	1,403
Total software	<u>8,037</u>	<u>-</u>	<u>-</u>	<u>8,037</u>

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*Capital Assets (continued)*

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-Type Activities (continued):</u></i>				
Infrastructure				
Port Authority	381,044	-	(199)	380,845
Water and Wastewater	374,882	-	(295)	374,587
Transportation Facilities	290,638	-	-	290,638
Solid Waste	32,552	-	-	32,552
Other non-major - Transit	1,993	-	-	1,993
Total infrastructure	<u>1,081,109</u>	<u>-</u>	<u>(494)</u>	<u>1,080,615</u>
Total capital assets being depreciated	<u>2,959,778</u>	<u>84,036</u>	<u>(33,978)</u>	<u>3,009,836</u>
Less accumulated depreciation for:				
Buildings				
Port Authority	112,765	7,321	(2)	120,084
Water and Wastewater	26,120	2,603	(21)	28,702
Transportation Facilities	6,875	253	-	7,128
Solid Waste	81,013	3,626	(354)	84,285
Other non-major - Transit	6,828	817	(1)	7,644
Total buildings	<u>233,601</u>	<u>14,620</u>	<u>(378)</u>	<u>247,843</u>
Improvements other than buildings				
Port Authority	19,009	1,669	-	20,678
Water and Wastewater	333,021	28,547	(412)	361,156
Transportation Facilities	4,188	211	-	4,399
Solid Waste	24,120	1,743	-	25,863
Other non-major - Transit	1,593	173	(33)	1,733
Total improvements other than buildings	<u>381,931</u>	<u>32,343</u>	<u>(445)</u>	<u>413,829</u>
Machinery and equipment				
Port Authority	57,365	5,556	(12,733)	50,188
Water and Wastewater	101,140	11,954	(9,030)	104,064
Transportation Facilities	4,898	237	(501)	4,634
Solid Waste	137,653	7,950	(1,452)	144,151
Other non-major - Transit	27,669	3,396	(2,401)	28,664
Total machinery and equipment	<u>328,725</u>	<u>29,093</u>	<u>(26,117)</u>	<u>331,701</u>
Software				
Port Authority	3,750	11	-	3,761
Water and Wastewater	1,813	480	-	2,293
Transportation Facilities	482	-	-	482
Other non-major - Transit	757	214	-	971
Total software	<u>6,802</u>	<u>705</u>	<u>-</u>	<u>7,507</u>
Infrastructure				
Port Authority	171,586	9,651	-	181,237
Water and Wastewater	243,227	9,528	(77)	252,678
Transportation Facilities	134,950	6,897	-	141,847
Solid Waste	12,797	1,056	-	13,853
Other non-major - Transit	156	50	-	206
Total infrastructure	<u>562,716</u>	<u>27,182</u>	<u>(77)</u>	<u>589,821</u>
Total accumulated depreciation	<u>1,513,775</u>	<u>103,943</u>	<u>(27,017)</u>	<u>1,590,701</u>
Total capital assets being depreciated, net	<u>1,446,003</u>	<u>(19,907)</u>	<u>(6,961)</u>	<u>1,419,135</u>
Total business-type activities capital assets, net	<u>\$ 1,839,684</u>	<u>\$ 76,403</u>	<u>\$ (59,558)</u>	<u>\$ 1,856,529</u>

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*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	\$ 17,602	Port Authority	\$ 24,208
Public safety	9,712	Water and Wastewater	53,112
Physical environment	2,650	Transportation Facilities	7,598
Transportation	26,062	Solid Waste	14,375
Economic environment	353	Other non-major - Transit	4,650
Human services	216	Total depreciation for	
Culture and recreation	12,291	business-type activities	<u>\$ 103,943</u>
Total depreciation for governmental activities	<u>\$ 68,886</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, 2021. The significant commitments for remaining contracts were as follows (dollars in thousands):

	Contract Amount	Amount Spent-to-date	Remaining Commitment	Retainage
Port Authority	\$ 156,005	\$ 143,864	\$ 12,141	\$ 4,926
Water and Wastewater	117,588	47,793	69,795	915
Solid Waste	128,239	58,830	69,409	-
Transportation	178,556	107,996	70,560	3,870
Other	28,297	13,713	14,584	489
Total	<u>\$ 608,685</u>	<u>\$ 372,196</u>	<u>\$ 236,489</u>	<u>\$ 10,200</u>

*Minimum Future Rentals*

The Port Authority leases certain facilities to vendors at the Southwest Florida International Airport. Such agreements are short-term in nature and are accounted for as operating leases. Certain leases contain both fixed minimum rentals and contingent rentals based on the vendor's agreement. Contingent rental revenues arise from a percentage of the lessees' gross revenue. For the year ended September 30, 2021, \$25,872,000 of contingent rentals were included in rentals, concessions, and rental car revenues on the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

At September 30, 2021, minimum future rentals of operating leases were as follows (dollars in thousands):

Fiscal Year(s)	Amount
2022	\$ 51,620
2023	53,803
2024	32,254
2025	14,450
2026	3,824
Later years	77,866
Total minimum future revenue	<u>\$ 233,817</u>

Substantially all of the Port Authority's property is used in leasing activities with either airlines or other vendors.

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*Interfund Transactions*

*Due To/From Other Funds*

Interfund balances for the year ended September 30, 2021, consisted of the following (dollars in thousands):

	<i>Funds Reporting Due From Balances</i>								
	General	Transportation	Non-Major	Water and	Transportation	Solid	Other	Internal	Total
	Fund	Capital	Gov't	Wastewater	Facilities	Waste	Non-Major	Service	
		Improvements	Funds				Transit	Funds	
<i>Funds Reporting Due To Balances:</i>									
General Fund	\$ -	\$ -	\$ 3,247	\$ 50	\$ 11	\$ 193	\$ 29	\$ 1,052	\$ 4,582
Transportation Capital Improvements	-	-	941	-	-	-	66	-	1,007
Non-Major Governmental Funds	1,400	-	3,697	-	1	-	-	27	5,125
Port Authority	-	-	1	-	-	-	-	-	1
Transportation Facilities	-	9,197	-	-	-	-	-	-	9,197
	<u>\$ 1,400</u>	<u>\$ 9,197</u>	<u>\$ 7,886</u>	<u>\$ 50</u>	<u>\$ 12</u>	<u>\$ 193</u>	<u>\$ 95</u>	<u>\$ 1,079</u>	<u>\$ 19,912</u>

The majority of interfund balances as of September 30, 2021 are due to interfund billings for services and return of excess fees from the Constitutional Officers. There is one notable interfund balance of \$9,197,000 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, 2021, consisted of the following (dollars in thousands):

	<i>Funds Reporting Transfers In</i>						
	General	Transportation	Non-Major	Solid	Other	Internal	Total
	Fund	Capital	Gov't	Waste	Non-Major	Service	
		Improvements	Funds		Transit	Funds	
<i>Funds Reporting Transfers out:</i>							
General Fund	\$ -	\$ 12,331	\$ 42,868	\$ 152	\$ 2,894	\$ 3,964	\$ 62,209
Transportation Capital Improvements	-	-	-	-	787	-	787
Non-Major Governmental Funds	6,374	-	87,584	-	-	1,466	95,424
Water & Wastewater	-	-	-	-	-	268	268
Transportation Facilities	-	9,197	8,345	-	-	-	17,542
Internal Service Funds	-	-	1,500	-	-	-	1,500
	<u>\$ 6,374</u>	<u>\$ 21,528</u>	<u>\$ 140,297</u>	<u>\$ 152</u>	<u>\$ 3,681</u>	<u>\$ 5,698</u>	<u>\$ 177,730</u>

The majority of interfund transfers were for recurring annual transfers. There were notable non-recurring transfers between non-major Governmental funds of \$7,000,000 for the computer aided dispatch project. Electronic Franchise Fees in the amount of \$15,000,000 were transferred out of the General fund to Non-Major Gov't funds.

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*Governmental Fund Balances*

At September 30, 2021, the County's governmental fund balances were classified as follows (dollars in thousands):

	General Fund	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventory	\$ 391	\$ -	\$ 3,037	\$ 3,428
Total nonspendable	<u>391</u>	<u>-</u>	<u>3,037</u>	<u>3,428</u>
<b>Restricted For:</b>				
Improvement districts	-	-	8,792	8,792
Culture & recreation	-	-	15,187	15,187
Economic development	294	-	40,217	40,511
Health, safety & welfare	-	-	14,772	14,772
Transportation roads	-	178,529	67,349	245,878
Debt service	-	-	21,070	21,070
Court programs	-	-	3,714	3,714
Public records	-	-	6,698	6,698
Inmate welfare	-	-	2,295	2,295
Driver's education	-	-	739	739
Law enforcement activities	-	-	1,744	1,744
Total restricted	<u>294</u>	<u>178,529</u>	<u>182,577</u>	<u>361,400</u>
<b>Committed:</b>				
MSTU	-	-	25,202	25,202
Capital improvements	-	-	120,676	120,676
Court programs	-	-	5,085	5,085
Culture & recreation	-	-	29,293	29,293
Health, safety & welfare	-	-	483	483
Total committed	<u>-</u>	<u>-</u>	<u>180,739</u>	<u>180,739</u>
<b>Assigned to:</b>				
General government	9,280	-	-	9,280
Public safety	1,798	-	-	1,798
Physical environment	992	-	-	992
Economic environment	3,090	-	-	3,090
Human services	2,510	-	-	2,510
Culture & recreation	875	-	452	1,327
Transportation roads	-	-	2,138	2,138
Economic development	5,195	-	-	5,195
Subsequent year's budget	9,020	-	-	9,020
Total assigned	<u>32,760</u>	<u>-</u>	<u>2,590</u>	<u>35,350</u>
<b>Unassigned:</b>				
Total fund balances	<u>\$ 195,388</u>	<u>\$ 178,529</u>	<u>\$ 368,943</u>	<u>\$ 742,860</u>

Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
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*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, 2021, were as follows (dollars in thousands):

Fiscal Year(s)	Amount
2022	\$2,139
2023	1,652
2024	1,199
2025	818
2026	716
2027-2031	3,304
2032-2036	2,482
2037-2041	700
2042-2046	160
Total	\$13,170

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, 2021 (dollars in thousands):

Minimum rentals	\$2,119
Contingent rentals	37
Short-term leases	1,095
Total rent expense	\$3,251

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, 2021 amounted to \$8,026,000. 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 \$9,707,000 and accumulated depreciation of \$3,153,000.

Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
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Future minimum capital lease obligations as of September 30, 2021 were as follows (dollars in thousands):

Fiscal Year	Governmental Activities
2022	\$ 1,576
2023	1,524
2024	1,409
2025	1,409
2026	1,409
2027	1,409
Total	\$ 8,736
Less Interest:	(710)
Present Value:	<u>\$ 8,026</u>

*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, 2021, 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 was also secured by federal direct subsidy payments on these Build America Bonds. For the current year, pledged revenues collected were \$54,502,000 and federal subsidies received to offset the interest expense were \$13,000. The total principal and interest paid for the current year was \$6,104,000. The total principal and interest remaining to be paid is \$170,218,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
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	8,465,000
					<u>\$ 109,125,000</u>

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 \$5,809,000 and \$142,065,000, respectively. The total principal and interest remaining to be paid is \$78,420,000.

Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2021

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	39,660,000
					\$ 66,670,000

*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 \$27,590,000 and \$37,613,000, respectively. Principal paid includes early redemption of Airport Revenue Refunding Bonds, Series 2010A of \$8,666,000 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 \$257,293,000.

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	\$ 16,440,000
Airport Revenue Refunding Bonds, Series 2015	2033	5.00%	4.65%	33,425,000	33,425,000
Airport Revenue Refunding Bonds, Series 2021A	2032	5.00%	1.42%	139,560,000	139,560,000
					\$ 189,425,000

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 \$15,149,000 and \$50,727,000 respectively. The total principal and interest remaining to be paid is \$173,910,000.

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	\$ 10,770,000
Water and Sewer Revenue Bonds, Series 2013A (Partially Refunded December 19, 2019)	2024	2.00% to 5.00%	3.48%	53,755,000	5,065,000
Water and Sewer Refunding Revenue Bonds, Series 2013B	2027	2.00% to 5.00%	4.45%	39,440,000	23,205,000
Water and Sewer Refunding Revenue Bonds, Series 2019	2043	1.69% to 3.30%	3.17%	104,835,000	103,390,000
					\$ 142,430,000

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 \$9,795,000 and \$31,571,000, respectively. The total principal and interest remaining to be paid is \$102,992,000.



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	\$ 78,955,000

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 \$26,687,000, respectively. The total principal and interest remaining to be paid is \$50,433,000.

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	\$ 43,580,000

The annual debt service requirements for revenue bonds at September 30, 2021, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 3,925	\$ 7,629	\$ 36,510	\$ 17,636	\$ 40,435
2023	12,825	7,225	27,775	17,808	40,600	25,033
2024	13,535	6,568	38,480	16,046	52,015	22,614
2025	14,905	5,864	40,175	14,307	55,080	20,171
2026	16,765	5,087	41,965	12,494	58,730	17,581
2027-2031	32,190	18,218	164,770	38,228	196,960	56,446
2032-2036	24,915	13,260	84,580	10,968	109,495	24,228
2037-2041	33,945	7,655	11,980	2,341	45,925	9,996
2042-2044	22,790	1,337	8,155	410	30,945	1,747
Total	<u>\$ 175,795</u>	<u>\$ 72,843</u>	<u>\$ 454,390</u>	<u>\$ 130,238</u>	<u>\$ 630,185</u>	<u>\$ 203,081</u>

Fiscal Year(s)	Port Authority		Water and Wastewater		Transportation Facilities		Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 13,150	\$ 7,657	\$ 10,855	\$ 4,299	\$ 6,120	\$ 3,661	\$ 6,385
2023	3,290	8,971	11,335	3,798	6,435	3,347	6,715	1,692
2024	12,675	8,332	11,860	3,352	6,880	3,015	7,065	1,347
2025	13,315	7,683	12,220	2,977	7,215	2,662	7,425	985
2026	13,980	7,000	12,610	2,597	7,580	2,292	7,795	605
2027-2031	77,590	23,727	53,110	7,643	25,875	6,653	8,195	205
2032-2036	55,425	4,498	10,305	4,063	18,850	2,407	-	-
2037-2041	-	-	11,980	2,341	-	-	-	-
2042-2044	-	-	8,155	410	-	-	-	-
Total	<u>\$ 189,425</u>	<u>\$ 67,868</u>	<u>\$ 142,430</u>	<u>\$ 31,480</u>	<u>\$ 78,955</u>	<u>\$ 24,037</u>	<u>\$ 43,580</u>	<u>\$ 6,853</u>

Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
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*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 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, 2021, were maintained on all issues. The following issues are still outstanding:

Revenue Bonds

- 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 2015
- Airport Revenue Refunding Bonds, Series 2021A
- 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*

Water and Sewer Refunding Revenue Bond, Series 2021A

On April 22, 2021, the County issued Water and Sewer Refunding Revenue Bond, Series 2021A, through a commercial bank loan, in the amount of \$10,460,000 at an interest rate of 0.989 percent maturing on May 1, 2028. Proceeds of the loan were used to refund \$10,910,000 of outstanding Drinking Water State Revolving Loan Agreement DW3610 010 at interest rates ranging from 2.57 percent to 2.77 percent on current interest- on the loan maturing semi-annually on January and July 15 years 2021 through 2028.

The current refunding resulted in a reduction of future debt service payments by approximately \$591,000 over the next 7 years and obtained an economic gain of \$582,000.

Water and Sewer Refunding Revenue Bond, Series 2021B

On April 22, 2021, the County issued Water and Sewer Refunding Revenue Bond, Series 2021B, through a commercial bank loan, in the amount of \$17,791,000 at an interest rate of 1.002 percent maturing on May 1, 2028. Proceeds of the loan were used to refund \$17,925,000 of outstanding Clean Water State Revolving Loan Agreement WW 392330, at interest rates ranging from 2.22 percent to 3.17 percent on current interest- on the loan maturing semi-annually on April and October 15 years 2021 through 2030.

The current refunding resulted in a reduction of future debt service payments by approximately \$1,646,000 over the next 9 years and obtained an economic gain of \$1,396,000.

Lee County, Florida  
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Airport Revenue Refunding Bonds, Series 2021A

On June 30, 2021, the County issued Airport Revenue Refunding Bonds, Series 2021A, in the amount of \$139,560,000 at an interest rate of 5.0 percent maturing on October 1, 2032. Proceeds of the bonds were used to currently refund \$172,715,000 of outstanding Airport Revenue Refunding Bonds, Series 2011A, at an interest ranging of 4.25 to 5.63 percent on current interest paying bonds maturing on October 1 in years 2021 through 2032.

The current refunding resulted in a reduction of future debt service payments by approximately \$50,071,000 over the next 12 years and obtained an economic gain of \$45,401,000.

On the date of issuance of the Series 2021A 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 2021A Bonds. As a result, the refunded Airport Revenue Refunding Bonds, Series 2011A was considered defeased as of June 30, 2021, and the liability has been removed from the financial statements. Subsequently, the final payment for these defeased bonds was made on August 15, 2021.

*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, 2021, consisted of the following:

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

*Variable Debt*

Direct Borrowing – 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, 2021 and no interest was incurred during the current year. The unused line of credit as of September 30, 2021 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.

Lee County, Florida  
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Direct Borrowing – 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, 2021, the rate was .694 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.

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, 2021 was \$18,850,000 and \$31,150,000 respectively. Interest paid for the current year was \$99,000.

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, 2021, were as follows (dollars in thousands):*

Fiscal Year(s)	Business-type Activities	
	Principal	Interest
2022	\$ -	\$ 130
2023	-	130
2024	-	130
2025	18,850	78
	<u>\$ 18,850</u>	<u>\$ 468</u>

Lee County, Florida  
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*Notes Payable*

*Direct Borrowing - 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 \$539,000 and \$606,000 respectively. The total principal and interest remaining to be paid out on the MSBU notes payable is \$3,523,000.

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.

Issue	Issue Date	Interest Rate	Amount Issued	Outstanding Balances
Briarcrest Sewer	August 10, 2007	6.70%	\$ 324,000	\$ 22,000
Emily Lane	August 19, 2009	4.85%	457,000	86,000
McGregor Villages	June 23, 2010	4.06%	116,000	25,000
San Carlos	June 30, 2010	3.85%	458,000	105,000
Airport Woods Sewer	October 10, 2012	2.85%	451,000	90,000
Cherry Estates	November 4, 2014	4.16%	1,985,000	791,000
Harbor Drive	February 8, 2017	4.12%	476,000	303,000
Western Acres	February 8, 2017	4.12%	808,000	514,000
Cherry Estates Side Streets	February 28, 2019	4.86%	211,000	183,000
Oak Creek Road Repaving	October 3, 2019	4.51%	163,000	147,000
Burgundy Farm Road Paving	April 9, 2020	4.51%	286,000	258,000
Marina/Coral Circle Canal	December 17, 2020	3.52%	243,000	243,000
Sunset Cove Channel	December 17, 2020	3.04%	180,000	180,000
				\$ 2,947,000

*Direct Placement - 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 \$8,265,000. Principal and interest paid for the current year and pledged revenues collected were \$8,265,000 and \$142,065,000, 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.

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Issue	Maturity	Interest Rate	Amount Issued	Outstanding Balances
Non-Ad Valorem Refunding Revenue Bond, Series 2013	2021	2.09%	\$ 35,540,000	\$ 8,180,000

Direct Borrowing – 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 \$6,051,000 and \$50,727,000, respectively. The total principal and interest remaining to be paid out on the Florida Department of Environmental Protection loans is \$44,646,000.

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.

Issue	Purpose	Maturity	Interest Rate	Loan Amount Issued	Outstanding Balances
Clean Water State Revolving Fund	Three Oaks Wastewater	2038	0.95%	28,002,000	24,779,000
Construction Loan Agreement WW360200 Executed December 4, 2015	Treatment Plant Oxidation Ditch Improvements				
Drinking Water State Revolving Fund	Advanced Water Meter	2035	1.08%	18,107,000	16,425,000
Construction Loan Agreement DW3602A0 Executed February 28, 2017	Installation project				
					\$ 41,204,000

Direct Placement – Business-type Activities

The Lee County Water and Wastewater System entered into loan agreements with a commercial bank to refund the County’s Drinking Water State Revolving Loan Agreement DW3610 010 and Clean Water State Revolving Loan Agreement WW 392330. The loans are secured solely by a pledge of the net revenues of the Lee County Water and Wastewater System. Loan payments are due semi-annually beginning on November 1, 2021. There were no principal and interest payments made during the current year. Pledged revenues collected were \$50,727,000. The total principal and interest remaining to be paid is \$29,326,000.

In an event of default occurs, the amount not paid when due shall bear interest at the rate of 3.00% above the interest rate then in effect. In the event a payment of principal or interest is not made on or before 90 days of its due date, the rate of interest on all outstanding principal shall be at the rate of 3.00% above the interest rate then in effect until payment default has been cured.

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Issue	Maturity	Interest Rate	Amount Issued	Outstanding Balances
Water and Sewer Refunding Revenue Bond, Series 2021A	2028	0.99%	\$ 10,460,000	\$ 10,460,000
Water and Sewer Refunding Revenue Bond, Series 2021B	2028	1.00%	\$ 17,791,000	\$ 17,791,000
				<u>\$ 28,251,000</u>

The annual debt service requirements for notes payable at September 30, 2021, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Direct Borrowings and Direct Placements		Direct Borrowings and Direct Placements			
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 8,613	\$ 206	\$ 6,355	\$ 685	\$ 14,968	\$ 891
2023	412	103	6,425	614	6,837	717
2024	362	86	6,491	550	6,853	636
2025	312	71	6,557	485	6,869	556
2026	298	59	6,621	419	6,919	478
2027-2031	1,007	123	21,392	1,240	22,399	1,363
2032-2036	123	13	11,818	470	11,941	483
2037-2039	-	-	3,796	54	3,796	54
	<u>\$ 11,127</u>	<u>\$ 661</u>	<u>\$ 69,455</u>	<u>\$ 4,517</u>	<u>\$ 80,582</u>	<u>\$ 5,178</u>

### 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, 2021, consisted of the following (dollars in thousands):

Self-insurance group health & dental	\$8,335
Sheriff internal service fund	2,363
Self-insurance general liability	<u>13,848</u>
Total self-insurance claims payable	<u>\$24,546</u>

Lee County, Florida  
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*Changes in Long-Term Debt*

Changes in bonded and other indebtedness of the County for the year ended September 30, 2021, were as follows (dollars in thousands):

<u>Governmental Activities:</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 179,895	\$ -	\$ (4,100)	\$ 175,795	\$ 3,925
Less/plus deferred amounts:					
Unamort discount/premium	16,268	-	(2,327)	13,941	-
Total bonds payable	196,163	-	(6,427)	189,736	3,925
Direct borrowing and direct placement notes payable	19,123	424	(8,420)	11,127	8,613
Other:					
Self-insurance claims payable*	22,587	115,810	(113,851)	24,546	12,443
Capital Lease	12,492	-	(4,466)	8,026	1,373
Compensated absences	28,847	23,751	(23,382)	29,216	8,925
Total governmental activity long-term liabilities	<u>\$ 279,212</u>	<u>\$ 139,985</u>	<u>\$ (156,546)</u>	<u>\$ 262,651</u>	<u>\$ 35,279</u>

\*See note IX Other Information for detail on restatement of beginning balance.

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	\$ 234,585	\$ 139,560	\$ (184,720)	\$ 189,425	\$ 13,150
Less/plus deferred amounts:					
Unamort discount/premium	3,902	34,231	(2,160)	35,973	-
Total bonds payable	238,487	173,791	(186,880)	225,398	13,150
Direct borrowing - Variable debt	11,000	7,850	-	18,850	-
Compensated absences	1,982	2,979	(3,039)	1,922	1,499
Total Port Authority long-term liabilities	<u>\$ 251,469</u>	<u>\$ 184,620</u>	<u>\$ (189,919)</u>	<u>\$ 246,170</u>	<u>\$ 14,649</u>
<u>Water and Wastewater</u>					
Bonds payable:					
Revenue bonds	\$ 152,820	\$ -	\$ (10,390)	\$ 142,430	\$ 10,855
Less/plus deferred amounts:					
Unamort discount/premium	2,243	-	(710)	1,533	-
Total bonds payable	155,063	-	(11,100)	143,963	10,855
Direct borrowing and direct placement notes payable	74,903	28,251	(33,699)	69,455	6,355
Arbitrage rebate payable	140	-	(140)	-	-
Compensated absences	1,239	1,690	(1,654)	1,275	82
Total Water and Wastewater long-term liabilities	<u>\$ 231,345</u>	<u>\$ 29,941</u>	<u>\$ (46,593)</u>	<u>\$ 214,693</u>	<u>\$ 17,292</u>



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*Changes in Long-Term Debt (continued)*

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Transportation Facilities</u>					
Bonds payable:					
Revenue bonds	\$ 84,790	\$ -	\$ (5,835)	\$ 78,955	\$ 6,120
Less/plus deferred amounts:					
Unamort discount/premium	8,058	-	(1,302)	6,756	-
Total bonds payable	92,848	-	(7,137)	85,711	6,120
Compensated absences	332	328	(318)	342	22
Total Transportation Facilities long-term liabilities	<u>\$ 93,180</u>	<u>\$ 328</u>	<u>\$ (7,455)</u>	<u>\$ 86,053</u>	<u>\$ 6,142</u>
<u>Solid Waste</u>					
Bonds payable:					
Revenue bonds	\$ 49,655	\$ -	\$ (6,075)	\$ 43,580	\$ 6,385
Less/plus deferred amounts:					
Unamort discount/premium	4,593	-	(1,237)	3,356	-
Total bonds payable	54,248	-	(7,312)	46,936	6,385
Landfill closure & postclosure costs	20,652	2,541	-	23,193	-
Compensated absences	471	639	(680)	430	28
Total Solid Waste long-term liabilities	<u>\$ 75,371</u>	<u>\$ 3,180</u>	<u>\$ (7,992)</u>	<u>\$ 70,559</u>	<u>\$ 6,413</u>
<u>Other Non-Major - Transit</u>					
Compensated absences	\$ 675	\$ 967	\$ (987)	\$ 655	\$ 42
Total Other Non-Major long-term liabilities	<u>\$ 675</u>	<u>\$ 967</u>	<u>\$ (987)</u>	<u>\$ 655</u>	<u>\$ 42</u>
<u>Total Business-Type Activities</u>					
Bonds payable:					
Revenue bonds	\$ 521,850	\$ 139,560	\$ (207,020)	\$ 454,390	\$ 36,510
Less/plus deferred amounts:					
Unamort discount/premium	18,796	34,231	(5,409)	47,618	-
Total bonds payable	540,646	173,791	(212,429)	502,008	36,510
Direct borrowing - Variable debt	11,000	7,850	-	18,850	-
Direct borrowing and direct placement notes payable	74,903	28,251	(33,699)	69,455	6,355
Total variable debt and notes payable	85,903	36,101	(33,699)	88,305	6,355
Landfill closure & postclosure costs	20,652	2,541	-	23,193	-
Arbitrage rebate payable	140	-	(140)	-	-
Compensated absences	4,699	6,603	(6,678)	4,624	1,673
Total business-type activity long-term liabilities	<u>\$ 652,040</u>	<u>\$ 219,036</u>	<u>\$ (252,946)</u>	<u>\$ 618,130</u>	<u>\$ 44,538</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, 2021.

	Southwest Florida International Airport
<u>Condensed Statement of Net Position</u>	
Assets	
Current assets	\$ 106,950
Restricted assets	31,497
Capital assets (net)	722,070
Total assets	860,517
Deferred outflows of resources	20,286
Liabilities	
Current liabilities	34,216
Current liabilities payable from restricted assets	16,161
Noncurrent liabilities	297,757
Total liabilities	348,134
Deferred inflows of resources	31,440
Net position	
Net investment in capital assets	496,891
Restricted	4,294
Unrestricted	44
Total net position	\$ 501,229
<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating revenues	
User fees	\$ 41,367
Rentals	4,982
Concessions	48,857
Miscellaneous	270
Less: Rebates	(7,745)
Total operating revenues	87,731
Operating expenses	
Depreciation	20,526
Other operating expenses	64,822
Total operating expenses	85,348
Operating income	2,383

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*Segment Information- Port Authority (continued)*

	Southwest Florida International Airport
Non-operating revenues (expenses)	
Investment earnings	134
Interest expense	(10,252)
Other non-operating	11,931
Total non-operating revenues (expenses)	1,813
Income before capital contributions and transfers	4,196
Capital contributions	28,509
Transfers	37,851
Change in net position	70,556
Beginning net position	430,673
Ending net position	\$ 501,229
<u><i>Condensed Statement of Cash Flows</i></u>	
Net cash provided (used) by:	
Operating activities	\$ 35,436
Noncapital financing activities	50,929
Capital and related financing activities	(59,509)
Investing activities	134
Net increase	26,990
Beginning cash, cash equivalents and investments	97,195
Ending cash, cash equivalents and investments	\$ 124,185

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, 2021, the date of the latest actuarial valuation, plan participation consisted of 3,794 current active plan members, 1,029 retirees and 409 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 2021. The Plan is funded on a pay-as-you-go basis.

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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	\$590	N/A	\$1,180	N/A
Medicare Eligible	494	154	987	384
Retiree plus Spouse				
Pre 65 Years Old	988	N/A	1,975	N/A
Medicare Eligible	795	307	1,589	769
Retiree Plus dependent				
Pre 65 Years Old	973	N/A	1,945	N/A
Medicare Eligible	780	307	1,559	769
Retiree plus family				
Pre 65 Years Old	995	N/A	1,990	N/A
Medicare Eligible (3) (spouse + one dep)	802	461	1,604	1,153
Life:				
Individual Coverage	5		5	
Spouse	N/A		N/A	

Actuarial Methods and Assumptions

At September 30, 2021, the County's GHPLC total OPEB liability of \$399,960,000 was measured as of September 30, 2021, 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	2.26%
Healthcare Cost Trend Rate	7.90% pre 65 8.80% at least 65 9.20% 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, 2021, in the Bond Buyer GO 20-Bond Municipal Bond Index. The discount rate changed from 2.21 percent at September 30, 2020.

Mortality rates were based on the PUBG.H-2010 and PUBS.H-2010 Tables for employees and retirees projected generationally with scale MP-2021 and PUBG.H-2010SB Tables for survivor beneficiaries projected generationally with Scale MP-2021.

Changes in assumptions also included a shift in the future medical plan election for new Medicare eligible retirees, expected claims costs and premiums were updated to reflect actual claims experience and known premiums and health care cost trend rates were updated to reflect recent experience and expectations.

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The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2020 through September 30, 2021.

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, 2020	\$505,013,000
Changes for the year:	
Service Cost	27,176,000
Interest	11,676,000
Difference between Expected and Actual Experience	(25,281,000)
Changes in Assumptions	(110,888,000)
Benefit Payments	<u>(7,736,000)</u>
Net Changes	<u>(105,053,000)</u>
 Balance at September 30, 2021	 <u>\$399,960,000</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	\$ 475,601,000	\$ 399,960,000	\$ 340,086,000

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	\$ 330,575,000	\$ 399,960,000	\$ 491,874,000

For the year ended September 30, 2021, the County recognized OPEB expense of \$19,228,000. At September 30, 2021 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	\$ 1,246,000	\$ 25,938,000
Changes in Actuarial Assumptions	70,496,000	167,457,000
Total	<u>\$ 71,742,000</u>	<u>\$ 193,395,000</u>

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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:	
2022	\$(19,625,000)
2023	(19,625,000)
2024	(19,625,000)
2025	(19,625,000)
2026	(9,352,000)
Total Thereafter	(33,801,000)

*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, 2021, the date of the latest actuarial report, plan participation consisted of 1,571 active members and 491 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 \$799 for single and \$1,643 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, 2021, the Sheriff's LCSHCP total OPEB liability of \$252,809,000 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2020. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Inflation	2.25%
Discount Rate	2.41%
Salary Increases	FRS rates used in July 2020 actuarial valuation 3.4% - 8.2% including inflation
Healthcare Cost Trend Rate	Based on Getzen Model, starting at 6.25% for 2021 (5.00% for premiums) followed by 6.00% for 2022 and gradually decreasing an ultimate trend rate of 3.99%
Retirees' share of benefit cost	Variable: See Percent of the Total Contribution Rates Paid by Retiree table

The rate of inflation was revised from 2.5% to 2.25%. The discount rate was based on the 20 Year Municipal Bond Rate at September 30, 2020, in Fidelity's 20-Year Municipal GO AA Index. The discount rate changed from 2.75 percent at September 30, 2019.

Mortality rates are the same as used in the July 2020 actuarial valuation of the Florida Retirement System. The rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of statewide experience study covering the period of 2013 through 2018.

The actuarial assumptions used in the September 30, 2020 valuation were based on a statewide experience study conducted by FRS covering the period October 1, 2013 through September 30, 2018.

Changes in the Total OPEB Liability

Balance at September 30, 2020	\$302,839,000
Changes for the year:	
Service Cost	9,816,000
Interest	8,527,000
Difference Between Expected and Actual Experience	9,583,000
Changes in Assumptions	(72,808,000)
Benefit Payments	<u>(5,148,000)</u>
Net Changes	<u>(50,030,000)</u>
Balance at September 30, 2021	<u>\$252,809,000</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	\$ 293,762,000	\$ 252,809,000	\$ 214,723,000



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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	\$ 203,646,000	\$ 252,809,000	\$ 312,140,000

For the year ended September 30, 2021, the County recognized OPEB expense of \$12,859,000 related to the Sheriff. At September 30, 2021 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	\$ 5,496,000	\$ -
Difference Between Expected and Actual Experience	11,712,000	-
Changes in Actuarial Assumptions	58,306,000	122,277,000
Total	<u>\$ 75,514,000</u>	<u>\$ 122,277,000</u>

Deferred outflows of resources included \$5,496,000 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, 2022. 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:	
2022	\$ (5,484,000)
2023	(5,484,000)
2024	(5,484,000)
2025	(5,484,000)
2026	(5,484,000)
Total Thereafter	(24,839,000)

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	\$ 399,960,000	\$ 252,809,000	\$ 652,769,000
Deferred outflows of resources related to OPEB	71,742,000	75,514,000	147,256,000
Deferred inflows of resources related to OPEB	193,395,000	122,277,000	315,672,000
OPEB expense	19,228,000	12,859,000	32,087,000

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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. An annual comprehensive 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](http://www.dms.myflorida.com)).

The County's pension expenses for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2021 totaled \$8,100,000.

*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>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
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
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
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
<b>Elected County Officers</b>	3.00
<b>Senior Management Service Class</b>	2.00
<b>Special Risk Regular</b>	
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, 2020, were applied to employee salaries as follows: regular employees 8.28 percent, county elected officials 47.46 percent, senior management 25.57 percent, and DROP participants 15.32 percent. The County's contributions to the FRS Plan were \$40,356,000 for the year ended September 30, 2021.

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

At September 30, 2021, the County reported a liability of \$78,094,000 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the County's proportion was 1.0338 percent, which was a decrease of 0.0670 percent from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized a pension benefit of \$466,000 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	\$ 13,385,000	\$ -
Changes in Actuarial Assumptions	53,437,000	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	272,452,000
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	8,882,000	21,828,000
County Contributions Subsequent to the Measurement Date	11,254,000	-
<b>Total</b>	<b>\$ 86,958,000</b>	<b>\$ 294,280,000</b>

Deferred outflows of resources related to pensions included \$11,254,000 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, 2022. 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:	
2022	\$(37,665,000)
2023	(44,447,000)
2024	(58,945,000)
2025	(75,390,000)
2026	(2,129,000)

Actuarial Assumptions

The total pension liability in the July 1, 2021 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, 2021, 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%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.7%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	25.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
<b>Totals</b>	<b>100.0%</b>			
Assumed Inflation - Mean			2.4%	1.2%

Discount Rate

The discount rate used to measure the total pension liability remained the same as prior year at 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, 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	\$ 349,242,000	\$ 78,094,000	\$ (148,555,000)

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 Annual Comprehensive 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, 2021, 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, 2021, 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 \$5,168,000 for the year ended September 30, 2021.

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

At September 30, 2021, the County reported a liability of \$107,847,000 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. Liabilities originally calculated as of the actuarial valuation date are recalculated as of June 30, 2021 using a standard actuarial roll-forward technique. 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, 2020, through June 30, 2021, relative to the total employer contributions received from all participating employers. At June 30, 2021, the County's proportion was 0.8792 percent, which was a decrease of 0.0052 percent from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$8,566,000 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	\$ 3,609,000	\$ 45,000
Changes in Actuarial Assumptions	8,474,000	4,444,000
Net Difference Between Projected and Actual Earnings on HIS Program Investments	112,000	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	3,792,000	1,918,000
County Contributions Subsequent to the Measurement Date	1,357,000	-
<b>Total</b>	<b>\$ 17,344,000</b>	<b>\$ 6,407,000</b>

Deferred outflows of resources related to pensions included \$1,357,000 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, 2022. 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:		
2022	\$	3,042,000
2023		1,277,000
2024		1,915,000
2025		1,931,000
2026		1,204,000
Total Thereafter		211,000

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	2.16 %

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Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2021, 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 2.21 to 2.16 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	1.16%	2.16%	3.16%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 124,681,000	\$ 107,847,000	\$ 94,054,000

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 Annual Comprehensive 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	\$ 78,094,000	\$ 107,847,000	\$ 185,941,000
Deferred outflows of resources related to pensions	86,958,000	17,344,000	104,302,000
Deferred inflows of resources related to pensions	294,280,000	6,407,000	300,687,000
Pension expense (benefit)	(466,000)	8,566,000	8,100,000



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### *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 Annual Comprehensive 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, 2021, 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 \$3,909,000 for the year ended September 30, 2021.

## 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

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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.

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, 2021, 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, 2021 and 2020, were as follows (dollars in thousands):

	<u>Beginning of Fiscal Year Liability (as restated)</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>				
2021	\$9,733	\$109,587	(\$108,622)	\$10,698
2020	9,245	101,278	(100,790)	9,733
<u>Self-Insurance General Liability:</u>				
2021	\$12,854	\$4,413	(\$3,419)	\$13,848
2020	14,511	1,827	(3,484)	12,854

### *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 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, \$23,193,000, represents the cumulative portion of total estimated closure and postclosure care as of September 30, 2021, based

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on the use of 56 percent of the capacity of the 100 acre active disposal areas at the landfill. The total estimated cost for closure and postclosure care for the landfill at September 30, 2021, was \$40,636,000. The County will recognize the remaining estimated cost of closure and postclosure care of \$17,443,000 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, 2021. The Class I - MSW landfill facility configuration, as currently planned, is expected to provide approximately 13 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, 2021, cash and investments of \$12,336,000 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 prior 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 2022 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:

Year ending September 30:	
2022	\$ 8,020,000
2023	8,298,000
2024	8,590,000

For the year ended September 30, 2021, the Sheriff paid \$11,238,000 for inmate medical services and \$2,721,000 for food services at its detention facilities.

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, dependents and retirees of the Sheriff. The agreement was renewed effective in July 1, 2016 for three (3) terms that automatically renew but is cancellable with one hundred twenty (120) day written notice. The agreement automatically renews unless

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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, 2021, are as follows:

	<u>Amount</u>
General Fund	\$18,545,000
Other Governmental Funds	\$85,347,000

### *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 and the Plaintiff appealed the decision to the Second District Court of Appeal. The Second District Court of Appeal affirmed the lower court's decision, and certified the question to the Florida Supreme Court, 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 Court issued a final judgment in June of 2021. Both Plaintiff's appealed and Lee County cross-appealed the decision to the Second District Court of Appeal. On February 1, 2022 the Board approved settlement whereby the plaintiffs agree to pay Lee County \$200,000 as final compensation for fees and costs. The settlement resolves the litigation matter by joint dismissal.

### *Subsequent Events*

On October 26, 2021, the Lee County Port Authority closed on the Airport Revenue Bonds, Series 2021B (AMT) in the amount of \$217,670,000.

On November 5, 2021, the County closed on the Revenue Note Series 2021 for the Telegraph MSBU Project in the amount of \$184,130.

### *Restatements*

During the year ended September 30, 2021, the County implemented GASB Statement No. 84, "Fiduciary Activities". The goal of the statement is to improve financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities. The implementation of the pronouncement required a restatement.

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The County has also restated the financial statements as the result of error corrections related to unearned revenue in the Sheriff's special revenue fund and to self-insurance claims payable in the Sheriff's internal service fund.

Changes to net position as of September 30, 2020, are as follows (dollars in thousands):

	<u>Governmental Activities</u>	<u>Governmental Activities - Internal Service Funds</u>	<u>Fiduciary Funds - Custodial Funds</u>
Net Position, as previously reported	\$ 1,362,045	\$ 50,153	\$ -
Cumulative affect of GASB 84 implementation	50	-	13,734
Cumulative affect of Sheriff unearned revenue correction	342	-	-
Cumulative affect of Sheriff claims payable correction	2,115	2,115	-
Net Position, as restated	<u>\$ 1,364,552</u>	<u>\$ 52,268</u>	<u>\$ 13,734</u>
Other			
	<u>Governmental Funds</u>		
Fund Balance, as previously reported	\$ 340,035		
Cumulative affect of GASB 84 implementation	50		
Cumulative affect of Sheriff unearned revenue correction	342		
Fund Balance, as restated	<u>\$ 340,427</u>		



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# Required Supplementary Information





Lee County, Florida  
**REQUIRED SUPPLEMENTARY INFORMATION**  
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**Other Postemployment Benefits Plans**  
(unaudited)

*Group Health Program for Lee County Plan*

<u>Total OPEB liability</u>	Measurement Date				
	2017	2018	2019	2020	2021
Service cost	\$ 15,683,000	\$ 8,720,000	\$ 16,652,000	\$ 23,654,000	\$ 27,176,000
Interest	12,235,000	11,148,000	15,207,000	13,270,000	11,676,000
Difference between expected and actual experience	1,259,000	1,204,000	(824,000)	(3,683,000)	(25,281,000)
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)	(110,888,000)
Benefit payments	(9,678,000)	(9,067,000)	(7,883,000)	(5,200,000)	(7,736,000)
Net change in total OPEB liability	(86,919,000)	49,014,000	126,745,000	27,212,000	(105,053,000)
Total OPEB liability beginning	388,961,000	302,042,000	351,056,000	477,801,000	505,013,000
Total OPEB liability ending	<u>\$ 302,042,000</u>	<u>\$ 351,056,000</u>	<u>\$ 477,801,000</u>	<u>\$ 505,013,000</u>	<u>\$ 399,960,000</u>
Covered-employee payroll	\$ 173,439,000	\$ 198,692,000	\$ 224,028,000	\$ 227,739,000	\$ 236,913,000
OPEB liability as a percentage of covered-employee payroll	174.15%	176.68%	213.28%	221.75%	168.82%

**Notes to Schedule**

For the measurement date September 30, 2021, the amount reported as changes in assumptions resulted from the following:

- The discount rate changed from 2.21% at September 30, 2020 to 2.26% at September 30, 2021.
- Change in the mortality improvement scale from Scale MP-2020 to Scale MP-2021.
- A change in future medical plan election for new Medicare eligible retirees from 60% Aetna Select or POS2, 40% Medicare Advantage to 50% Aetna Select or POS2, 50% Medicare Advantage.
- Expected claims costs and premiums updated to reflect actual claims experience and known premiums.
- The health care cost trend rates updated to reflect recent experience and expectations.

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, 2021

Other Postemployment Benefits Plans  
 (unaudited)

*Lee County Sheriff Health Care Plan*

<u>Total OPEB liability</u>	Measurement Date				
	2016	2017	2018	2019	2020
Service cost	\$ 8,466,000	\$ 10,834,000	\$ 9,900,000	\$ 7,313,000	\$ 9,816,000
Interest	9,205,000	9,024,000	10,023,000	9,373,000	8,527,000
Difference between expected and actual experience	-	-	4,211,000	-	9,583,000
Changes of assumptions	31,576,000	(22,771,000)	(58,471,000)	51,094,000	(72,808,000)
Benefit payments	(5,099,000)	(4,607,000)	(4,738,000)	(4,703,000)	(5,148,000)
Net change in total OPEB liability	44,148,000	(7,520,000)	(39,075,000)	63,077,000	(50,030,000)
Total OPEB liability beginning	242,209,000	286,357,000	278,837,000	239,762,000	302,839,000
Total OPEB liability ending	<u>\$ 286,357,000</u>	<u>\$ 278,837,000</u>	<u>\$ 239,762,000</u>	<u>\$ 302,839,000</u>	<u>\$ 252,809,000</u>
Covered-employee payroll	\$ 66,951,000	\$ 68,226,000	\$ 65,943,000	\$ 60,396,000	\$ 89,930,000
OPEB liability as a percentage of covered-employee payroll	427.71%	408.70%	363.59%	501.42%	281.12%

**Notes to Schedule**

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

- Change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020.
- The rate of inflation was revised from 2.5% to 2.25%.

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, 2021

**Florida Retirement System Pension Plan**  
(unaudited)

**Schedule of the County's Proportionate Share of the Net Pension Liability**  
Last 8 Fiscal Years\*

	2014	2015	2016	2017	2018	2019	2020	2021
County's Proportion of the Net Pension Liability	0.9638%	0.9683%	1.0422%	1.0502%	1.0927%	1.1060%	1.1008%	1.0338%
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	\$ 78,094,000
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	\$ 311,206,000
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%	25.09%
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%	96.40%

\*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 8 Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 22,247,000	\$ 23,938,000	\$ 26,777,000	\$ 27,667,000	\$ 31,629,000	\$ 35,070,000	\$ 37,780,000	\$ 40,356,000
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)	(40,356,000)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 242,110,000	\$ 248,447,000	\$ 262,679,000	\$ 272,610,000	\$ 289,589,000	\$ 302,411,000	\$ 312,965,000	\$ 311,795,000
Contributions as a percentage of covered payroll	9.19%	9.64%	10.19%	10.15%	10.92%	11.60%	12.07%	12.94%

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, 2021

***Retiree Health Insurance Subsidy Program***  
 (unaudited)

**Schedule of the County's Proportionate Share of the Net Pension Liability  
 Last 8 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
County's Proportion of the Net Pension Liability	0.8101%	0.8103%	0.8408%	0.8409%	0.8800%	0.8932%	0.8844%	0.8792%
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	\$ 107,847,000
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	\$ 311,206,000
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%	34.65%
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%	3.56%

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

**Schedule of County Contributions  
 Last 8 Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually Required Contribution	\$ 3,136,000	\$ 3,375,000	\$ 4,363,000	\$ 4,526,000	\$ 4,799,000	\$ 5,022,000	\$ 5,195,000	\$ 5,168,000
Contributions in Relation to the Contractually Required Contribution	<u>(3,136,000)</u>	<u>(3,375,000)</u>	<u>(4,363,000)</u>	<u>(4,526,000)</u>	<u>(4,799,000)</u>	<u>(5,022,000)</u>	<u>(5,195,000)</u>	<u>(5,168,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 242,110,000	\$ 248,447,000	\$ 262,679,000	\$ 272,610,000	\$ 289,589,000	\$ 302,411,000	\$ 312,965,000	\$ 311,795,000
Contributions as a percentage of covered payroll	1.30%	1.36%	1.66%	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



Lee County, Florida  
 Schedule of Receipts and Expenditures of  
 Funds Related to the Deepwater Horizon Oil Spill  
 For the Fiscal Year Ended September 30, 2021

Source	Amount Received in the 2020-21 Fiscal Year	Amount Expended in the 2020-21 Fiscal Year
<b>British Petroleum:</b>		
Economic Loss Claim - Final Settlement		
Lee County Board of County Commissioners	\$ -	\$ 4,182,658



# General Fund



Lee County, Florida  
 COMBINING SCHEDULE - BALANCE SHEET  
 GENERAL FUND  
 As of September 30, 2021  
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 281,701	\$ 5,709	\$ 1,123	\$ 10,776
Receivables (net)				
Accounts	6,759	2	2	31
Accrued interest	78	-	-	-
Due from other funds	15,142	120	-	868
Due from other governments	7,715	40	-	-
Inventory	643	42	-	-
Total assets	<u>312,038</u>	<u>5,913</u>	<u>1,125</u>	<u>11,675</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Contracts and accounts payable	7,065	189	15	4,549
Accrued liabilities	1,195	265	143	4,308
Due to other funds	2,907	1,737	828	2,388
Due to other governments	7,208	330	139	-
Due to individuals	-	-	-	430
Deposits and overbids	1,323	3,296	-	-
Unearned revenues	95,770	96	-	-
Other	511	-	-	-
Total liabilities	<u>115,979</u>	<u>5,913</u>	<u>1,125</u>	<u>11,675</u>
Deferred Inflows of Resources:				
Grants receivable	671	-	-	-
Total deferred inflows of resources	<u>671</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	349	42	-	-
Restricted	294	-	-	-
Assigned	32,760	-	-	-
Unassigned	161,985	(42)	-	-
Total fund balances	<u>195,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 312,038</u>	<u>\$ 5,913</u>	<u>\$ 1,125</u>	<u>\$ 11,675</u>

See accompanying independent auditors' report.

(continued)



Lee County, Florida  
 COMBINING SCHEDULE - BALANCE SHEET  
 GENERAL FUND  
 As of September 30, 2021  
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 1,836	\$ 12,438	\$ -	\$ 313,583
Receivables (net)				
Accounts	-	-	-	6,794
Accrued interest	-	-	-	78
Due from other funds	1	87	(14,818)	1,400
Due from other governments	-	123	-	7,878
Inventory	-	-	-	685
Total assets	<u>1,837</u>	<u>12,648</u>	<u>(14,818)</u>	<u>330,418</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Contracts and accounts payable	172	415	-	12,405
Accrued liabilities	143	465	-	6,519
Due to other funds	1,522	10,018	(14,818)	4,582
Due to other governments	-	1,750	-	9,427
Due to individuals	-	-	-	430
Deposits and overbids	-	-	-	4,619
Unearned revenues	-	-	-	95,866
Other	-	-	-	511
Total liabilities	<u>1,837</u>	<u>12,648</u>	<u>(14,818)</u>	<u>134,359</u>
Deferred Inflows of Resources:				
Grants receivable	-	-	-	671
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>671</u>
Fund Balances:				
Nonspendable	-	-	-	391
Restricted	-	-	-	294
Assigned	-	-	-	32,760
Unassigned	-	-	-	161,943
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,388</u>
Total liabilities and fund balances	<u>\$ 1,837</u>	<u>\$ 12,648</u>	<u>\$ (14,818)</u>	<u>\$ 330,418</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, 2021  
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
<b>REVENUES</b>				
Taxes	\$ 367,133	\$ -	\$ -	\$ -
Licenses and permits	1,574	-	-	-
Intergovernmental	177,708	1,651	1,836	-
Charges for services	31,415	8,012	339	1,202
Fines and forfeitures	76	-	-	-
Miscellaneous	5,014	370	2	563
Total revenues	<u>582,920</u>	<u>10,033</u>	<u>2,177</u>	<u>1,765</u>
<b>EXPENDITURES</b>				
Current				
General government	170,888	18,641	9,214	8,653
Public safety	40,058	-	-	180,384
Physical environment	5,315	-	-	-
Economic environment	8,404	-	-	-
Human services	17,312	-	-	-
Culture and recreation	15,982	-	-	-
Capital outlay				
General government	2,847	29	58	-
Public safety	402	-	-	10,487
Physical environment	141	-	-	-
Economic environment	26	-	-	-
Culture and recreation	461	-	-	-
Debt service				
Principal retirement	-	-	-	4,311
Interest and fiscal charges	-	-	-	430
Total expenditures	<u>261,836</u>	<u>18,670</u>	<u>9,272</u>	<u>204,265</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>321,084</u>	<u>(8,637)</u>	<u>(7,095)</u>	<u>(202,500)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	17,800	9,649	7,913	204,845
Transfers out	(289,906)	(1,012)	(818)	(2,345)
Total other financing sources and (uses)	<u>(272,106)</u>	<u>8,637</u>	<u>7,095</u>	<u>202,500</u>
Net change in fund balances	48,978	-	-	-
Fund balances - beginning	146,410	-	-	-
Fund balances - ending	<u>\$ 195,388</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, 2021  
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 367,133
Licenses and permits	-	-	-	1,574
Intergovernmental	386	-	-	181,581
Charges for services	47	32,646	(18,290)	55,371
Fines and forfeitures	-	-	-	76
Miscellaneous	43	240	-	6,232
Total revenues	<u>476</u>	<u>32,886</u>	<u>(18,290)</u>	<u>611,967</u>
<b>EXPENDITURES</b>				
Current				
General government	7,922	23,080	(18,290)	220,108
Public safety	-	-	-	220,442
Physical environment	-	-	-	5,315
Economic environment	-	-	-	8,404
Human services	-	-	-	17,312
Culture and recreation	-	-	-	15,982
Capital outlay				
General government	187	212	-	3,333
Public safety	-	-	-	10,889
Physical environment	-	-	-	141
Economic environment	-	-	-	26
Culture and recreation	-	-	-	461
Debt service				
Principal retirement	-	-	-	4,311
Interest and fiscal charges	-	-	-	430
Total expenditures	<u>8,109</u>	<u>23,292</u>	<u>(18,290)</u>	<u>507,154</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(7,633)</u>	<u>9,594</u>	<u>-</u>	<u>104,813</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	9,169	-	(243,002)	6,374
Transfers out	(1,536)	(9,594)	243,002	(62,209)
Total other financing sources and (uses)	<u>7,633</u>	<u>(9,594)</u>	<u>-</u>	<u>(55,835)</u>
Net change in fund balances	-	-	-	48,978
Fund balances - beginning	-	-	-	146,410
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,388</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, 2021  
 (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	\$ 361,790	\$ 367,133	\$ -	\$ -	\$ -	\$ -
Licenses and permits	400	1,574	-	-	-	-
Intergovernmental	107,500	101,043	1,490	1,651	1,371	1,327
Charges for services	30,468	31,373	7,789	8,108	-	-
Fines and forfeitures	160	76	-	-	-	-
Miscellaneous	5,517	5,395	407	370	-	2
Total revenues	<u>505,835</u>	<u>506,594</u>	<u>9,686</u>	<u>10,129</u>	<u>1,371</u>	<u>1,329</u>
EXPENDITURES						
Current						
General government	204,634	171,429	19,120	18,641	9,205	8,366
Public safety	61,852	40,058	-	-	-	-
Physical environment	7,518	5,315	-	-	-	-
Economic environment	14,105	8,281	-	-	-	-
Human services	21,973	17,312	-	-	-	-
Culture and recreation	20,679	15,982	-	-	-	-
Capital outlay						
General government	411	2,847	215	29	79	58
Public safety	355	402	-	-	-	-
Physical environment	110	141	-	-	-	-
Economic environment	-	26	-	-	-	-
Culture and recreation	232	461	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>331,869</u>	<u>262,254</u>	<u>19,335</u>	<u>18,670</u>	<u>9,284</u>	<u>8,424</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>173,966</u>	<u>244,340</u>	<u>(9,649)</u>	<u>(8,541)</u>	<u>(7,913)</u>	<u>(7,095)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,356	17,800	9,649	9,649	7,913	7,913
Transfers out	(290,988)	(289,383)	-	(1,012)	-	(818)
Total other financing sources (uses)	<u>(275,632)</u>	<u>(271,583)</u>	<u>9,649</u>	<u>8,637</u>	<u>7,913</u>	<u>7,095</u>
Net change in fund balance	(101,666)	(27,243)	-	96	-	-
Fund balances - beginning	<u>223,479</u>	<u>235,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 121,813</u>	<u>\$ 208,489</u>	<u>\$ -</u>	<u>\$ 96</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, 2021  
 (amounts expressed in thousands)

	Sheriff		Supervisor of Elections		Tax Collector	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	386	-	-
Charges for services	1,202	1,202	-	47	33,350	32,646
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	563	563	-	43	139	240
Total revenues	<u>1,765</u>	<u>1,765</u>	<u>-</u>	<u>476</u>	<u>33,489</u>	<u>32,886</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	8,735	8,653	9,159	7,922	26,804	23,080
Public safety	182,409	180,384	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Capital outlay</b>						
General government	-	-	10	187	219	212
Public safety	10,725	10,487	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Debt service</b>						
Principal retirement	4,311	4,311	-	-	-	-
Interest and fiscal charges	430	430	-	-	-	-
Total expenditures	<u>206,610</u>	<u>204,265</u>	<u>9,169</u>	<u>8,109</u>	<u>27,023</u>	<u>23,292</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(204,845)</u>	<u>(202,500)</u>	<u>(9,169)</u>	<u>(7,633)</u>	<u>6,466</u>	<u>9,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	204,845	204,845	9,169	9,169	-	-
Transfers out	-	(2,345)	-	(1,536)	(6,466)	(9,594)
Total other financing sources (uses)	<u>204,845</u>	<u>202,500</u>	<u>9,169</u>	<u>7,633</u>	<u>(6,466)</u>	<u>(9,594)</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, 2021  
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ 361,790	\$ 367,133	\$ 5,343
Licenses and permits	400	1,574	1,174
Intergovernmental	110,361	104,407	(5,954)
Charges for services	72,809	73,376	567
Fines and forfeitures	160	76	(84)
Miscellaneous	6,626	6,613	(13)
Total revenues	<u>552,146</u>	<u>553,179</u>	<u>1,033</u>
<b>EXPENDITURES</b>			
Current			
General government	277,657	238,091	39,566
Public safety	244,261	220,442	23,819
Physical environment	7,518	5,315	2,203
Economic environment	14,105	8,281	5,824
Human services	21,973	17,312	4,661
Culture and recreation	20,679	15,982	4,697
Capital outlay			
General government	934	3,333	(2,399)
Public safety	11,080	10,889	191
Physical environment	110	141	(31)
Economic environment	-	26	(26)
Culture and recreation	232	461	(229)
Debt service			
Principal retirement	4,311	4,311	-
Interest and fiscal charges	430	430	-
Total expenditures	<u>603,290</u>	<u>525,014</u>	<u>78,276</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(51,144)</u>	<u>28,165</u>	<u>79,309</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	246,932	249,376	2,444
Transfers out	(297,454)	(304,688)	(7,234)
Total other financing sources (uses)	<u>(50,522)</u>	<u>(55,312)</u>	<u>(4,790)</u>
Net change in fund balance	(101,666)	(27,147)	74,519
Fund balances - beginning	<u>223,479</u>	<u>235,732</u>	<u>12,253</u>
Fund balances - ending	<u>\$ 121,813</u>	<u>\$ 208,585</u>	<u>\$ 86,772</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, 2021  
(amounts expressed in thousands)

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 23,080	\$ 22,530	\$ (550)
Intergovernmental	7,153	3,882	(3,271)
Special assessments	568	4,168	3,600
Miscellaneous	2,782	3,092	310
Total revenues	33,583	33,672	89
<b>EXPENDITURES</b>			
Current			
Transportation	21,189	10,535	10,654
Capital outlay			
Transportation	159,275	43,921	115,354
Total expenditures	180,464	54,456	126,008
Excess of revenues (deficiencies) over (under) expenditures	(146,881)	(20,784)	126,097
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	19,030	21,528	2,498
Transfers out	(862)	(787)	75
Total other financing sources (uses)	18,168	20,741	2,573
Net change in fund balance	(128,713)	(43)	128,670
Fund balances - beginning	173,550	179,436	5,886
Fund balances - ending	\$ 44,837	\$ 179,393	\$ 134,556
<b>RECONCILIATION OF BUDGETARY BASIS TO GAAP</b>			
Net change in fund balance (GAAP basis)		\$ 1,232	
Fair value adjustment		358	
Unavailable revenues		(1,633)	
Net change in fund balance non-GAAP (budgetary basis)		\$ (43)	

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*

**S**pecial 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.

*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

*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*

**D**ebt 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, 2013, 2019A, 2019B, and 2019C 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*

**C**apital 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. There was no activity in this fund for fiscal year ended 2021.

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Special Revenue Projects
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 5,483	\$ 2,546	\$ 1,178	\$ 3,961
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	2,888	-	-
Accrued interest	3	220	1	1
Due from other funds	40	1	319	148
Due from other governments	-	-	-	281
Inventory	-	-	-	-
Total assets	<u>5,526</u>	<u>5,655</u>	<u>1,498</u>	<u>4,391</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	24	5	-	274
Accrued liabilities	-	1	-	8
Due to other funds	5	-	-	1
Due to other governments	-	1	-	4
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	32
Total liabilities	<u>29</u>	<u>7</u>	<u>-</u>	<u>319</u>
<b>Deferred inflows of resources:</b>				
Grants receivable	-	-	-	-
Special assessment receivable	-	3,102	-	-
Total deferred inflows of resources	<u>-</u>	<u>3,102</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	5,497	2,546	1,498	4,072
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>5,497</u>	<u>2,546</u>	<u>1,498</u>	<u>4,072</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,526</u>	<u>\$ 5,655</u>	<u>\$ 1,498</u>	<u>\$ 4,391</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Special Revenue Funds			
	State Housing Incentives Partnership Program	Human Services Grants	Lee County Library	E 9-1-1
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 1,540	\$ 321	\$ 25,895	\$ 5,857
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	31	-	-	-
Special assessments	-	-	-	-
Accrued interest	1	-	12	3
Due from other funds	-	-	554	-
Due from other governments	-	625	-	314
Inventory	-	-	-	-
<b>Total assets</b>	<b>1,572</b>	<b>946</b>	<b>26,461</b>	<b>6,174</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	46	387	589	1,404
Accrued liabilities	-	-	180	7
Due to other funds	-	225	-	-
Due to other governments	-	-	88	4
Deposits and overbids	-	-	-	-
Unearned revenues	-	102	-	-
<b>Total liabilities</b>	<b>46</b>	<b>714</b>	<b>857</b>	<b>1,415</b>
<b>Deferred inflows of resources:</b>				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	1,526	232	-	4,759
Committed	-	-	25,604	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<b>1,526</b>	<b>232</b>	<b>25,604</b>	<b>4,759</b>
<b>Total liabilities, deferred inflows of resources,     and fund balances</b>	<b>\$ 1,572</b>	<b>\$ 946</b>	<b>\$ 26,461</b>	<b>\$ 6,174</b>

See accompanying independent auditor's report.

(continued)



Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Special Revenue Funds			
	MSTU	Tourist Development Trust Fund	Transportation Trust	All Hazards Protection
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 24,692	\$ 39,309	\$ 2,478	\$ 1,509
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	14	6	-	-
Special assessments	-	-	-	-
Accrued interest	9	16	2	1
Due from other funds	469	3,383	44	308
Due from other governments	1,443	-	858	1,045
Inventory	70	15	2,952	-
Total assets	<u>26,697</u>	<u>42,729</u>	<u>6,334</u>	<u>2,863</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	503	2,335	949	190
Accrued liabilities	349	42	202	16
Due to other funds	3	90	-	-
Due to other governments	254	30	93	43
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,109</u>	<u>2,497</u>	<u>1,244</u>	<u>249</u>
<b>Deferred inflows of resources:</b>				
Grants receivable	316	-	-	95
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>316</u>	<u>-</u>	<u>-</u>	<u>95</u>
<b>Fund Balances:</b>				
Nonspendable	70	15	2,952	-
Restricted	-	40,217	-	2,519
Committed	25,202	-	-	-
Assigned	-	-	2,138	-
Total fund balances	<u>25,272</u>	<u>40,232</u>	<u>5,090</u>	<u>2,519</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,697</u>	<u>\$ 42,729</u>	<u>\$ 6,334</u>	<u>\$ 2,863</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- Community Parks	Impact Fees- Regional Parks	Impact Fees- Roads	Impact Fees- EMS
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 4,596	\$ 5,789	\$ 48,485	\$ 1,966
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	2	2	20	1
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>4,598</u>	<u>5,791</u>	<u>48,505</u>	<u>1,967</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	-	-	5	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	4,598	5,791	48,500	1,967
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>4,598</u>	<u>5,791</u>	<u>48,500</u>	<u>1,967</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,598</u>	<u>\$ 5,791</u>	<u>\$ 48,505</u>	<u>\$ 1,967</u>

See accompanying independent auditor's report.

(continued)



Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees - Fire	Impact Fees - School	Animal Trust Fund	Court Administration
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 1,419	\$ 4,510	\$ 534	\$ 828
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	402
Due from other governments	-	7,488	-	313
Inventory	-	-	-	-
Total assets	1,419	11,998	534	1,543
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	1	3	51	427
Accrued liabilities	-	-	-	223
Due to other funds	-	-	-	2
Due to other governments	1,418	11,971	-	239
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	1,419	11,974	51	891
<b>Deferred inflows of resources:</b>				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	24	-	-
Committed	-	-	483	652
Assigned	-	-	-	-
Total fund balances	-	24	483	652
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,419	\$ 11,998	\$ 534	\$ 1,543

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Special Revenue Funds			Debt Service Funds
	Clerk of Circuit Court's Special Revenue	Property Appraiser's Special Revenues	Sheriff's Special Revenues	Tourist Development Tax Revenue Bonds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 22,889	\$ 242	\$ 2,315	\$ 8,169
Cash and cash equivalents with fiscal agent	-	-	-	3,585
Receivables (net)				
Accounts	1	-	584	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	21	-	1,266	-
Due from other governments	131	-	104	-
Inventory	-	-	-	-
Total assets	<u>23,042</u>	<u>242</u>	<u>4,269</u>	<u>11,754</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Contracts and accounts payable	112	1	113	-
Accrued liabilities	252	19	112	-
Due to other funds	247	222	1,176	3,154
Due to other governments	1,274	-	5	-
Deposits and overbids	6,260	-	-	-
Unearned revenues	52	-	322	-
Total liabilities	<u>8,197</u>	<u>242</u>	<u>1,728</u>	<u>3,154</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	10,412	-	2,541	8,600
Committed	4,433	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>14,845</u>	<u>-</u>	<u>2,541</u>	<u>8,600</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,042</u>	<u>\$ 242</u>	<u>\$ 4,269</u>	<u>\$ 11,754</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Debt Service Funds			Capital Projects Funds
	Non-Ad Valorem Revenue Bonds	MSBU Projects Commercial Loan	Non-Ad Valorem Loan	Capital Improvement
	<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ -	\$ 7	\$ 8,266	\$ 124,731
Cash and cash equivalents with fiscal agent	4,197	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	48
Due from other funds	-	-	-	6
Due from other governments	-	-	-	1,063
Inventory	-	-	-	-
<b>Total assets</b>	<u>4,197</u>	<u>7</u>	<u>8,266</u>	<u>125,848</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	-	-	-	2,945
Accrued liabilities	-	-	-	26
Due to other funds	-	-	-	-
Due to other governments	-	-	-	1,153
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,124</u>
<b>Deferred inflows of resources:</b>				
Grants receivable	-	-	-	1,048
Special assessment receivable	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,048</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	4,197	7	8,266	-
Committed	-	-	-	120,676
Assigned	-	-	-	-
<b>Total fund balances</b>	<u>4,197</u>	<u>7</u>	<u>8,266</u>	<u>120,676</u>
<b>Total liabilities, deferred inflows of resources,     and fund balances</b>	<u>\$ 4,197</u>	<u>\$ 7</u>	<u>\$ 8,266</u>	<u>\$ 125,848</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Capital Projects Funds			
	Special Assessment Districts Construction	Human Services Grant Construction	Library Construction Projects	All Hazards Protection Construction Projects
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 749	\$ 45	\$ 3,697	\$ 306
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables (net)				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	1	-
Due from other funds	-	-	-	-
Due from other governments	-	183	-	-
Inventory	-	-	-	-
Total assets	<u>749</u>	<u>228</u>	<u>3,698</u>	<u>306</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Contracts and accounts payable	-	192	9	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>192</u>	<u>9</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	749	36	-	306
Committed	-	-	3,689	-
Assigned	-	-	-	-
Total fund balances	<u>749</u>	<u>36</u>	<u>3,689</u>	<u>306</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 749</u>	<u>\$ 228</u>	<u>\$ 3,698</u>	<u>\$ 306</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

	Capital Projects Funds				
	Impact Fees Community Parks Construction	Impact Fees Regional Parks Construction	Impact Fees Road Construction	Impact Fees EMS Construction	
	<b>ASSETS</b>				
	Cash, cash equivalents and investments	\$ 4,925	\$ 878	\$ 18,870	\$ 70
Cash and cash equivalents with fiscal agent	-	-	-	-	
Receivables (net)					
Accounts	-	-	-	-	
Special assessments	-	-	-	-	
Accrued interest	2	-	7	-	
Due from other funds	-	-	925	-	
Due from other governments	-	-	-	-	
Inventory	-	-	-	-	
Total assets	<u>4,927</u>	<u>878</u>	<u>19,802</u>	<u>70</u>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Contracts and accounts payable	383	172	953	-	
Accrued liabilities	-	-	-	-	
Due to other funds	-	-	-	-	
Due to other governments	-	-	-	-	
Deposits and overbids	-	-	-	-	
Unearned revenues	-	-	-	-	
Total liabilities	<u>383</u>	<u>172</u>	<u>953</u>	<u>-</u>	
<b>Deferred inflows of resources:</b>					
Grants receivable	-	-	-	-	
Special assessment receivable	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	
Restricted	4,092	706	18,849	70	
Committed	-	-	-	-	
Assigned	452	-	-	-	
Total fund balances	<u>4,544</u>	<u>706</u>	<u>18,849</u>	<u>70</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,927</u>	<u>\$ 878</u>	<u>\$ 19,802</u>	<u>\$ 70</u>	

See accompanying independent auditor's report.

(continued)

Lee County, Florida  
**COMBINING BALANCE SHEET**  
**NON - MAJOR GOVERNMENTAL FUNDS**  
As of September 30, 2021  
(amounts expressed in thousands)

		Total Non-Major Governmental Funds
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$	379,055
Cash and cash equivalents with fiscal agent		7,782
Receivables (net)		
Accounts		636
Special assessments		2,888
Accrued interest		352
Due from other funds		7,886
Due from other governments		13,848
Inventory		3,037
Total assets		415,484
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Contracts and accounts payable		12,073
Accrued liabilities		1,437
Due to other funds		5,125
Due to other governments		16,577
Deposits and overbids		6,260
Unearned revenues		508
Total liabilities		41,980
<b>Deferred inflows of resources:</b>		
Grants receivable		1,459
Special assessment receivable		3,102
Total deferred inflows of resources		4,561
<b>Fund Balances:</b>		
Nonspendable		3,037
Restricted		182,577
Committed		180,739
Assigned		2,590
Total fund balances		368,943
Total liabilities, deferred inflows of resources, and fund balances	\$	415,484

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, 2021  
 (amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Special Revenue Projects
REVENUES				
Taxes	\$ 5,400	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	1,936
Charges for services	-	111	-	634
Fines and forfeitures	-	-	786	162
Impact fees	-	-	-	-
Special assessments	-	821	-	-
Miscellaneous	9	7	-	2
Total revenues	<u>5,409</u>	<u>939</u>	<u>786</u>	<u>2,734</u>
EXPENDITURES				
Current				
General government	144	334	-	219
Public safety	1,319	-	-	98
Physical environment	-	-	-	767
Transportation	5,035	67	-	-
Economic environment	-	-	-	-
Human services	-	-	-	1,839
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>6,498</u>	<u>401</u>	<u>-</u>	<u>2,923</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(1,089)</u>	<u>538</u>	<u>786</u>	<u>(189)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	64	1	6	-
Transfer out	(6)	(836)	(535)	(31)
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>58</u>	<u>(835)</u>	<u>(529)</u>	<u>(31)</u>
Net change in fund balances	(1,031)	(297)	257	(220)
Fund balances - beginning (as restated)	6,528	2,843	1,241	4,292
Fund balances - ending	<u>\$ 5,497</u>	<u>\$ 2,546</u>	<u>\$ 1,498</u>	<u>\$ 4,072</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, 2021  
 (amounts expressed in thousands)

	Special Revenue Funds			
	State Housing Incentives Partnership Program	Human Services Grants	Lee County Library	E 9-1-1
REVENUES				
Taxes	\$ -	\$ -	\$ 37,990	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,780	3,853	472	3,751
Charges for services	-	-	83	-
Fines and forfeitures	-	-	160	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	141	-	131	12
Total revenues	<u>2,921</u>	<u>3,853</u>	<u>38,836</u>	<u>3,763</u>
EXPENDITURES				
Current				
General government	-	-	1,406	471
Public safety	-	-	-	2,348
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	2,601	3,853	-	-
Human services	-	-	-	-
Culture and recreation	-	-	31,921	-
Capital outlay				
General government	-	-	-	150
Public safety	-	-	-	1,460
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	294	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>2,601</u>	<u>3,853</u>	<u>33,621</u>	<u>4,429</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>320</u>	<u>-</u>	<u>5,215</u>	<u>(666)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	276	-
Transfer out	-	-	(2,500)	(6,965)
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,224)</u>	<u>(6,965)</u>
Net change in fund balances	320	-	2,991	(7,631)
Fund balances - beginning (as restated)	1,206	232	22,613	12,390
Fund balances - ending	<u>\$ 1,526</u>	<u>\$ 232</u>	<u>\$ 25,604</u>	<u>\$ 4,759</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, 2021  
 (amounts expressed in thousands)

	Special Revenue Funds			
	MSTU	Tourist Development Trust	Transportation Trust	All Hazards Protection
<b>REVENUES</b>				
Taxes	\$ 37,504	\$ 52,822	\$ -	\$ 3,588
Licenses and permits	11,231	-	307	-
Intergovernmental	766	500	10,087	79
Charges for services	8,162	1,030	1,092	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	104
Miscellaneous	158	224	2,230	10
Total revenues	<u>57,821</u>	<u>54,576</u>	<u>13,716</u>	<u>3,781</u>
<b>EXPENDITURES</b>				
Current				
General government	8,442	1,623	1,584	1,123
Public safety	12,700	-	-	2,451
Physical environment	5,039	-	-	-
Transportation	379	-	32,249	-
Economic environment	-	19,539	-	-
Human services	5,842	-	-	-
Culture and recreation	14,056	25	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	537
Physical environment	13	-	-	-
Transportation	-	-	320	-
Economic environment	-	73	-	-
Human services	9	-	-	-
Culture and recreation	15	-	-	-
Debt service				
Principal retirement	-	-	155	-
Interest and fiscal charges	-	-	13	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>46,495</u>	<u>21,260</u>	<u>34,321</u>	<u>4,111</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>11,326</u>	<u>33,316</u>	<u>(20,605)</u>	<u>(330)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	15,218	6,189	22,437	26
Transfer out	(27,042)	(30,329)	-	(2,026)
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>(11,824)</u>	<u>(24,140)</u>	<u>22,437</u>	<u>(2,000)</u>
Net change in fund balances	(498)	9,176	1,832	(2,330)
Fund balances - beginning (as restated)	25,770	31,056	3,258	4,849
Fund balances - ending	<u>\$ 25,272</u>	<u>\$ 40,232</u>	<u>\$ 5,090</u>	<u>\$ 2,519</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, 2021  
 (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	2,217	1,882	25,809	268
Special assessments	-	-	-	-
Miscellaneous	2	4	45	2
Total revenues	<u>2,219</u>	<u>1,886</u>	<u>25,854</u>	<u>270</u>
EXPENDITURES				
Current				
General government	10	9	118	1
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
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	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>10</u>	<u>9</u>	<u>118</u>	<u>1</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>2,209</u>	<u>1,877</u>	<u>25,736</u>	<u>269</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	123	-	-	-
Transfer out	(3,250)	(344)	(12,200)	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>(3,127)</u>	<u>(344)</u>	<u>(12,200)</u>	<u>-</u>
Net change in fund balances	(918)	1,533	13,536	269
Fund balances - beginning (as restated)	5,516	4,258	34,964	1,698
Fund balances - ending	<u>\$ 4,598</u>	<u>\$ 5,791</u>	<u>\$ 48,500</u>	<u>\$ 1,967</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, 2021  
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- Fire	Impact Fees- School	Animal Trust Fund	Court Administration
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	7	5,092
Fines and forfeitures	-	-	-	-
Impact fees	3,650	25,423	-	-
Special assessments	-	-	-	-
Miscellaneous	3	13	83	320
Total revenues	<u>3,653</u>	<u>25,436</u>	<u>90</u>	<u>5,412</u>
EXPENDITURES				
Current				
General government	-	25,462	-	15,379
Public safety	3,653	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	133	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	83
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	18	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>3,653</u>	<u>25,462</u>	<u>151</u>	<u>15,462</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>-</u>	<u>(26)</u>	<u>(61)</u>	<u>(10,050)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	-	9,375
Transfer out	-	-	-	(240)
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,135</u>
Net change in fund balances	-	(26)	(61)	(915)
Fund balances - beginning (as restated)	-	50	544	1,567
Fund balances - ending	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 483</u>	<u>\$ 652</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, 2021  
 (amounts expressed in thousands)

	Special Revenue Funds			Debt Service Funds
	Clerk of Circuit Court's Special Revenue	Property Appraiser's Special Revenues	Sheriff's Special Revenues	Tourist Development Tax Revenue Bonds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,559	-	11,729	-
Charges for services	14,233	-	7,042	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	4	-	101	11
Total revenues	<u>15,796</u>	<u>-</u>	<u>18,872</u>	<u>11</u>
EXPENDITURES				
Current				
General government	13,783	1,607	-	-
Public safety	-	-	18,364	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	147	-	-	-
Public safety	-	-	536	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	1,685
Interest and fiscal charges	-	-	-	4,419
Bond issuance costs	-	-	-	-
Total expenditures	<u>13,930</u>	<u>1,607</u>	<u>18,900</u>	<u>6,104</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>1,866</u>	<u>(1,607)</u>	<u>(28)</u>	<u>(6,093)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	1,829	395	11,747
Transfer out	-	(222)	-	(5,984)
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,607</u>	<u>395</u>	<u>5,763</u>
Net change in fund balances	1,866	-	367	(330)
Fund balances - beginning (as restated)	12,979	-	2,174	8,930
Fund balances - ending	<u>\$ 14,845</u>	<u>\$ -</u>	<u>\$ 2,541</u>	<u>\$ 8,600</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, 2021  
 (amounts expressed in thousands)

	Debt Service Funds			Capital Projects Funds
	Non-Ad Valorem Revenue Bonds	MSBU		Capital Improvement
		Projects Commercial Loan	Non-Ad Valorem Loan	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4
Licenses and permits	-	-	-	338
Intergovernmental	-	-	-	848
Charges for services	-	-	-	151
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	3	-	5	121
Total revenues	<u>3</u>	<u>-</u>	<u>5</u>	<u>1,462</u>
EXPENDITURES				
Current				
General government	-	-	-	399
Public safety	-	-	-	-
Physical environment	-	-	-	1,438
Transportation	-	-	-	271
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	12,677
Capital outlay				
General government	-	-	-	14,757
Public safety	-	-	-	-
Physical environment	-	-	-	2,791
Transportation	-	-	-	2,804
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	680
Debt service				
Principal retirement	2,415	410	8,010	-
Interest and fiscal charges	3,394	129	255	-
Bond issuance costs	-	30	-	-
Total expenditures	<u>5,809</u>	<u>569</u>	<u>8,265</u>	<u>35,817</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(5,806)</u>	<u>(569)</u>	<u>(8,260)</u>	<u>(34,355)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	5,860	523	8,345	39,041
Transfer out	-	(382)	-	(2,532)
Debt issuance	-	424	-	-
Total other financing sources (uses)	<u>5,860</u>	<u>565</u>	<u>8,345</u>	<u>36,509</u>
Net change in fund balances	54	(4)	85	2,154
Fund balances - beginning (as restated)	4,143	11	8,181	118,522
Fund balances - ending	<u>\$ 4,197</u>	<u>\$ 7</u>	<u>\$ 8,266</u>	<u>\$ 120,676</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, 2021  
 (amounts expressed in thousands)

	Capital Projects Funds			
	Special Assessment Districts Construction	Human Services Grant Construction	Library Construction Projects	All Hazards Protection Construction Projects
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	188	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	1	-	2	1
Total revenues	<u>1</u>	<u>188</u>	<u>2</u>	<u>1</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	12	-	-	-
Transportation	18	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	197	-	-
Human services	-	-	-	-
Culture and recreation	-	-	352	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>30</u>	<u>197</u>	<u>352</u>	<u>-</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(29)</u>	<u>(9)</u>	<u>(350)</u>	<u>1</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	671	-	2,500	-
Transfer out	-	-	-	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>671</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Net change in fund balances	642	(9)	2,150	1
Fund balances - beginning (as restated)	107	45	1,539	305
Fund balances - ending	<u>\$ 749</u>	<u>\$ 36</u>	<u>\$ 3,689</u>	<u>\$ 306</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, 2021  
 (amounts expressed in thousands)

	Capital Projects Funds			
	Impact Fees Community Parks Construction	Impact Fees Regional Parks Construction	Impact Fees Road Construction	Impact Fees EMS Construction
	\$	\$	\$	\$
	-	-	-	-
REVENUES				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous	5	2	7	-
Total revenues	<u>5</u>	<u>2</u>	<u>7</u>	<u>-</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	-	-	7,225	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	1,928	979	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,928</u>	<u>979</u>	<u>7,225</u>	<u>-</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(1,923)</u>	<u>(977)</u>	<u>(7,218)</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	3,127	344	12,200	-
Transfer out	-	-	-	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>3,127</u>	<u>344</u>	<u>12,200</u>	<u>-</u>
Net change in fund balances	1,204	(633)	4,982	-
Fund balances - beginning (as restated)	3,340	1,339	13,867	70
Fund balances - ending	<u>\$ 4,544</u>	<u>\$ 706</u>	<u>\$ 18,849</u>	<u>\$ 70</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, 2021  
 (amounts expressed in thousands)

	Total Non-Major Governmental Funds
<b>REVENUES</b>	
Taxes	\$ 137,308
Licenses and permits	11,876
Intergovernmental	38,548
Charges for services	37,637
Fines and forfeitures	1,108
Impact fees	59,249
Special assessments	925
Miscellaneous	3,659
Total revenues	290,310
<b>EXPENDITURES</b>	
Current	
General government	72,114
Public safety	40,933
Physical environment	7,256
Transportation	38,019
Economic environment	25,993
Human services	7,814
Culture and recreation	58,679
Capital outlay	
General government	15,137
Public safety	2,533
Physical environment	2,804
Transportation	10,349
Economic environment	270
Human services	27
Culture and recreation	4,248
Debt service	
Principal retirement	12,675
Interest and fiscal charges	8,210
Bond issuance costs	30
Total expenditures	307,091
Excess (deficiencies) of revenue over (under) expenditures	(16,781)
<b>OTHER FINANCING SOURCES AND (USES)</b>	
Transfers in	140,297
Transfer out	(95,424)
Debt issuance	424
Total other financing sources (uses)	45,297
Net change in fund balances	28,516
Fund balances - beginning (as restated)	340,427
Fund balances - ending	\$ 368,943

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, 2021  
(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	\$ 5,316	\$ 5,400	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	112	111	-	-
Fines and forfeitures	-	-	-	-	750	786
Impact fees	-	-	-	-	-	-
Special assessments	-	-	693	819	-	-
Miscellaneous	66	28	34	13	10	4
Total revenues	<u>5,382</u>	<u>5,428</u>	<u>839</u>	<u>943</u>	<u>760</u>	<u>790</u>
EXPENDITURES						
Current						
General government	138	144	630	334	-	-
Public safety	1,319	1,319	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	7,923	5,035	104	67	-	-
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>9,380</u>	<u>6,498</u>	<u>734</u>	<u>401</u>	<u>-</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(3,998)</u>	<u>(1,070)</u>	<u>105</u>	<u>542</u>	<u>760</u>	<u>790</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	35	64	181	181	-	6
Transfers out	(6)	(6)	(1,328)	(1,016)	(535)	(535)
Total other financing sources (uses)	<u>29</u>	<u>58</u>	<u>(1,147)</u>	<u>(835)</u>	<u>(535)</u>	<u>(529)</u>
Net change in fund balances	<u>(3,969)</u>	<u>(1,012)</u>	<u>(1,042)</u>	<u>(293)</u>	<u>225</u>	<u>261</u>
Fund balances - beginning (as restated)	6,527	6,415	2,855	3,919	1,240	1,237
Fund balances - ending	<u>\$ 2,558</u>	<u>\$ 5,403</u>	<u>\$ 1,813</u>	<u>\$ 3,626</u>	<u>\$ 1,465</u>	<u>\$ 1,498</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, 2021  
(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
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,034	1,936	4,205	2,780	15,625	3,853
Charges for services	654	634	-	-	-	-
Fines and forfeitures	324	162	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	27	12	140	148	-	1
Total revenues	<u>5,039</u>	<u>2,744</u>	<u>4,345</u>	<u>2,928</u>	<u>15,625</u>	<u>3,854</u>
<b>EXPENDITURES</b>						
Current						
General government	417	219	-	-	-	-
Public safety	129	98	-	-	-	-
Physical environment	806	767	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	4,723	2,601	15,625	3,853
Human services	3,905	1,839	-	-	-	-
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>5,277</u>	<u>2,923</u>	<u>4,723</u>	<u>2,601</u>	<u>15,625</u>	<u>3,853</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(238)</u>	<u>(179)</u>	<u>(378)</u>	<u>327</u>	<u>-</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(32)	(31)	-	-	-	-
Total other financing sources (uses)	<u>(32)</u>	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(270)	(210)	(378)	327	-	1
Fund balances - beginning (as restated)	4,338	12,453	3,393	(4,004)	286	231
Fund balances - ending	<u>\$ 4,068</u>	<u>\$ 12,243</u>	<u>\$ 3,015</u>	<u>\$ (3,677)</u>	<u>\$ 286</u>	<u>\$ 232</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, 2021  
(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	\$ 37,492	\$ 37,990	\$ -	\$ -	\$ 36,985	\$ 37,504
Licenses and permits	-	-	-	-	9,817	11,231
Intergovernmental	414	472	-	3,751	1,078	1,082
Charges for services	105	83	3,075	-	6,763	8,162
Fines and forfeitures	175	160	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	313	204	100	45	504	235
Total revenues	<u>38,499</u>	<u>38,909</u>	<u>3,175</u>	<u>3,796</u>	<u>55,147</u>	<u>58,214</u>
EXPENDITURES						
Current						
General government	1,347	1,406	869	471	8,630	8,442
Public safety	-	-	3,005	2,348	14,595	12,700
Physical environment	-	-	-	-	6,742	5,039
Transportation	-	-	-	-	400	379
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	6,026	5,842
Culture and recreation	35,758	31,921	-	-	14,698	14,056
Capital outlay						
General government	-	-	-	150	3	-
Public safety	-	-	2,044	1,460	510	-
Physical environment	-	-	-	-	5	13
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	110	9
Culture and recreation	338	294	-	-	-	15
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>37,443</u>	<u>33,621</u>	<u>5,918</u>	<u>4,429</u>	<u>51,719</u>	<u>46,495</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,056</u>	<u>5,288</u>	<u>(2,743)</u>	<u>(633)</u>	<u>3,428</u>	<u>11,719</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	265	276	2,243	2,243	19,838	19,891
Transfers out	(2,500)	(2,500)	(9,208)	(9,208)	(31,788)	(31,715)
Total other financing sources (uses)	<u>(2,235)</u>	<u>(2,224)</u>	<u>(6,965)</u>	<u>(6,965)</u>	<u>(11,950)</u>	<u>(11,824)</u>
Net change in fund balances	(1,179)	3,064	(9,708)	(7,598)	(8,522)	(105)
Fund balances - beginning (as restated)	22,608	22,692	12,393	12,367	24,453	25,905
Fund balances - ending	<u>\$ 21,429</u>	<u>\$ 25,756</u>	<u>\$ 2,685</u>	<u>\$ 4,769</u>	<u>\$ 15,931</u>	<u>\$ 25,800</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, 2021  
(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	\$ 35,275	\$ 52,822	\$ -	\$ -	\$ 3,537	\$ 3,588
Licenses and permits	-	-	135	307	-	-
Intergovernmental	500	500	10,072	9,805	5,601	173
Charges for services	1,030	1,030	625	669	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	85	104
Miscellaneous	395	322	1,632	2,199	75	21
Total revenues	<u>37,200</u>	<u>54,674</u>	<u>12,464</u>	<u>12,980</u>	<u>9,298</u>	<u>3,886</u>
EXPENDITURES						
Current						
General government	1,244	1,623	1,662	1,584	1,170	1,123
Public safety	-	-	-	-	2,800	2,451
Physical environment	-	-	-	-	-	-
Transportation	-	-	33,846	32,490	-	-
Economic environment	22,640	19,547	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	25	25	-	-	-	-
Capital outlay						
General government	-	-	4	-	-	-
Public safety	-	-	-	-	4,888	537
Physical environment	-	-	-	-	-	-
Transportation	-	-	391	320	-	-
Economic environment	-	73	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	155	155	-	-
Interest and fiscal charges	-	-	13	13	-	-
Total expenditures	<u>23,909</u>	<u>21,268</u>	<u>36,071</u>	<u>34,562</u>	<u>8,858</u>	<u>4,111</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>13,291</u>	<u>33,406</u>	<u>(23,607)</u>	<u>(21,582)</u>	<u>440</u>	<u>(225)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	6,376	6,189	22,437	22,437	22	26
Transfers out	(30,472)	(30,329)	-	-	(2,026)	(2,026)
Total other financing sources (uses)	<u>(24,096)</u>	<u>(24,140)</u>	<u>22,437</u>	<u>22,437</u>	<u>(2,004)</u>	<u>(2,000)</u>
Net change in fund balances	(10,805)	9,266	(1,170)	855	(1,564)	(2,225)
Fund balances - beginning (as restated)	31,061	31,181	1,284	2,665	4,852	4,847
Fund balances - ending	<u>\$ 20,256</u>	<u>\$ 40,447</u>	<u>\$ 114</u>	<u>\$ 3,520</u>	<u>\$ 3,288</u>	<u>\$ 2,622</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, 2021  
(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	1,131	2,217	1,500	1,882	13,093	25,809
Special assessments	-	-	-	-	-	-
Miscellaneous	21	18	20	18	143	161
Total revenues	<u>1,152</u>	<u>2,235</u>	<u>1,520</u>	<u>1,900</u>	<u>13,236</u>	<u>25,970</u>
EXPENDITURES						
Current						
General government	13	10	15	9	144	118
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
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>13</u>	<u>10</u>	<u>15</u>	<u>9</u>	<u>144</u>	<u>118</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,139</u>	<u>2,225</u>	<u>1,505</u>	<u>1,891</u>	<u>13,092</u>	<u>25,852</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	123	123	-	-	-	-
Transfers out	(3,252)	(3,250)	(344)	(344)	(12,400)	(12,200)
Total other financing sources (uses)	<u>(3,129)</u>	<u>(3,127)</u>	<u>(344)</u>	<u>(344)</u>	<u>(12,400)</u>	<u>(12,200)</u>
Net change in fund balances	(1,990)	(902)	1,161	1,547	692	13,652
Fund balances - beginning (as restated)	5,517	7,911	4,257	4,183	34,934	31,499
Fund balances - ending	<u>\$ 3,527</u>	<u>\$ 7,009</u>	<u>\$ 5,418</u>	<u>\$ 5,730</u>	<u>\$ 35,626</u>	<u>\$ 45,151</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, 2021  
(amounts expressed in thousands)

	Non - GAAP		Impact		Impact	
	Impact		Fees -		Fees -	
	Final	Actual	Final	Actual	Final	Actual
	Budget		Budget		Budget	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	170	268	3,651	3,650	25,423	25,423
Special assessments	-	-	-	-	-	-
Miscellaneous	9	7	3	3	8	13
Total revenues	<u>179</u>	<u>275</u>	<u>3,654</u>	<u>3,653</u>	<u>25,431</u>	<u>25,436</u>
EXPENDITURES						
Current						
General government	2	1	-	-	25,430	25,462
Public safety	-	-	3,654	3,653	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
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>2</u>	<u>1</u>	<u>3,654</u>	<u>3,653</u>	<u>25,430</u>	<u>25,462</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>177</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(26)</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>177</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(26)</u>
Fund balances - beginning (as restated)	<u>1,698</u>	<u>1,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
Fund balances - ending	<u>\$ 1,875</u>	<u>\$ 1,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 24</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, 2021  
(amounts expressed in thousands)

	Non - GAAP Animal Trust Fund		Non - GAAP Court Administration		Non - GAAP Clerk of Circuit Court's Special Revenue	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,650	1,503
Charges for services	5	7	5,198	5,092	15,334	14,234
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	95	83	326	325	335	4
Total revenues	<u>100</u>	<u>90</u>	<u>5,524</u>	<u>5,417</u>	<u>17,319</u>	<u>15,741</u>
EXPENDITURES						
Current						
General government	-	-	17,027	15,379	18,333	13,783
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	218	133	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	340	83	1,946	147
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	64	18	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>282</u>	<u>151</u>	<u>17,367</u>	<u>15,462</u>	<u>20,279</u>	<u>13,930</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(182)</u>	<u>(61)</u>	<u>(11,843)</u>	<u>(10,045)</u>	<u>(2,960)</u>	<u>1,811</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	11,237	9,415	-	-
Transfers out	-	-	(450)	(280)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,787</u>	<u>9,135</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(182)</u>	<u>(61)</u>	<u>(1,056)</u>	<u>(910)</u>	<u>(2,960)</u>	<u>1,811</u>
Fund balances - beginning (as restated)	<u>544</u>	<u>544</u>	<u>1,571</u>	<u>1,695</u>	<u>2,960</u>	<u>13,034</u>
Fund balances - ending	<u>\$ 362</u>	<u>\$ 483</u>	<u>\$ 515</u>	<u>\$ 785</u>	<u>\$ -</u>	<u>\$ 14,845</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, 2021  
(amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ 118,605	\$ 137,304	\$ 18,699
Licenses and permits	9,952	11,538	1,586
Intergovernmental	43,179	25,855	(17,324)
Charges for services	32,901	30,022	(2,879)
Fines and forfeitures	1,249	1,108	(141)
Impact fees	44,968	59,249	14,281
Special assessments	778	923	145
Miscellaneous	4,256	3,864	(392)
Total revenues	255,888	269,863	13,975
<b>EXPENDITURES</b>			
Current			
General government	77,071	70,108	6,963
Public safety	25,502	22,569	2,933
Physical environment	7,548	5,806	1,742
Transportation	42,273	37,971	4,302
Economic environment	42,988	26,001	16,987
Human services	10,149	7,814	2,335
Culture and recreation	50,481	46,002	4,479
Capital outlay			
General government	2,313	380	1,933
Public safety	7,442	1,997	5,445
Physical environment	5	13	(8)
Transportation	391	320	71
Economic environment	-	73	(73)
Human services	174	27	147
Culture and recreation	338	309	29
Debt Service			
Principal retirement	155	155	-
Interest and fiscal charges	13	13	-
Total expenditures	266,843	219,558	47,285
Excess (deficiencies) of revenues over (under) expenditures	(10,955)	50,305	61,260
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	62,757	60,851	(1,906)
Transfers out	(94,341)	(93,440)	901
Total other financing sources (uses)	(31,584)	(32,589)	(1,005)
Net change in fund balances	(42,539)	17,716	60,255
Fund balances - beginning (as restated)	166,771	180,520	13,749
Fund balances - ending	\$ 124,232	\$ 198,236	\$ 74,004

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, 2021  
 (amounts expressed in thousands)

	Tourist Development Tax Revenue Bonds		Non - Ad Valorem Revenue Bonds	
	Final	Actual	Final	Actual
	Budget		Budget	
REVENUES				
Miscellaneous	\$ 98	\$ 11	\$ 25	\$ 3
Total revenues	<u>98</u>	<u>11</u>	<u>25</u>	<u>3</u>
EXPENDITURES				
Debt Service				
Principal retirement	1,685	1,685	2,415	2,415
Interest and fiscal charges	4,419	4,419	3,394	3,394
Bond issuance costs	-	-	-	-
Total expenditures	<u>6,104</u>	<u>6,104</u>	<u>5,809</u>	<u>5,809</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(6,006)</u>	<u>(6,093)</u>	<u>(5,784)</u>	<u>(5,806)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,971	11,755	5,835	5,860
Transfers out	(6,251)	(5,992)	-	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>5,720</u>	<u>5,763</u>	<u>5,835</u>	<u>5,860</u>
Net change in fund balances	(286)	(330)	51	54
Fund balances - beginning	8,930	8,930	4,143	4,143
Fund balances - ending	<u>\$ 8,644</u>	<u>\$ 8,600</u>	<u>\$ 4,194</u>	<u>\$ 4,197</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, 2021  
 (amounts expressed in thousands)

	MSBU Projects Commercial Loan		Non - Ad Valorem Loan	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 15	\$ 5
Total revenues	<u>-</u>	<u>-</u>	<u>15</u>	<u>5</u>
EXPENDITURES				
Debt Service				
Principal retirement	410	410	8,010	8,010
Interest and fiscal charges	174	129	255	255
Bond issuance costs	-	30	-	-
Total expenditures	<u>584</u>	<u>569</u>	<u>8,265</u>	<u>8,265</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(584)</u>	<u>(569)</u>	<u>(8,250)</u>	<u>(8,260)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	535	523	8,365	8,345
Transfers out	(382)	(382)	-	-
Debt issuance	450	424	-	-
Total other financing sources (uses)	<u>603</u>	<u>565</u>	<u>8,365</u>	<u>8,345</u>
Net change in fund balances	19	(4)	115	85
Fund balances - beginning	11	11	8,181	8,181
Fund balances - ending	<u>\$ 30</u>	<u>\$ 7</u>	<u>\$ 8,296</u>	<u>\$ 8,266</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, 2021  
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Miscellaneous	\$ 138	\$ 19	\$ (119)
Total revenues	<u>138</u>	<u>19</u>	<u>(119)</u>
EXPENDITURES			
Debt Service			
Principal retirement	12,520	12,520	-
Interest and fiscal charges	8,242	8,197	45
Bond issuance costs	-	30	(30)
Total expenditures	<u>20,762</u>	<u>20,747</u>	<u>15</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(20,624)</u>	<u>(20,728)</u>	<u>(104)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	26,706	26,483	(223)
Transfers out	(6,633)	(6,374)	259
Debt issuance	450	424	(26)
Total other financing sources (uses)	<u>20,523</u>	<u>20,533</u>	<u>10</u>
Net change in fund balances	(101)	(195)	(94)
Fund balances - beginning	21,265	21,265	-
Fund balances - ending	<u>\$ 21,164</u>	<u>\$ 21,070</u>	<u>\$ (94)</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, 2021  
 (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	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
Licenses and permits	400	338	-	-	-	-
Intergovernmental	15,081	1,896	-	-	1,525	188
Charges for services	147	151	-	-	-	-
Miscellaneous	772	499	4	2	-	-
Total revenues	<u>16,400</u>	<u>2,888</u>	<u>4</u>	<u>2</u>	<u>1,525</u>	<u>188</u>
EXPENDITURES						
Current						
General government	2,460	399	-	-	-	-
Physical environment	17,710	1,438	-	12	-	-
Transportation	4,250	271	-	18	-	-
Culture and recreation	26,412	12,677	-	-	-	-
Capital Outlay						
General government	34,074	14,757	304	-	-	-
Physical environment	19,018	2,791	-	-	-	-
Transportation	8,098	2,804	-	-	-	-
Economic environment	-	-	-	-	1,525	197
Culture and recreation	11,332	680	-	-	-	-
Total expenditures	<u>123,354</u>	<u>35,817</u>	<u>304</u>	<u>30</u>	<u>1,525</u>	<u>197</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(106,954)</u>	<u>(32,929)</u>	<u>(300)</u>	<u>(28)</u>	<u>-</u>	<u>(9)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	39,163	39,164	971	671	-	-
Transfers out	(2,655)	(2,655)	-	-	-	-
Total other financing sources (uses)	<u>36,508</u>	<u>36,509</u>	<u>971</u>	<u>671</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(70,446)</u>	<u>3,580</u>	<u>671</u>	<u>643</u>	<u>-</u>	<u>(9)</u>
Fund balances - beginning	<u>118,452</u>	<u>118,477</u>	<u>107</u>	<u>109</u>	<u>45</u>	<u>44</u>
Fund balances - ending	<u>\$ 48,006</u>	<u>\$ 122,057</u>	<u>\$ 778</u>	<u>\$ 752</u>	<u>\$ 45</u>	<u>\$ 35</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, 2021  
 (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
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	24	8	2	1	-	15
Total revenues	<u>24</u>	<u>8</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>15</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	3,408	352	-	-	6,032	1,928
Total expenditures	<u>3,408</u>	<u>352</u>	<u>-</u>	<u>-</u>	<u>6,032</u>	<u>1,928</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(3,384)</u>	<u>(344)</u>	<u>2</u>	<u>1</u>	<u>(6,032)</u>	<u>(1,913)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,500	2,500	-	-	5,649	5,646
Transfers out	-	-	-	-	(2,520)	(2,519)
Total other financing sources (uses)	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>3,129</u>	<u>3,127</u>
Net change in fund balances	(884)	2,156	2	1	(2,903)	1,214
Fund balances - beginning	1,551	1,536	306	304	3,338	3,329
Fund balances - ending	<u>\$ 667</u>	<u>\$ 3,692</u>	<u>\$ 308</u>	<u>\$ 305</u>	<u>\$ 435</u>	<u>\$ 4,543</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, 2021  
(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	-	5	93	56	-	-
Total revenues	<u>-</u>	<u>5</u>	<u>93</u>	<u>56</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	25,157	7,225	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	1,679	979	-	-	-	-
Total expenditures	<u>1,679</u>	<u>979</u>	<u>25,157</u>	<u>7,225</u>	<u>-</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,679)</u>	<u>(974)</u>	<u>(25,064)</u>	<u>(7,169)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	344	344	12,400	12,200	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>344</u>	<u>344</u>	<u>12,400</u>	<u>12,200</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,335)</u>	<u>(630)</u>	<u>(12,664)</u>	<u>5,031</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	1,338	1,338	13,878	13,830	-	71
Fund balances - ending	<u>\$ 3</u>	<u>\$ 708</u>	<u>\$ 1,214</u>	<u>\$ 18,861</u>	<u>\$ -</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, 2021  
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ -	\$ 4	\$ 4
Licenses and permits	400	338	(62)
Intergovernmental	16,606	2,084	(14,522)
Charges for services	147	151	4
Miscellaneous	895	586	(309)
Total revenues	<u>18,048</u>	<u>3,163</u>	<u>(14,885)</u>
<b>EXPENDITURES</b>			
Current			
General government	2,460	399	2,061
Physical environment	17,710	1,450	16,260
Transportation	4,250	289	3,961
Culture and recreation	26,412	12,677	13,735
Capital Outlay			
General government	34,378	14,757	19,621
Physical environment	19,018	2,791	16,227
Transportation	33,255	10,029	23,226
Economic environment	1,525	197	1,328
Culture and recreation	22,451	3,939	18,512
Total expenditures	<u>161,459</u>	<u>46,528</u>	<u>114,931</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(143,411)</u>	<u>(43,365)</u>	<u>100,046</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	61,027	60,525	(502)
Transfers out	(5,175)	(5,174)	1
Total other financing sources (uses)	<u>55,852</u>	<u>55,351</u>	<u>(501)</u>
Net change in fund balances	<u>(87,559)</u>	<u>11,986</u>	<u>99,545</u>
Fund balances - beginning	139,015	139,038	23
Fund balances - ending	<u>\$ 51,456</u>	<u>\$ 151,024</u>	<u>\$ 99,568</u>

See accompanying independent auditors' report.



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# Enterprise Funds

jetBlue Park

AMERICAN LEAGUE																			
P	1	2	3	4	5	6	7	8	9	10	R	H	E	P	IN	R	P	IN	R
	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
BOSTON	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
AT BAT	BALL	STRIKE	OUT	(H)	(E)														
	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

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## *Enterprise Fund Descriptions*

**E**nterprise 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, 2021  
 (amounts expressed in thousands)

	Port Authority		Water and Wastewater		Transportation Facilities	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>OPERATING REVENUES</b>						
User fees	\$ 49,149	\$ 51,343	\$ 113,240	\$ 114,924	\$ -	\$ -
Tolls	-	-	-	-	41,393	43,341
Rentals and franchise fees	7,627	8,510	212	228	-	-
Concessions	34,854	48,953	-	-	-	-
Miscellaneous	237	315	1,721	2,031	140	58
Total operating revenues	91,867	109,121	115,173	117,183	41,533	43,399
Less: Rebates	(3,500)	(7,745)	-	-	-	-
Net operating revenues	88,367	101,376	115,173	117,183	41,533	43,399
<b>OPERATING EXPENSES</b>						
Salaries and wages	25,152	26,687	17,568	16,922	4,142	3,309
Employee benefits	9,099	8,743	7,102	6,636	1,944	1,561
Pension and OPEB expense	4,496	4,787	2,025	2,090	500	449
Contractual services, materials, and supplies	25,983	25,969	35,204	25,347	6,329	3,650
Utilities	4,659	4,546	6,080	6,040	249	236
Repairs and maintenance	3,503	3,094	3,638	5,993	314	158
Insurance	1,982	1,889	831	831	1,040	1,134
Other	3,994	1,683	4,147	4,017	2,781	1,809
Total operating expenses	78,868	77,398	76,595	67,876	17,299	12,306
Operating income (loss)	9,499	23,978	38,578	49,307	24,234	31,093
<b>NON - OPERATING REVENUES (EXPENSES)</b>						
Interest revenue	3,941	314	1,869	976	387	122
Taxes	-	-	-	-	-	-
Special assessment collections	-	-	55	69	-	-
Grants	14,757	13,547	2,300	(100)	-	-
Bond proceeds	224,500	181,641	-	-	-	-
Other debt proceeds	-	-	28,251	28,251	-	-
Interest expense	(14,554)	(11,279)	(6,152)	(5,563)	(3,814)	(3,814)
Excess fees - City of Sanibel	-	-	-	-	(1,487)	(1,211)
Capital outlay	(130,687)	(66,831)	(133,376)	(29,167)	(793)	(165)
Principal retirement	(15,731)	(13,251)	(16,370)	(15,929)	(5,835)	(5,835)
Payments to refunding escrow agent	(176,500)	(172,620)	(28,074)	(28,160)	-	-
Proceeds from disposal of capital assets	-	132	75	31	-	-
Passenger facility charges	15,916	18,365	-	-	-	-
Other revenues	2	1,078	492	715	750	348
Other expenses	(902)	(1,319)	(233)	(232)	(1)	-
Total non - operating revenues (expenses)	(79,258)	(50,223)	(151,163)	(49,109)	(10,793)	(10,555)
Income (loss) before contributions and transfers	(69,759)	(26,245)	(112,585)	198	13,441	20,538
Capital grants and contributions	32,005	28,771	10,300	16,835	-	-
Transfers in	286,327	246,919	110,735	107,047	33,368	33,587
Transfers out	(286,074)	(246,919)	(111,109)	(107,316)	(48,432)	(51,130)
Total contributions and transfers	32,258	28,771	9,926	16,566	(15,064)	(17,543)
Change in net position	(37,501)	2,526	(102,659)	16,764	(1,623)	2,995
Total net position - beginning	174,673	178,647	262,496	288,917	18,652	18,418
Total net position - ending	\$ 137,172	\$ 181,173	\$ 159,837	\$ 305,681	\$ 17,029	\$ 21,413
<b>RECONCILIATION OF BUDGETARY BASIS TO GAAP</b>						
Change in net position, budgetary basis		\$ 2,526		\$ 16,764		\$ 2,995
Add: Capital outlay		66,831		29,167		165
Principal retirement		13,251		15,929		5,835
Payments to refunding escrow agent		172,620		28,160		-
Compensated absences		60		-		-
Inventory adjustments		67		105		-
Prepaid adjustment		-		59		28
Capital contributions		-		21,995		-
Accounts receivable adjustments		-		76		-
Bond amortization		1,027		-		1,068
Arbitrage rebate		-		140		-
Pension expense adjustments		2,275		490		532
Other postemployment benefits plan adjustments		-		-		919
Less: Depreciation		(24,208)		(53,112)		(7,598)
Fair value adjustment		-		(711)		(161)
Inventory adjustments		-		-		(140)
Compensated absences		-		(36)		(10)
Bond amortization		-		(204)		-
Special assessment collections		-		(69)		-
Bond proceeds		(181,641)		(28,251)		-
Loss on discontinued projects		-		-		-
Net book value of capital assets disposed		(1,632)		(1,837)		(150)
Accounts receivable adjustments		-		-		(2,609)
Pension expense adjustments		-		-		-
Other postemployment benefits plan adjustments		(2,013)		(1,410)		-
Change in net position		\$ 49,163		\$ 27,255		\$ 874

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, 2021  
 (amounts expressed in thousands)

	Solid Waste		Other Non-Major Transit		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	Budget	Actual	
<b>OPERATING REVENUES</b>							
User fees	\$ 94,758	\$ 95,601	\$ 3,809	\$ 3,069	\$ 260,956	\$ 264,937	\$ 3,981
Tolls	-	-	-	-	41,393	43,341	1,948
Rentals and franchise fees	1,960	2,652	293	189	10,092	11,579	1,487
Concessions	-	-	-	-	34,854	48,953	14,099
Miscellaneous	6,700	9,938	-	4	8,798	12,346	3,548
Total operating revenues	103,418	108,191	4,102	3,262	356,093	381,156	25,063
Less: Rebates	-	-	-	-	(3,500)	(7,745)	(4,245)
Net operating revenues	103,418	108,191	4,102	3,262	352,593	373,411	20,818
<b>OPERATING EXPENSES</b>							
Salaries and wages	7,321	7,473	12,546	11,822	66,729	66,213	516
Employee benefits	2,936	2,944	6,082	5,940	27,163	25,824	1,339
Pension and OPEB expense	702	856	1,454	1,540	9,177	9,722	(545)
Contractual services, materials, and supplies	69,520	70,812	7,267	3,475	144,303	129,253	15,050
Utilities	1,251	1,128	435	478	12,674	12,428	246
Repairs and maintenance	2,049	1,891	1,382	1,734	10,886	12,870	(1,984)
Insurance	470	434	537	537	4,860	4,825	35
Other	1,717	1,675	1,119	1,068	13,758	10,252	3,506
Total operating expenses	85,966	87,213	30,822	26,594	289,550	271,387	18,163
Operating income (loss)	17,452	20,978	(26,720)	(23,332)	63,043	102,024	38,981
<b>NON - OPERATING REVENUES (EXPENSES)</b>							
Interest revenue	821	444	120	11	7,138	1,867	(5,271)
Taxes	2,763	2,803	-	-	2,763	2,803	40
Special assessment collections	-	-	-	-	55	69	14
Grants	(645)	(899)	21,795	15,629	38,207	28,177	(10,030)
Bond proceeds	-	-	-	-	224,500	181,641	(42,859)
Other debt proceeds	-	-	-	-	28,251	28,251	-
Interest expense	(2,331)	(2,179)	-	-	(26,851)	(22,835)	4,016
Excess fees - City of Sanibel	-	-	-	-	(1,487)	(1,211)	276
Capital outlay	(11,683)	(3,214)	(17,540)	(4,614)	(294,079)	(103,991)	190,088
Principal retirement	(6,075)	(6,075)	-	-	(44,011)	(41,090)	2,921
Payments to refunding escrow agent	-	-	-	-	(204,574)	(200,780)	3,794
Proceeds from disposal of capital assets	183	185	105	137	363	485	122
Passenger facility charges	-	-	-	-	15,916	18,365	2,449
Other revenues	-	2	10	-	1,254	2,143	889
Other expenses	-	-	-	-	(1,136)	(1,551)	(415)
Total non - operating revenues (expenses)	(16,967)	(8,933)	4,490	11,163	(253,691)	(107,657)	146,034
Income (loss) before contributions and transfers	485	12,045	(22,230)	(12,169)	(190,648)	(5,633)	185,015
Capital grants and contributions	-	-	19,359	4,948	61,664	50,554	(11,110)
Transfers in	59,407	56,347	3,756	3,681	493,593	447,581	(46,012)
Transfers out	(59,390)	(56,195)	(606)	-	(505,611)	(461,560)	44,051
Total contributions and transfers	17	152	22,509	8,629	49,646	36,575	(13,071)
Change in net position	502	12,197	279	(3,540)	(141,002)	30,942	171,944
Total net position - beginning	113,202	107,519	6,577	(4,893)	575,600	588,608	13,008
Total net position - ending	\$ 113,704	\$ 119,716	\$ 6,856	\$ (8,433)	\$ 434,598	\$ 619,550	\$ 184,952
<b>RECONCILIATION OF BUDGETARY BASIS TO GAAP</b>							
Change in net position, budgetary basis		\$ 12,197		\$ (3,540)		\$ 30,942	
Add: Capital outlay		3,214		4,614		103,991	
Principal retirement		6,075		-		41,090	
Payments to refunding escrow agent		-		-		200,780	
Compensated absences		41		20		121	
Inventory adjustments		-		-		172	
Prepaid adjustment		73		9		169	
Capital contributions		-		-		21,995	
Accounts receivable adjustments		-		-		76	
Bond amortization		1,194		-		3,289	
Arbitrage rebate		-		-		140	
Pension expense adjustments		84		136		3,517	
Other postemployment benefits plan adjustments		132		-		1,051	
Less: Depreciation		(14,375)		(4,650)		(103,943)	
Fair value adjustment		(285)		(6)		(1,163)	
Inventory adjustments		-		-		(140)	
Compensated absences		-		-		(46)	
Bond amortization		-		-		(204)	
Special assessment collections		-		-		(69)	
Bond proceeds		-		-		(209,892)	
Loss on discontinued projects		(53)		-		(53)	
Net book value of capital assets disposed		(1,333)		(192)		(5,144)	
Accounts receivable adjustments		-		-		(2,609)	
Pension expense adjustments		-		-		-	
Other postemployment benefits plan adjustments		-		(1,902)		(5,325)	
Change in net position		\$ 6,964		\$ (5,511)		\$ 78,745	



# Internal Service Funds



## *Internal Service Fund Descriptions*

**I**nternal 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, 2021  
 (amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	General Liability	Fleet Management	Sheriff's Internal Service	Total
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash, cash equivalents and investments	\$ 4,685	\$ 1,342	\$ 18,768	\$ 10,169	\$ 4,359	\$ 25,044	\$ 64,367
Receivables (net)	2	-	407	9	18	-	436
Due from other funds	530	23	487	1	38	-	1,079
Due from other governments	6	-	76	-	-	-	82
Inventories	-	-	-	-	529	-	529
Other	554	60	-	417	2	-	1,033
Total current assets	<u>5,777</u>	<u>1,425</u>	<u>19,738</u>	<u>10,596</u>	<u>4,946</u>	<u>25,044</u>	<u>67,526</u>
<b>Noncurrent Assets:</b>							
<b>Capital assets:</b>							
Non-depreciable	-	7,069	-	-	1,666	-	8,735
Depreciable	11,042	12,992	-	-	40,306	-	64,340
Less accumulated depreciation	(7,121)	(10,909)	-	-	(25,573)	-	(43,603)
Total noncurrent assets	<u>3,921</u>	<u>9,152</u>	<u>-</u>	<u>-</u>	<u>16,399</u>	<u>-</u>	<u>29,472</u>
Total assets	<u>9,698</u>	<u>10,577</u>	<u>19,738</u>	<u>10,596</u>	<u>21,345</u>	<u>25,044</u>	<u>96,998</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Unamortized pension costs and subsequent contributions	244	74	107	96	522	-	1,043
Unamortized other postemployment benefits costs	376	63	101	115	573	-	1,228
Total deferred outflows of resources	<u>620</u>	<u>137</u>	<u>208</u>	<u>211</u>	<u>1,095</u>	<u>-</u>	<u>2,271</u>
<b>LIABILITIES</b>							
<b>Current liabilities:</b>							
Contracts and accounts payable	1,173	3	953	47	542	143	2,861
Accrued liabilities	30	4	6	7	39	-	86
Due to other governments	16	71	3	4	45	-	139
Unearned Revenue	-	21	-	-	-	-	21
Self-insurance claims payable	-	-	8,335	1,745	-	2,363	12,443
Compensated absences	1	1	2	3	12	-	19
Net pension liability	2	-	1	1	3	-	7
Total current liabilities	<u>1,222</u>	<u>100</u>	<u>9,300</u>	<u>1,807</u>	<u>641</u>	<u>2,506</u>	<u>15,576</u>

(continued)

Lee County, Florida  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 As of September 30, 2021  
 (amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
<b>Noncurrent liabilities:</b>							
Self-insurance claims payable	-	-	-	12,103	-	-	12,103
Compensated absences	17	18	30	36	166	-	267
Net pension liability	579	125	197	198	1,020	-	2,119
Total other postemployment benefits liability	2,047	341	551	624	3,119	-	6,682
Total noncurrent liabilities	2,643	484	778	12,961	4,305	-	21,171
Total liabilities	3,865	584	10,078	14,768	4,946	2,506	36,747
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unamortized pension costs	577	202	284	245	1,357	-	2,665
Unamortized other postemployment benefits costs	1,085	181	292	331	1,653	-	3,542
Total deferred inflows of resources	1,662	383	576	576	3,010	-	6,207
<b>NET POSITION</b>							
Net investment in capital assets	3,845	9,152	-	-	16,277	-	29,274
Unrestricted (deficit)	946	595	9,292	(4,537)	(1,793)	22,538	27,041
Total net position	\$ 4,791	\$ 9,747	\$ 9,292	\$ (4,537)	\$ 14,484	\$ 22,538	\$ 56,315

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, 2021  
 (amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self - Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
<b>OPERATING REVENUES</b>							
User fees	\$ 14,670	\$ 3,338	\$ 84,609	\$ 8,790	\$ 8,742	\$ 40,544	\$ 160,693
Total operating revenues	<u>14,670</u>	<u>3,338</u>	<u>84,609</u>	<u>8,790</u>	<u>8,742</u>	<u>40,544</u>	<u>160,693</u>
<b>OPERATING EXPENSES</b>							
Salaries and wages	704	315	411	406	2,105	-	3,941
Employee benefits	138	120	148	155	802	-	1,363
Pension and OPEB expense	2,508	(63)	231	44	(154)	-	2,566
Contractual services, materials and supplies	10,126	267	4,575	374	2,593	2,962	20,897
Utilities	1,725	1,491	5	6	78	-	3,305
Repairs and maintenance	803	70	-	1	2,407	-	3,281
Insurance	6	4	-	4,767	19	3,006	7,802
Insurance claims	-	-	79,832	4,413	-	29,413	113,658
Other	103	511	223	149	471	-	1,457
Depreciation	694	248	-	-	2,199	-	3,141
Total operating expenses	<u>16,807</u>	<u>2,963</u>	<u>85,425</u>	<u>10,315</u>	<u>10,520</u>	<u>35,381</u>	<u>161,411</u>
Operating income (loss)	<u>(2,137)</u>	<u>375</u>	<u>(816)</u>	<u>(1,525)</u>	<u>(1,778)</u>	<u>5,163</u>	<u>(718)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Investment earnings	2	(5)	16	(1)	4	4	20
Grants	-	(128)	-	-	-	-	(128)
Gain (loss) on disposal of capital assets	(302)	(113)	-	-	419	-	4
Other revenues	28	433	3	-	207	-	671
Total non-operating revenues (expenses)	<u>(272)</u>	<u>187</u>	<u>19</u>	<u>(1)</u>	<u>630</u>	<u>4</u>	<u>567</u>
Income (loss) before transfers	<u>(2,409)</u>	<u>562</u>	<u>(797)</u>	<u>(1,526)</u>	<u>(1,148)</u>	<u>5,167</u>	<u>(151)</u>
Transfers in	-	2,698	-	-	3,000	-	5,698
Transfers out	-	(1,500)	-	-	-	-	(1,500)
Total transfers	<u>0</u>	<u>1,198</u>	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>4,198</u>
Change in net position	(2,409)	1,760	(797)	(1,526)	1,852	5,167	4,047
Total net position - beginning - as restated	7,200	7,987	10,089	(3,011)	12,632	17,371	52,268
Total net position - ending	<u>\$ 4,791</u>	<u>\$ 9,747</u>	<u>\$ 9,292</u>	<u>\$ (4,537)</u>	<u>\$ 14,484</u>	<u>\$ 22,538</u>	<u>\$ 56,315</u>

See accompanying independent auditors' report.

Lee County, Florida  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended September 30, 2021  
(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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ (472)	\$ 2,136	\$ 15,196	\$ 21	\$ 292	\$ -	\$ 17,173
Receipts from interfund services provided	14,667	1,709	68,878	8,780	8,647	40,544	143,225
Payments to suppliers	(12,486)	(2,226)	(84,186)	(9,023)	(5,505)	(35,237)	(148,663)
Payments to employees	(830)	(416)	(509)	(357)	(2,564)	-	(4,676)
Payments for interfund services used	(165)	(225)	(140)	(154)	(815)	-	(1,499)
Net cash provided by (used in) operating activities	<u>714</u>	<u>978</u>	<u>(761)</u>	<u>(733)</u>	<u>55</u>	<u>5,307</u>	<u>5,560</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Non-capital grant issued	-	(128)	-	-	-	-	(128)
Transfer in	-	2,698	-	-	3,000	-	5,698
Transfer out	-	(1,500)	-	-	-	-	(1,500)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>1,070</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>4,070</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital asset purchases	(4)	(4,609)	-	-	(3,346)	-	(7,959)
Proceeds from sale of capital assets	-	-	-	-	609	-	609
Net cash (used in) capital and related financing activities	<u>(4)</u>	<u>(4,609)</u>	<u>-</u>	<u>-</u>	<u>(2,737)</u>	<u>-</u>	<u>(7,350)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on investments	4	-	32	8	8	4	56
Net cash provided by investing activities	<u>4</u>	<u>-</u>	<u>32</u>	<u>8</u>	<u>8</u>	<u>4</u>	<u>56</u>
Net increase (decrease) in cash and equity in pooled cash and investments	714	(2,561)	(729)	(725)	326	5,311	2,336
Cash and cash equivalents at beginning of year	3,971	3,903	19,497	10,894	4,033	19,733	62,031
Cash and cash equivalents at end of year	<u>\$ 4,685</u>	<u>\$ 1,342</u>	<u>\$ 18,768</u>	<u>\$ 10,169</u>	<u>\$ 4,359</u>	<u>\$ 25,044</u>	<u>\$ 64,367</u>
Classified as:							
Current assets	<u>\$ 4,685</u>	<u>\$ 1,342</u>	<u>\$ 18,768</u>	<u>\$ 10,169</u>	<u>\$ 4,359</u>	<u>\$ 25,044</u>	<u>\$ 64,367</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended September 30, 2021  
(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
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>							
Purchase of capital assets on account	\$ 76	\$ -	\$ -	\$ -	\$ 123	\$ -	\$ 199
Loss on disposal of capital assets	(302)	(113)	-	-	(191)	-	(606)
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (2,137)	\$ 375	\$ (816)	\$ (1,525)	\$ (1,778)	\$ 5,163	\$ (718)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:							
Depreciation	694	248	-	-	2,199	-	3,141
Other revenues	28	433	3	-	207	-	671
Other expense							-
(Increase) decrease in accounts receivable	-	15	(33)	12	(12)	-	(18)
(Increase) decrease in due from other funds	(499)	4	(487)	(1)	2	-	(981)
(Increase) decrease in due from other governments	(4)	34	(17)	-	-	-	13
(Increase) in inventories	-	-	-	-	(66)	-	(66)
(Increase) decrease in other assets	(92)	-	-	(5)	1	-	(96)
(Decrease) in contracts and accounts payable	310	(25)	(393)	(193)	(59)	(5)	(365)
Increase in accrued liabilities	22	-	1	1	6	-	30
(Decrease) in due to other funds	(10)	-	-	-	-	-	(10)
Increase in due to other governments	9	7	-	1	10	-	27
Increase in unearned revenues	-	21	-	-	-	-	21
(Decrease) in compensated absences	(8)	(3)	(3)	(4)	(15)	-	(33)
(Decrease) in net pension liability	(123)	(283)	(267)	(318)	(1,759)	-	(2,750)
(Increase) decrease in deferred outflows related to pensions	(31)	48	32	55	294	-	398
Increase in deferred inflows related to pensions	567	195	276	235	1,303	-	2,576
Increase (decrease) in total other postemployment benefits liability	1,288	(202)	(56)	(191)	(1,305)	-	(466)
(Increase) decrease in deferred outflows related to other postemployment benefits	(252)	26	(2)	18	149	-	(61)
Increase in deferred inflows related to other postemployment benefits	952	85	185	188	878	-	2,288
Increase in other liabilities	-	-	816	994	-	149	1,959
Total adjustments	2,851	603	55	792	1,833	144	6,278
Net cash provided by (used in) operating activities	\$ 714	\$ 978	\$ (761)	\$ (733)	\$ 55	\$ 5,307	\$ 5,560

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, 2021  
(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	\$ 14,556	\$ 14,670	\$ 3,350	\$ 3,338	\$ 86,332	\$ 84,609
Total operating revenues	14,556	14,670	3,350	3,338	86,332	84,609
OPERATING EXPENSES						
Salaries and wages	519	712	419	318	407	414
Employee benefits	124	138	149	120	149	148
Pension and OPEB expense	55	107	75	68	61	63
Contractual services, materials, and supplies	10,395	10,169	259	245	5,036	4,575
Utilities	1,696	1,724	1,093	1,491	4	5
Repairs and maintenance	656	853	72	81	-	-
Insurance	6	6	4	4	-	-
Insurance claims	-	-	-	-	83,427	79,016
Other	131	103	405	513	227	223
Total operating expenses	13,582	13,812	2,476	2,840	89,311	84,444
Operating income (loss)	974	858	874	498	(2,979)	165
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	25	13	25	5	175	73
Grants	-	-	(133)	(136)	-	-
Capital outlay	(1,192)	(76)	(4,922)	(2,538)	-	-
Proceeds from capital asset disposal	-	-	-	-	-	-
Other revenues	-	28	397	433	-	3
Total non - operating revenues (expenses)	(1,167)	(35)	(4,633)	(2,236)	175	76
Income (loss) before transfers	(193)	823	(3,759)	(1,738)	(2,804)	241
Transfers in	-	-	3,520	2,698	-	-
Transfers out	-	-	(1,500)	(1,500)	-	-
Total transfers	-	-	2,020	1,198	-	-
Change in net position	(193)	823	(1,739)	(540)	(2,804)	241
Total net position - beginning	3,644	5,673	1,867	629	18,545	19,432
Total net position - ending	\$ 3,451	\$ 6,496	\$ 128	\$ 89	\$ 15,741	\$ 19,673
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net position, budgetary basis		\$ 823		\$ (540)		\$ 241
Add: Capital outlay		76		2,538		-
Compensated absences		8		3		3
Prepaid adjustments		92		-		-
Inventory adjustment		-		-		-
Pension expense adjustments		-		40		-
Other postemployment benefits plan adjustments		-		91		-
Less: Depreciation		(694)		(248)		-
Fair value adjustment		(11)		(10)		(57)
Prepaid adjustments		-		(1)		-
Net book value of capital assets disposed		(302)		(113)		-
Claims payable adjustment		-		-		(816)
Pension expense adjustments		(413)		-		(41)
Other postemployment benefits plan adjustments		(1,988)		-		(127)
Change in net position		\$ (2,409)		\$ 1,760		\$ (797)

See accompanying independent auditors' report.

(continued)

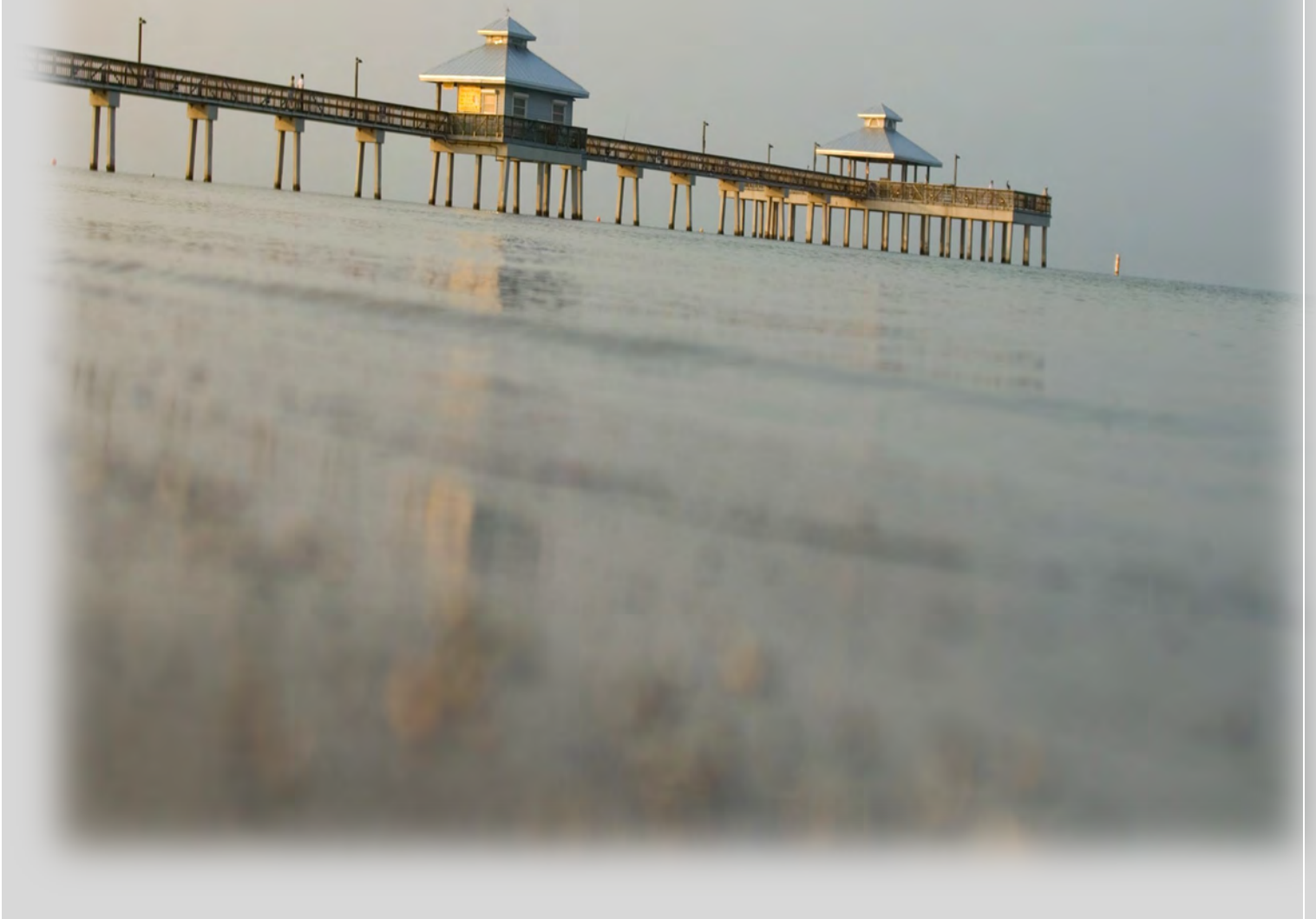
Lee County, Florida  
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)  
AND ACTUAL WITH RECONCILIATION TO GAAP  
INTERNAL SERVICE FUNDS  
For the Year Ended September 30, 2021  
(amounts expressed in thousands)

	Self-Insurance General		Fleet Management		Total		Variance Positive (Negative)
	Liability						
	Budget	Actual	Budget	Actual	Budget	Actual	
OPERATING REVENUES							
User fees	\$ 8,790	\$ 8,790	\$ 10,326	\$ 8,742	\$ 123,354	\$ 120,149	\$ (3,205)
Total operating revenues	8,790	8,790	10,326	8,742	123,354	120,149	(3,205)
OPERATING EXPENSES							
Salaries and wages	436	410	2,238	2,120	4,019	3,974	45
Employee benefits	170	155	904	802	1,496	1,363	133
Pension and OPEB expense	58	57	263	286	512	581	(69)
Contractual services, materials, and supplies	400	374	3,409	2,658	19,499	18,021	1,478
Utilities	7	6	109	78	2,909	3,304	(395)
Repairs and maintenance	1	1	3,032	2,407	3,761	3,342	419
Insurance	4,396	4,772	19	19	4,425	4,801	(376)
Insurance claims	7,250	3,419	-	-	90,677	82,435	8,242
Other	69	149	490	471	1,322	1,459	(137)
Total operating expenses	12,787	9,343	10,464	8,841	128,620	119,280	9,340
Operating income (loss)	(3,997)	(553)	(138)	(99)	(5,266)	869	6,135
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	100	32	30	17	355	140	(215)
Grants	-	-	-	-	(133)	(136)	(3)
Capital outlay	-	-	(5,074)	(3,601)	(11,188)	(6,215)	4,973
Proceeds from capital asset disposal	-	-	400	609	400	609	209
Other revenues	-	-	3	207	400	671	271
Total non - operating revenues (expenses)	100	32	(4,641)	(2,768)	(10,166)	(4,931)	5,235
Income (loss) before transfers	(3,897)	(521)	(4,779)	(2,867)	(15,432)	(4,062)	11,370
Transfers in	-	-	3,000	3,000	6,520	5,698	(822)
Transfers out	-	-	-	-	(1,500)	(1,500)	-
Total transfers	-	-	3,000	3,000	5,020	4,198	(822)
Change in net position	(3,897)	(521)	(1,779)	133	(10,412)	136	10,548
Total net position - beginning	10,808	8,525	3,653	2,484	38,517	36,743	(1,774)
Total net position - ending	\$ 6,911	\$ 8,004	\$ 1,874	\$ 2,617	\$ 28,105	\$ 36,879	\$ 8,774
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net position, budgetary basis		\$ (521)		\$ 133		\$ 136	
Add: Capital outlay		-		3,601		6,215	
Compensated absences		4		15		33	
Prepaid adjustments		5		-		97	
Inventory adjustment		-		66		66	
Pension expense adjustments		28		162		230	
Other postemployment benefits plan adjustments		-		278		369	
Less: Depreciation		-		(2,199)		(3,141)	
Fair value adjustment		(33)		(13)		(124)	
Prepaid adjustments		-		(1)		(2)	
Net book value of capital assets disposed		-		(190)		(605)	
Claims payable adjustment		(994)		-		(1,810)	
Pension expense adjustments		-		-		(454)	
Other postemployment benefits plan adjustments		(15)		-		(2,130)	
Change in net position		\$ (1,526)		\$ 1,852		\$ (1,120)	



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# Fiduciary Funds



## *Custodial Fund Descriptions*

Custodial funds are used to account for assets held by the County in a fiduciary capacity for individuals, private organizations, and other governments.

*Clerk of Circuit Court-* To account for the assets held by the Clerk of Circuit Court in a fiduciary capacity for individuals, organizations, and other governments. The Clerk reports activity for five Custodial Funds: Fines and Forfeitures, Jury and Witness, Delinquent Tax, Registry of Court and Cash Bonds and Deposits.

*Tax Collector-* To account for the assets held by the Tax Collector in a fiduciary capacity 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  
 CUSTODIAL FUNDS

As of September 30, 2021  
 (amounts expressed in thousands)

	Clerk of Circuit Court	Tax Collector	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 31,836	\$ 13,516	\$ 45,352
Accounts receivable	-	3	3
Due from other governments	-	550	550
Total Assets	31,836	14,069	45,905
<b>LIABILITIES AND NET POSITION</b>			
Contracts and accounts payable	3	-	3
Due to individuals	-	1,642	1,642
Due to other governments	8,093	12,427	20,520
Total Liabilities	8,096	14,069	22,165
Fiduciary Net Position Restricted for			
Individuals, organizations, and other governments	23,740	-	23,740
Total fiduciary net position	23,740	-	23,740
Total liabilities and fiduciary net position	\$ 31,836	\$ 14,069	\$ 45,905

See accompanying independent auditors' report.

Lee County, Florida  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

For the Year Ended September 30, 2021  
(amounts expressed in thousands)

	Clerk of Circuit Court	Tax Collector	Total
ADDITIONS			
Fees/Fines collected for other governments	\$ 244,472	\$ 1,325,790	\$ 1,570,262
Registry and other deposits collected	54,291	-	54,291
Total additions	<u>298,763</u>	<u>1,325,790</u>	<u>1,624,553</u>
DEDUCTIONS			
Fees/Fines disbursed to other governments	244,472	1,325,790	1,570,262
Registry and other deposits disbursed	44,285	-	44,285
Total deductions	<u>288,757</u>	<u>1,325,790</u>	<u>1,614,547</u>
Change in fiduciary net position	10,006	-	10,006
Fiduciary net position - beginning (as restated)	13,734		13,734
Fiduciary net position - ending	<u>\$ 23,740</u>	<u>\$ -</u>	<u>\$ 23,740</u>

See accompanying independent auditors' report.



# 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 Annual Comprehensive Financial Reports for the relevant year.

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

	<u>2012</u>	<u>2013<sup>(1)</sup></u>	<u>2014<sup>(2)</sup></u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018<sup>(3)</sup></u>	<u>2019</u>	<u>2020</u>	<u>2021<sup>(4)</sup></u>
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 1,705,218
Restricted for:										
Capital projects	74,621	66,647	75,847	105,692	127,648	152,764	167,027	167,230	198,001	203,337
Debt service	11,239	11,998	12,969	8,012	10,011	10,110	22,154	11,609	11,777	11,873
Inventory for resale	2,134	1,853	2,370	2,301	1,562	414	410	404	416	294
Special revenue funds	59,119	61,394	63,580	77,274	80,192	84,934	92,651	105,135	123,973	139,896
Unrestricted	305,959	232,952	205,038	(2,694)	(47,729)	(336,609)	(471,805)	(558,635)	(636,341)	(552,416)
Governmental activities net position	<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>	<u>1,508,202</u>
Business-type Activities										
Net investment in capital assets	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	1,291,191
Restricted for:										
Capital projects	59,051	56,200	51,124	67,931	84,864	98,620	123,244	141,619	134,613	123,254
Debt service	26,155	24,971	30,908	32,265	28,204	33,955	30,937	32,846	36,201	29,291
Renewal and replacement	10,249	8,520	17,481	20,632	24,135	26,120	28,154	23,728	25,710	50,851
Unrestricted	268,066	272,561	304,102	250,618	259,403	187,005	169,639	166,077	123,986	151,022
Business-type activities net position	<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>	<u>1,645,609</u>
Primary Government										
Net investment in capital assets	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	2,996,409
Restricted for:										
Capital projects	133,672	122,847	126,971	173,623	212,512	251,384	290,271	308,849	332,614	326,591
Debt service	37,394	36,969	43,877	40,277	38,215	44,065	53,091	44,455	47,978	41,164
Inventory for resale	2,134	1,853	2,370	2,301	1,562	414	410	404	416	294
Special revenue funds	59,119	61,394	63,580	77,274	80,192	84,934	92,651	105,135	123,973	139,896
Renewal and replacement	10,249	8,520	17,481	20,632	24,135	26,120	28,154	23,728	25,710	50,851
Unrestricted	574,025	505,513	509,140	247,924	211,674	(149,604)	(302,166)	(392,558)	(512,355)	(401,394)
Total primary government net position	<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>	<u>\$ 3,153,811</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 GASB 65 and to correct 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.
- 4) Fiscal Year 2021 reflects cumulative prior period adjustments for Sheriff claims payable, Sheriff unearned revenues, and the implementation of GASB 84 .

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

	2012	2013 <sup>(2)</sup>	2014 <sup>(3)</sup>	2015	2016	2017	2018 <sup>(4)</sup>	2019	2020	2021 <sup>(5)</sup>
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 206,427	\$ 207,265	\$ 200,741	\$ 208,748	\$ 228,779	\$ 216,689	\$ 259,143	\$ 256,680	\$ 326,768	\$ 327,543
Public safety	202,799	204,534	210,796	209,156	234,012	261,812	281,579	296,367	295,003	270,408
Physical environment	14,665	16,907	21,512	13,919	13,251	13,961	15,393	21,293	16,617	16,160
Transportation	54,600	64,484	57,101	57,719	56,614	66,170	66,161	75,011	76,784	73,550
Economic environment	30,613	24,337	25,048	27,276	28,571	30,898	34,395	34,064	28,478	31,403
Human services	26,796	20,474	20,481	20,273	21,528	22,379	27,512	23,532	24,628	33,767
Culture and recreation	64,689	70,437	71,816	78,393	79,514	81,038	94,304	94,958	86,737	83,611
Interest on long-term debt	14,448	12,557	12,136	11,189	10,494	10,125	9,682	9,387	6,771	6,389
Total governmental activities expenses	<u>615,037</u>	<u>620,995</u>	<u>619,631</u>	<u>626,673</u>	<u>672,763</u>	<u>703,072</u>	<u>788,169</u>	<u>811,292</u>	<u>861,786</u>	<u>842,831</u>
<b>Business-type Activities:</b>										
Airport	98,489	103,994	105,761	104,830	118,403	118,706	117,411	119,464	123,601	114,349
Water and wastewater	106,981	105,921	105,469	104,153	107,311	112,498	122,288	137,374	136,499	130,186
Transit	23,511	26,932	23,944	27,171	28,713	30,816	34,879	35,914	32,767	33,415
Transportation facilities	25,392	25,816	27,113	24,064	23,191	23,457	21,118	26,177	23,238	25,408
Solid waste	77,123	82,683	79,264	84,378	90,159	96,222	130,399	105,596	103,896	104,506
Total business-type activities expenses	<u>331,496</u>	<u>345,346</u>	<u>341,551</u>	<u>344,566</u>	<u>367,777</u>	<u>381,699</u>	<u>426,095</u>	<u>424,525</u>	<u>420,001</u>	<u>407,864</u>
Total primary government expenses	<u>\$ 946,533</u>	<u>\$ 966,341</u>	<u>\$ 961,182</u>	<u>\$ 971,239</u>	<u>\$ 1,040,540</u>	<u>\$ 1,084,771</u>	<u>\$ 1,214,264</u>	<u>\$ 1,235,817</u>	<u>\$ 1,281,787</u>	<u>\$ 1,250,695</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
General government	\$ 53,738	\$ 59,365	\$ 65,673	\$ 68,019	\$ 73,047	\$ 70,823	\$ 72,749	\$ 74,266	\$ 74,626	\$ 83,955
Public safety	34,843	38,992	39,925	41,707	43,416	41,992	47,012	47,215	44,933	46,608
Physical environment	1,783	2,004	2,184	2,134	2,039	2,088	2,336	2,588	2,529	2,602
Transportation	1,178	939	920	905	1,024	1,225	1,107	1,471	1,700	5,167
Economic environment	2,025	795	592	550	440	495	633	170	211	88
Human services	2,403	2,579	2,099	2,236	2,542	2,643	2,717	2,807	2,620	2,677
Culture and recreation	5,396	5,882	6,396	6,626	6,276	6,343	6,306	6,463	5,339	6,156
Operating grants and contributions	50,227	43,615	32,799	35,056	35,317	35,515	36,129	36,030	103,754	137,039
Capital grants and contributions	10,898	10,943	3,327	6,537	13,870	16,327	14,871	28,071	21,755	66,888
Governmental activities program revenues	<u>162,491</u>	<u>165,114</u>	<u>153,915</u>	<u>163,770</u>	<u>177,971</u>	<u>177,451</u>	<u>183,860</u>	<u>199,081</u>	<u>257,467</u>	<u>351,180</u>
<b>Business-type Activities:</b>										
<b>Charges for services:</b>										
Airport	98,989	104,009	107,250	109,705	111,544	115,401	119,945	123,102	99,562	119,741
Water and wastewater	90,991	97,760	102,740	106,787	108,034	112,021	112,614	115,469	116,654	117,183
Transit	3,690	3,846	3,703	4,000	4,052	4,015	4,063	4,129	2,923	3,262
Transportation facilities	37,448	38,725	41,179	43,083	44,792	44,365	45,678	46,806	42,461	43,399
Solid waste	76,964	70,094	73,264	72,407	76,078	81,541	91,426	93,966	90,415	105,539
Operating grants and contributions	5,582	5,657	6,381	6,493	8,012	6,876	7,206	10,784	50,781	29,258
Capital grants and contributions	17,076	42,245	47,612	40,757	57,482	55,114	45,668	59,398	44,475	72,549
Business-type activities program revenues	<u>330,740</u>	<u>362,336</u>	<u>382,129</u>	<u>383,232</u>	<u>409,994</u>	<u>419,333</u>	<u>426,600</u>	<u>453,654</u>	<u>447,271</u>	<u>490,931</u>
Total primary government program revenues	<u>\$ 493,231</u>	<u>\$ 527,450</u>	<u>\$ 536,044</u>	<u>\$ 547,002</u>	<u>\$ 587,965</u>	<u>\$ 596,784</u>	<u>\$ 610,460</u>	<u>\$ 652,735</u>	<u>\$ 704,738</u>	<u>\$ 842,111</u>

(continued)

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

	2012	2013 <sup>(2)</sup>	2014 <sup>(3)</sup>	2015	2016	2017	2018 <sup>(4)</sup>	2019	2020	2021 <sup>(5)</sup>
Net (Expense) Revenue <sup>(1)</sup>										
Governmental Activities	\$ (452,546)	\$ (455,881)	\$ (465,716)	\$ (462,903)	\$ (494,792)	\$ (525,621)	\$ (604,309)	\$ (612,211)	\$ (604,319)	\$ (491,651)
Business-type Activities	(756)	16,990	40,578	38,666	42,217	37,634	505	29,129	27,270	83,067
Total primary government net expense	<u>\$ (453,302)</u>	<u>\$ (438,891)</u>	<u>\$ (425,138)</u>	<u>\$ (424,237)</u>	<u>\$ (452,575)</u>	<u>\$ (487,987)</u>	<u>\$ (603,804)</u>	<u>\$ (583,082)</u>	<u>\$ (577,049)</u>	<u>\$ (408,584)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 255,944	\$ 254,662	\$ 274,203	\$ 292,170	\$ 308,241	\$ 328,696	\$ 356,849	\$ 372,865	\$ 397,610	\$ 425,375
Gas taxes	17,116	17,992	18,616	20,157	20,404	20,860	21,244	21,440	20,364	22,530
Tourist taxes	26,672	28,535	33,197	37,560	39,638	39,651	42,346	42,584	37,990	52,822
Communication taxes	9,561	9,559	9,606	9,268	8,705	9,470	7,426	7,299	6,894	6,540
Franchise fees	8,013	8,355	16,330	19,476	17,369	17,209	17,494	18,362	18,176	18,775
Local Business taxes	-	-	-	-	-	888	972	985	933	929
Unrestricted grants and contributions	49,484	52,668	57,258	61,140	63,286	65,326	75,186	73,969	70,123	84,359
Investment earnings	2,729	1,826	866	2,860	4,728	6,109	10,223	20,172	11,113	1,030
Miscellaneous	8,744	12,965	16,443	13,698	10,292	9,163	17,791	10,900	15,085	8,964
Transfers	(8,768)	(6,045)	(8,396)	12,323	(1,083)	(139)	5,972	2,419	44,558	13,977
Total governmental activities general revenues and transfers	<u>369,495</u>	<u>380,517</u>	<u>418,123</u>	<u>468,652</u>	<u>471,580</u>	<u>497,233</u>	<u>555,503</u>	<u>570,995</u>	<u>622,846</u>	<u>635,301</u>
Business-type Activities:										
Property taxes	1,077	561	568	584	1,257	1,864	2,142	2,103	2,266	2,803
Franchise fees	1,701	1,677	1,654	1,778	1,984	2,464	2,328	2,366	2,383	2,652
Investment earnings	1,180	1,034	605	1,580	3,129	5,210	9,557	17,156	9,465	704
Miscellaneous	886	1,300	1,139	1,762	1,559	1,921	2,361	2,105	1,883	2,143
Special item-loss on discontinued project	(16,946)	-	-	-	-	-	-	-	-	-
Transfers	8,768	6,045	8,396	(12,323)	1,083	139	(5,972)	(2,419)	(44,558)	(13,977)
Total Business-type activities general revenues, special item, and transfers	<u>(3,334)</u>	<u>10,617</u>	<u>12,362</u>	<u>(6,619)</u>	<u>9,012</u>	<u>11,598</u>	<u>10,416</u>	<u>21,311</u>	<u>(28,561)</u>	<u>(5,675)</u>
Total primary government general revenues, special item, and transfers	<u>\$ 366,161</u>	<u>\$ 391,134</u>	<u>\$ 430,485</u>	<u>\$ 462,033</u>	<u>\$ 480,592</u>	<u>\$ 508,831</u>	<u>\$ 565,919</u>	<u>\$ 592,306</u>	<u>\$ 594,285</u>	<u>\$ 629,626</u>
Change in Net Position										
Governmental activities	\$ (83,051)	\$ (75,364)	\$ (47,593)	\$ 5,749	\$ (23,212)	\$ (28,388)	\$ (48,806)	\$ (41,216)	\$ 18,527	\$ 143,650
Business-type activities	(4,090)	27,607	52,940	32,047	51,229	49,232	10,921	50,440	(1,291)	77,392
Total primary government	<u>\$ (87,141)</u>	<u>\$ (47,757)</u>	<u>\$ 5,347</u>	<u>\$ 37,796</u>	<u>\$ 28,017</u>	<u>\$ 20,844</u>	<u>\$ (37,885)</u>	<u>\$ 9,224</u>	<u>\$ 17,236</u>	<u>\$ 221,042</u>

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

3) 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.

4) 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 14,393	\$ 429	\$ 409	\$ 330	\$ 292	\$ 321	\$ 346	\$ 375	\$ 363	\$ 391
Restricted	2,134	1,853	2,370	2,301	1,562	414	410	404	416	294
Committed	10	10	6	6	6	6	-	-	-	-
Assigned	49,261	14,900	12,565	8,370	7,069	5,309	18,824	17,613	20,314	32,760
Unassigned	81,668	94,308	108,428	126,889	123,980	115,198	124,485	115,390	125,317	161,943
<b>Total General Fund</b>	<b>\$ 147,466</b>	<b>\$ 111,500</b>	<b>\$ 123,778</b>	<b>\$ 137,896</b>	<b>\$ 132,909</b>	<b>\$ 121,248</b>	<b>\$ 144,065</b>	<b>\$ 133,782</b>	<b>\$ 146,410</b>	<b>\$ 195,388</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 11,368	\$ 2,385	\$ 2,936	\$ 2,652	\$ 2,532	\$ 2,654	\$ 2,123	\$ 2,247	\$ 2,788	\$ 3,037
Restricted	159,671	183,519	160,719	196,343	223,656	254,943	277,259	286,342	338,500	361,106
Committed	224,909	211,770	201,066	197,322	210,498	211,145	166,648	165,135	175,495	180,739
Assigned	2,928	3,209	3,300	3,487	4,161	2,319	1,432	-	549	2,590
Unassigned	(22,160)	(11)	-	-	-	(1,298)	-	(263)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 376,716</b>	<b>\$ 400,872</b>	<b>\$ 368,021</b>	<b>\$ 399,804</b>	<b>\$ 440,847</b>	<b>\$ 469,763</b>	<b>\$ 447,462</b>	<b>\$ 453,461</b>	<b>\$ 517,332</b>	<b>\$ 547,472</b>



Lee County, Florida  
SCHEDULE 4  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 317,463	\$ 319,103	\$ 351,952	\$ 378,631	\$ 394,357	\$ 416,774	\$ 446,331	\$ 463,535	\$ 481,967	\$ 526,971
Licenses and permits	6,497	7,822	9,271	11,148	9,233	9,295	12,071	11,722	12,859	13,450
Intergovernmental	103,056	97,298	89,852	95,530	101,013	102,020	112,060	115,583	177,696	225,644
Charges for services	66,328	74,847	79,844	81,194	88,982	84,535	86,357	88,438	83,698	93,008
Fines and forfeitures	1,311	1,374	1,561	1,529	1,545	1,373	2,784	1,955	751	1,184
Impact fees	3,446	2,587	2,743	3,759	5,262	6,455	10,266	13,538	19,756	59,249
Special assessments	1,447	1,651	1,360	2,261	1,241	1,174	1,053	1,113	1,178	5,093
Miscellaneous	11,394	14,135	15,985	16,531	14,199	16,437	22,591	30,827	26,293	12,625
Total revenues	<u>510,942</u>	<u>518,817</u>	<u>552,568</u>	<u>590,583</u>	<u>615,832</u>	<u>638,063</u>	<u>693,513</u>	<u>726,711</u>	<u>804,198</u>	<u>937,224</u>
<b>Expenditures</b>										
Current										
General government	132,248	132,932	130,328	137,077	143,421	148,668	158,679	167,210	223,367	292,222
Public safety	195,541	193,533	199,492	205,645	218,168	233,305	241,734	260,869	254,514	261,375
Physical environment	13,968	14,321	18,913	12,184	10,770	10,858	13,747	18,340	12,645	12,571
Transportation	33,800	34,509	32,644	33,609	33,938	35,953	44,160	48,203	49,177	48,554
Economic environment	30,539	24,433	25,095	26,619	27,672	30,432	31,580	32,513	27,109	34,397
Human services	26,690	20,355	20,144	20,052	21,055	21,200	21,908	22,809	22,982	25,126
Culture and recreation	55,032	56,050	59,350	64,098	63,220	63,539	65,701	71,225	70,718	74,661
Capital outlay	87,692	60,314	55,748	31,064	41,222	47,375	105,447	88,537	93,160	94,139
Debt service										
Principal retirement	17,702	15,432	9,741	15,766	10,823	19,680	11,211	12,726	13,119	16,986
Interest and fiscal charges	19,852	20,037	13,068	13,223	11,573	11,822	11,229	10,849	9,593	8,640
Bond issuance costs	-	774	49	364	-	-	-	13	651	30
Total expenditures	<u>613,064</u>	<u>572,690</u>	<u>564,572</u>	<u>559,701</u>	<u>581,862</u>	<u>622,832</u>	<u>705,396</u>	<u>733,294</u>	<u>777,035</u>	<u>868,701</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(102,122)</u>	<u>(53,873)</u>	<u>(12,004)</u>	<u>30,882</u>	<u>33,970</u>	<u>15,231</u>	<u>(11,883)</u>	<u>(6,583)</u>	<u>27,163</u>	<u>68,523</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	112,730	221,138	90,650	165,590	113,737	158,782	123,017	145,520	179,133	168,199
Transfers out	(121,486)	(221,171)	(99,030)	(153,267)	(116,820)	(156,758)	(117,174)	(144,063)	(139,575)	(158,420)
Insurance recoveries	-	-	-	-	-	-	5,580	-	-	-
Capital lease	-	-	-	383	5,169	-	543	225	8,939	-
Bond premium	-	-	-	8,399	-	-	-	-	10,791	424
Proceeds from long-term debt	841	134,399	14,483	50,625	0	1,284	433	617	75,655	-
Payments to refunding escrow agent	-	(92,303)	(12,518)	(56,711)	-	(1,284)	-	-	(85,607)	-
Total other financing sources (uses)	<u>(7,915)</u>	<u>42,063</u>	<u>(6,415)</u>	<u>15,019</u>	<u>2,086</u>	<u>2,024</u>	<u>12,399</u>	<u>2,299</u>	<u>49,336</u>	<u>10,203</u>
Net change in fund balances	<u>\$ (110,037)</u>	<u>\$ (11,810)</u>	<u>\$ (18,419)</u>	<u>\$ 45,901</u>	<u>\$ 36,056</u>	<u>\$ 17,255</u>	<u>\$ 516</u>	<u>\$ (4,284)</u>	<u>\$ 76,499</u>	<u>\$ 78,726</u>
Debt service as a percentage of noncapital expenditures <sup>1</sup>	<u>7.1%</u>	<u>6.9%</u>	<u>4.5%</u>	<u>5.5%</u>	<u>4.1%</u>	<u>5.5%</u>	<u>3.7%</u>	<u>3.7%</u>	<u>3.3%</u>	<u>3.3%</u>

<sup>1</sup> 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				Personal Property	Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value <sup>1</sup>
	Residential Property	Commercial Property	Other	Tax Exempt Real Property						
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%	
2021	72,543,957	10,463,245	923,434	4,993,152	31,728,500	57,195,288	5.4553	116,043,239	76.63%	

Source: Lee County Property Appraiser

<sup>1</sup> 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	All Hazards	Total Direct Rate	Special Districts <sup>1</sup>	Lee County School Board	City of Cape Coral <sup>2</sup>	City of Sanibel <sup>2</sup>	City of Fort Myers	Town of Fort Myers Beach	Town of Bonita Springs	Village of Estero <sup>3</sup>	Other Special Districts <sup>4</sup>
2012	4.9904	0.3541	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	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	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	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	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	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	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	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	5.4553	0.5958	6.1470	6.5503	2.1855	8.2500	0.9500	0.8173	0.7726	.0661 - 3.8000
2021	4.8904	0.4956	0.0693	5.4553	0.5729	6.0580	6.6750	2.1818	7.9643	0.9500	0.8173	0.7726	.0471 - 3.6000

Source: Lee County Property Appraiser

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

<sup>2</sup> Millages include levies for operating and debt service costs.

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

<sup>4</sup> 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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Christian & Missionary Alliance, Inc.	\$ 339,265	1	0.292%	\$ 100,264	2	0.201%
Coconut Point Developers LLC	115,728	2	0.100%	125,818	1	0.252%
Miromar Outlet West LLC	111,150	3	0.096%	79,021	4	0.159%
GCTC Holdings LLC	110,813	4	0.095%			
Lurin Real Estate Holdings XVI	90,866	5	0.078%			
Lennar Homes LLC	88,810	6	0.077%	76,938	5	0.154%
Quadrum Lakes Park LLC	88,182	7	0.076%			
Mall Ground Portfolio LLC	80,477	8	0.069%			
Hertz Corporation	62,199	9	0.054%			
Bell Tower Shops LLC	61,809	10	0.053%	49,989	8	0.100%
Gulf Coast Town Center CMBS				98,010	3	0.197%
Target Corporation				53,646	6	0.108%
Tavira at Bonita Bay Inc				50,759	7	0.102%
Tarpon Land LP				49,333	9	0.099%
Walmart Stores East LP				43,034	10	0.086%
Total	\$ 1,149,299		0.990%	\$ 726,812		1.458%

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 <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>2</sup>	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 262,901	\$ 251,665	95.73%	\$ 616	\$ 252,281	95.96%
2013	260,982	250,828	96.11%	278	251,106	96.22%
2014	280,806	270,156	96.21%	193	270,349	96.28%
2015	299,665	288,114	96.15%	141	288,255	96.19%
2016	316,672	304,630	96.20%	(103)	304,527	96.16%
2017	336,533	323,892	96.24%	(374)	323,518	96.13%
2018	367,004	352,046	95.92%	(13)	352,033	95.92%
2019	382,202	367,536	96.16%	(5)	367,531	96.16%
2020	407,406	391,718	96.15%	(198)	391,520	96.10%
2021	436,447	419,287	96.07%		419,287	96.07%

Source: Lee County Tax Collector

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

<sup>2</sup> 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						Percentage of Estimated Actual Taxable Property Value <sup>2</sup>	Other Governmental Activities Debt			
	Capital Revenue Bonds <sup>1</sup>	Gas Tax Bonds	Tourist Development Tax Bonds	Certificates of Participation	Non Advalorem	Total		Per Capita <sup>3</sup>	Line of Credit	Notes	Capital Leases
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
2021	-	-	118,581	-	71,155	189,736	0.16%	0.24	-	11,127	8,026

Fiscal Year	Business-Type Activities Debt							Total Primary Government <sup>4</sup>	Percentage of Personal Income <sup>3</sup>	Per Capita <sup>3</sup>
	Port Authority Revenue Bonds	Solid Waste Revenue Bonds	Transportation Facilities Revenue Bonds	Water and Wastewater Revenue Bonds	Port Authority LOC	Notes	Capital Leases			
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	1,050,179	3.59%	1.58
2016	290,836	76,994	118,159	187,482	-	54,633	2,022	1,006,590	3.22%	1.48
2017	280,656	75,358	112,439	178,850	-	61,956	1,513	965,725	2.92%	1.38
2018	270,080	68,451	106,681	169,873	-	79,216	995	938,335	2.55%	1.31
2019	258,920	61,417	99,839	160,544	-	79,821	464	890,488	2.30%	1.21
2020	238,487	54,248	92,848	155,063	11,000	74,903	-	854,327	2.13%	1.14
2021	225,398	46,936	85,711	143,963	18,850	69,455	-	799,202	1.85%	1.02

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

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

<sup>2</sup> See Schedule 5 for property value data.

<sup>3</sup> See Schedule 11 for personal income and population data for 2012 through 2021.

<sup>4</sup> 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 <sup>1</sup>	Net Available Revenues	Debt Service		Coverage	Page Field General Aviation Airport Revenues	Less: Operating Expenses <sup>1</sup>	Net Available Revenue	Debt Service		Coverage		
				Principal	Interest					Principal	Interest			
2012	\$ 14,775	n/a	\$ 14,775	\$ 3,060	\$ 303	4.39	\$ 8,831	\$ 8,508	\$ 323	\$ 355	\$ 36	0.83		
2013	15,197	n/a	15,197	3,120	245	4.52	9,176	9,331	(155)	375	32	-0.38		
2014	15,771	n/a	15,771	3,180	185	4.69	9,262	9,721	(459)	395	27	-1.09		
2015	16,251	n/a	16,251	6,540 <sup>5</sup>	21	2.48	11,605 <sup>6</sup>	8,875	2,730	3,042 <sup>6</sup>	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		
2021	-	n/a	-	-	-	0.00	-	-	-	-	-	0.00		

Fiscal Year	Port Authority Revenue Bonds							Port Authority Subordinate Revolving Credit						
	Airport Revenues <sup>3</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenues	Debt Service <sup>4</sup>		Coverage	Airport Revenues <sup>3</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage		
				Principal	Interest					Principal	Interest			
2012	\$ 81,934	\$ 49,372	\$ 32,562	\$ 7,895	\$ 17,654	1.27	\$ -	\$ -	\$ -	\$ -	\$ -	0.00		
2013	86,659	51,623	35,036	8,470	16,459	1.41	-	-	-	-	-	0.00		
2014	89,182	54,877	34,305	8,900	16,039	1.38	-	-	-	-	-	0.00		
2015	92,247	55,872	36,375	9,285	15,552	1.46	-	-	-	-	-	0.00		
2016	94,214	59,144	35,070	9,750	14,939	1.42	-	-	-	-	-	0.00		
2017	97,948	61,666	36,282	10,230	14,456	1.47	-	-	-	-	-	0.00		
2018	102,450	63,066	39,384	10,725	13,959	1.60	-	-	-	-	-	0.00		
2019	106,268	63,790	42,478	11,310	13,374	1.72	-	-	-	-	-	0.00		
2020	81,728	59,559	22,169	3,340 <sup>7</sup>	12,694	1.38	81,728	59,559	22,169	-	7	3,167.00		
2021	99,617	62,004	37,613	3,580 <sup>7</sup>	11,177	2.55	99,617	62,004	37,613	-	102	368.75		

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

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

<sup>2</sup> 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, pensions, or rebates.

<sup>3</sup> 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.

<sup>4</sup> Debt service is based on bond year of Oct 2 to Oct 1

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> Principal reduced by the early redemption of Airport Revenue Refunding Bonds, Series 2010A paid with moneys received from the CARES Act of \$8.6M and \$8.7M in Fiscal Year 2020 and Fiscal Year 2021, respectively. The CARES Act revenues are not included in the Airport pledged revenues above.

(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 <sup>1</sup>	Less: Operating Expenses <sup>2,4</sup>	Net Available Revenues	Debt Service		Coverage	Transportation Facilities Revenues <sup>3</sup>	Less: Operating Expenses <sup>2,4</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2012	\$ 91,967	\$ 55,406 <sup>5</sup>	\$ 36,561	\$ 5,510	\$ 7,259	2.86	\$ 37,817	\$ 9,426 <sup>5</sup>	\$ 28,391	\$ 7,710	\$ 7,890	1.82
2013	98,054	55,286 <sup>5</sup>	42,768	7,603	7,874	2.76	39,162	9,698 <sup>5</sup>	29,464	8,145	6,908	1.96
2014	103,263	54,637 <sup>5</sup>	48,626	3,890	7,536	4.26	41,966	10,158 <sup>5</sup>	31,808	9,080	6,676	2.02
2015	107,822	52,634	55,188	6,190	8,863	3.67	44,113	8,906	35,207	9,325	6,027	2.29
2016	109,652	54,778	54,874	7,195	8,622	3.47	46,008	8,910	37,098	8,980	5,250	2.61
2017	114,504	59,098	55,406	7,465	8,311	3.51	45,742	9,376	36,366	9,295	5,054	2.53
2018	116,742	69,792	46,950	7,790	7,980	2.98	47,492	9,872	37,620	9,505	4,798	2.63
2019	121,648	74,626	47,022	8,130	7,629	2.98	49,952	12,344	37,608	5,295	4,516	3.83
2020	120,973	73,427	47,546	8,485	6,682	3.13	44,608	12,391	32,217	5,560	4,245	3.29
2021	118,400	67,673	50,727	10,390	4,759	3.35	43,708	12,137	31,571	5,835	3,960	3.22

Fiscal Year	Florida Department of Environmental Protection Loans						Solid Waste System Revenue Bonds					
	Water and Wastewater Revenues <sup>1</sup>	Less: Operating Expenses <sup>2,4</sup>	Net Available Revenues	Debt Service		Coverage	Solid Waste System Revenues <sup>6</sup>	Less: Operating Expenses <sup>2,4</sup>	Net Available Revenue	Debt Service <sup>7</sup>		Coverage
				Principal	Interest					Principal	Interest	
2012	\$ 91,967	\$ 55,406 <sup>5</sup>	\$ 36,561	\$ 3,572	\$ 1,567	7.11	\$ 77,675	\$ 58,358	\$ 19,317	\$ 95	\$ 4,292	4.40
2013	98,054	55,286 <sup>5</sup>	42,768	3,650	1,496	8.31	70,409	62,541	7,868	100	4,288	1.79
2014	103,263	54,637 <sup>5</sup>	48,626	3,035	1,390	10.99	73,311	62,013	11,298	4,830	4,284	1.24
2015	107,822	52,634	55,188	3,118	1,307	12.47	76,369	67,243	9,126	5,080	4,046	1.00
2016	109,652	54,778	54,874	3,203	1,222	12.40	79,957	69,042	10,915	-	1,896 <sup>8</sup>	5.76
2017	114,504	59,098	55,406	3,065	12,687	3.52	86,894	70,643 <sup>9</sup>	16,251	5,235	3,300	1.90 <sup>9</sup>
2018	116,742	69,792	46,950	2,918	1,055	11.82	97,785	75,887 <sup>9</sup>	21,898	5,495	3,046	2.56 <sup>9</sup>
2019	121,648	74,626	47,022	3,640	1,103	9.91	100,446 <sup>9</sup>	81,664 <sup>9</sup>	18,782	5,775	2,772	2.20 <sup>9</sup>
2020	120,973	73,427	47,546	4,918	1,250	7.71	96,887 <sup>9</sup>	83,105 <sup>9</sup>	13,782	6,075	2,483	1.61 <sup>9</sup>
2021	118,400	67,673	50,727	4,864	1,187	8.38	111,571	84,884	26,687	6,385	2,179	3.12 <sup>9</sup>

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.

<sup>1</sup> 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.

<sup>2</sup> As defined by bond resolutions - Generally, current operating expense which doesn't include interest expense, depreciation or amortization expense.

<sup>3</sup> 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.

<sup>4</sup> As defined by bond resolutions- current operating expenses do not include unfunded OPEB and pension expenses.

<sup>5</sup> Fiscal years 2012 to 2014 - Operating expenses listed include the annual OPEB expenses and is not adjusted for funding.

<sup>6</sup> As defined by bond resolutions - Generally, all revenues generated from the operation of the Waste - to - Energy Facility, the landfill, and the collection services.

<sup>7</sup> Debt service is based on funding requirements during the year for upcoming principal and interest due. (ie: the accrued debt service)

<sup>8</sup> 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.

<sup>9</sup> 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 <sup>1</sup>	Total Personal Income <sup>2</sup> (in thousands)	Per Capita Personal Income <sup>2</sup>	Median Age <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rates (Percentage) <sup>2</sup>		
						County	State	National
2012	631,330 <sup>5</sup>	27,328,737 <sup>5</sup>	43,022 <sup>5</sup>	45.7	85,581	8.7 <sup>4</sup>	8.7 <sup>4</sup>	7.8 <sup>4</sup>
2013	638,029	28,292,424 <sup>5</sup>	40,248	45.7	87,215	7.2 <sup>4</sup>	7.1 <sup>4</sup>	7.6 <sup>4</sup>
2014	643,367	27,773,510	43,169 <sup>6</sup>	45.7	90,887	6.1	6.1	5.7
2015	665,845	29,245,506	48,453 <sup>8</sup>	46.2 <sup>7</sup>	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
2021	782,579	43,260,834	54,707	48.5	95,023	4.0	4.9	4.8

Sources: <sup>1</sup> Bureau of Economic and Business Research (estimate)  
<sup>2</sup> Florida Research and Economic Database (FRED), except as otherwise noted  
<sup>3</sup> School District of Lee County  
<sup>4</sup> Regional Economic Research Institute, Lutgert College of Business, Florida Gulf Coast University  
<sup>5</sup> US Bureau of Economic Analysis (BEA) estimate as of April 2012 (TPI updated 2015)  
<sup>6</sup> Governing.com  
<sup>7</sup> edr.state.fl.us  
<sup>8</sup> bestplaces.net

Lee County, Florida  
SCHEDULE 12  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago

<u>Employer</u>	<u>2021</u>			<u>2012</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	14,028	1	4.04%	10,249	1	3.73%
Lee County School District	11,003	2	3.17%	9,394	2	3.42%
Publix Super Market	4,624	3	1.33%	4,362	3	1.59%
Walmart	3,467	4	1.00%	1,967	5	0.72%
Lee County Administration	2,696	5	0.78%	2,538	4	0.92%
City of Cape Coral	1,858	6	0.54%	1,197	9	0.44%
Gartner, Inc.	1,819	7	0.52%			
Lee County Sheriff's Office	1,564	8	0.45%	1,585	6	0.58%
Chico's FAS Inc.	1,532	9	0.44%	1,253	8	0.46%
McDonald's	1,522	10	0.44%			
Target				1,100	10	0.40%
U.S.Postal Service				1,291	7	0.47%
<b>Total</b>	<b>44,113</b>		<b>12.71%</b>	<b>34,936</b>		<b>12.73%</b>

U.S. Bureau of Labor Statistics.

Lee County, Florida  
SCHEDULE 13  
GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

Function/Program	<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>	<u>2021</u>
Governmental activities:										
General government	1,312	1,281	1,282	1,288	1,281	1,270	1,304	1,303	1,310	1,276
Public safety	1,884	1,866	1,875	1,914	1,979	1,997	2,071	2,057	2,065	2,064
Physical environment	76	73	69	70	69	68	68	68	69	68
Transportation	220	220	212	205	204	204	209	209	209	208
Economic environment	66	65	66	66	67	66	66	66	68	52
Human services	76	75	76	81	81	83	91	91	95	126
Culture and recreation	523	518	523	504	506	507	529	529	529	529
Business-type activities:										
Airport	344	346	351	352	360	357	352	359	359	361
Water and wastewater	275	275	274	274	275	279	281	281	283	282
Transit	253	251	263	267	267	267	268	268	268	268
Transportation facilities	95	95	95	95	94	96	96	96	96	95
Solid waste	83	92	94	98	105	112	119	119	119	119
Total	5,207	5,157	5,180	5,214	5,288	5,306	5,454	5,446	5,470	5,448

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>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>	<u>2021</u>
Community Development										
Building permits issued	31,316	36,442	41,023	45,421	34,329	32,126	47,143	38,619	40,318	58,225
Inspections	51,820	63,709	74,358	84,505	82,004	80,532	114,483	133,232	119,126	156,844
Public Safety/EMS <sup>1</sup>										
E-911 calls processed	180,597	179,412	182,859	198,072	208,238	220,799	220,159	222,236	227,274	252,261
Sheriff Department										
Physical arrests	14,877	15,018	14,196	10,543	12,006	10,173	15,877	10,235	6,971	5,626
Traffic tickets	31,543	37,859	36,512	31,977	36,251	33,680	37,960	37,650	21,184	15,879
Natural Resources										
Environmental lab tests performed	109,697	117,670	114,744	109,420	115,625	136,044	154,281	156,115	157,545	161,452
Pollutant storage tanks inspections	738	642	546	495	514	520	1,009	902	896	397
Solid Waste										
Number of business and residential customers <sup>2</sup>	248,928	249,480	244,817	253,888	258,891	258,530	260,307	263,662	267,754	271,243
Volume of solid waste collection (tons per year) <sup>3</sup>	452,618	484,255	481,658	507,527	552,818	571,194	586,383	579,041	582,477	631,785
Volume of recycling collection (tons per year) <sup>4</sup>	67,751	84,270	71,788	76,109	79,117	78,249	84,126	83,394	86,379	88,045
Megawatt hours of electricity sold	295,981	289,583	328,479	329,285	333,549	320,919	346,086	343,088	320,397	286,350
Water and Wastewater										
Water customers	81,654	82,411	83,146	83,989	85,020	86,176	87,675	89,110	90,869	93,546
Wastewater customers	59,315	59,789	60,562	61,410	62,294	63,197	64,583	65,867	67,606	69,992
Meter installations	477	720	1,176	807	1,031	1,156	1,499	1,619	1,758	2,678
Department of Transportation										
Number of signal and flasher locations maintained	503	497	509	523	530	540	581	616	626	704
Number of streetlights maintained	5,140	4,986	5,013	5,104	5,090	5,142	5,202	5,429	5,429	5,871
Number of driveway and ROW permits issued	704	702	810	1,031	1,147	1,353	1,569	1,996	2,249	2,842
Asphalt road resurfacing (in thousands of tons)	48	43	37	34	41	33	86	52	117	146
Bridges										
Toll paying traffic per year										
Sanibel	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	3,419,121
Midpoint Memorial	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	8,854,936
Cape Coral	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	8,364,502
Transit										
Number of bus passenger trips	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	1,685,810
Number of bus route miles	417	550	551	551	538	542	542	543	543	544
Port Authority										
Number of enplanements	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	4,534,976
Number of deplanements	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	4,511,241
Human Services										
Number of emergency services provided with General Fund County Service dollars (mortgage, rent, utilities, etc.)	836	484	460	390	327	660	642	691	626	301
Animal Services										
Officer responses	15,633	16,970	15,600	15,029	15,409	15,406	15,186	15,406	11,735	11,648
Animal placement	4,219	4,220	4,286	5,089	5,379	5,012	4,642	5,012	5,057	5,949
Library										
Cardholders	289,858	291,692	294,953	289,398	285,300	283,326	275,705	276,106	263,799	246,058
Items available for circulation	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	2,214,291
Total circulation	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	4,838,347
Parks and Recreation										
Number of public parks maintained	66	66	67	67	68	69	69	69	70	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

<sup>1</sup> Based on calendar year prior to 2012. Based on fiscal year from 2012 and going forward.

<sup>2</sup> 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.

<sup>3</sup> Total municipal solid waste tons processed and landfilled including incorporated and unincorporated Lee County and Hendry County.

<sup>4</sup> 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>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>	<u>2021</u>
Governmental Activities										
General government	10,407	10,862	10,957	10,739	11,087	11,262	11,622	11,863	10,545	11,485
Public safety	10,085	10,299	10,089	10,072	10,783	10,633	10,912	11,133	13,041	11,554
Physical environment	550	552	574	538	519	517	524	538	502	867
Transportation	3,713	3,805	3,837	3,903	3,939	3,954	3,977	4,034	3,864	5,111
Economic environment	237	247	261	252	270	276	280	288	243	269
Human services	647	639	602	589	568	532	557	553	588	643
Culture and recreation	4,606	4,680	4,865	4,890	4,965	5,056	5,115	5,358	4,966	5,016
	<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>33,749</u>	<u>34,945</u>
Business-type Activities										
Port Authority	2,522	2,549	2,552	2,961	3,184	3,338	3,494	3,623	4,212	3,505
Water and Wastewater	16,633	17,285	18,084	19,013	19,993	20,673	21,887	22,459	23,280	23,907
Transportation Facilities	1,149	1,176	1,176	1,235	1,251	1,315	1,380	1,334	1,321	1,308
Solid Waste	608	646	665	697	709	729	765	806	822	822
Transit	897	948	963	1,018	1,046	1,039	1,062	1,050	1,167	965
	<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>	<u>30,507</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, 2021  
 (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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Tourist Development Tax Revenues (debt portion)	\$ 39,651	\$ 42,346	\$ 42,584	\$ 37,990	\$ 52,822
Gross Revenues <sup>(1)</sup>	1,165	1,165	1,165	1,180	1,180
State Funds	500	500	500	500	500
Total Pledged Funds <sup>(2)(3)</sup>	<u>\$ 41,316</u>	<u>\$ 44,011</u>	<u>\$ 44,249</u>	<u>\$ 39,670</u>	<u>\$ 54,502</u>
Maximum Annual Debt Service <sup>(4)(5)</sup> Payable from Pledged Funds	8,480	8,480	8,480	8,480	8,480
Debt Service Coverage	4.87x	5.19x	5.22x	4.68x	6.43x

<sup>(1)</sup> 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.

<sup>(2)</sup> Investment earnings, if any, have not been included in these calculations.

<sup>(3)</sup> This figure includes only Tourist Development Tax revenues as defined in the Bond Resolution.

<sup>(4)</sup> Maximum Annual Debt Service is calculated net of the Federal Direct Payments received in connection with Subsidy Bonds.

<sup>(5)</sup> 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, 2021  
 (unaudited)

Statement of Historical Collections and Distributions of the General Sales and Use Tax  
 Fiscal Years Ended June 30, 2013 through June 30, 2022 <sup>(2)(4)</sup>

State Fiscal Year	Collections	General Revenue	Local Governments <sup>(3)</sup>	Unemployment Compensation Trust Fund Distribution	State Transportation Trust Fund	Sports Facilities Transfer	Emergency Distribution	Public Employees Relations Commission Trust Fund
2021-22 <sup>(1)</sup>	\$ 32,789,700,000	\$ 28,851,500,000	\$ 3,372,700,000	\$ 506,600,000	\$ 183,996	\$ 28,500,000	\$ 27,900,000	\$ 2,300,000
2020-21	30,393,280,928	27,158,074,098	3,178,626,201	-	183,996	28,500,048	25,720,207	2,176,378
2019-20	27,553,589,162	24,591,339,353	2,908,267,985	-	183,996	28,500,048	23,305,895	1,991,885
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

<sup>(1)</sup> Estimate.

<sup>(2)</sup> These figures reflect estimated distributions based on the State Fiscal Year of July 1 to June 30.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

Lee County, Florida  
 SUPPLEMENTAL SCHEDULES  
 NON-AD VALOREM REVENUE BONDS  
 September 30, 2021  
 (unaudited)

Historical Major Sources of Non-Ad Valorem Revenues <sup>(1)</sup>  
 (dollars in thousands)

Fiscal Year Ended September 30	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Taxes:</b>					
Local communications services tax	\$ 9,470	\$ 7,426	\$ 7,299	\$ 6,894	\$ 6,540
FPL electrical franchise fees	11,386	11,673	12,147	11,834	12,456
LCEC electrical franchise fees	5,823	5,821	6,215	6,342	6,318
<b>Intergovernmental Revenues:</b>					
State revenue sharing	16,242	13,244	18,220	17,203	20,096
Local half cent sales tax	47,350	50,741	51,568	50,011	60,302
Mobile home/insurance/alcohol beverage licenses	898	832	891	894	877
Racing tax	223	223	223	223	223
<b>Charges for Services:</b>					
Ambulance service receipts	21,638	21,686	21,618	20,478	23,108
Excess county officer fees	10,042	10,927	9,981	9,537	10,607
<b>Licenses and Permits:</b>					
Occupational licenses	698	769	774	722	714
<b>Miscellaneous:</b>					
Investment earnings <sup>(2)</sup>	1,484	2,507	4,014	2,733	824
<b>Total</b>	<u>\$ 125,254</u>	<u>\$ 125,849</u>	<u>\$ 132,950</u>	<u>\$ 126,871</u>	<u>\$ 142,065</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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, 2021  
(unaudited)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TOTAL GOVERNMENTAL FUNDS  
(dollars in thousands)

	2017	2018	2019	2020	2021
<b>REVENUES</b>					
Taxes	\$ 416,774	\$ 446,331	\$ 463,535	\$ 481,967	\$ 526,971
Licenses and permits	9,295	12,071	11,722	12,859	13,450
Intergovernmental	102,020	112,060	115,583	177,696	225,644
Charges for services	84,535	86,357	88,438	83,698	93,008
Fines and forfeitures	1,373	2,784	1,955	751	1,184
Impact fees	6,455	10,266	13,538	19,756	59,249
Special assessments	1,174	1,053	1,113	1,178	5,093
Miscellaneous	16,437	22,591	30,827	26,293	12,625
Total revenues	<u>638,063</u>	<u>693,513</u>	<u>726,711</u>	<u>804,198</u>	<u>937,224</u>
<b>EXPENDITURES</b>					
Current					
General government	148,668	158,679	167,210	223,367	292,222
Public safety	233,305	241,734	260,869	254,514	261,375
Physical environment	10,858	13,747	18,340	12,645	12,571
Transportation	35,953	44,160	48,203	49,177	48,554
Economic environment	30,432	31,580	32,513	27,109	34,397
Human services	21,200	21,908	22,809	22,982	25,126
Culture and recreation	63,539	65,701	71,225	70,718	74,661
Capital outlay					
General government	9,020	49,529	12,065	19,872	18,470
Public safety	4,343	5,531	8,307	23,362	13,422
Physical environment	1,440	3,205	3,359	2,269	2,945
Transportation	27,369	29,947	43,628	44,151	54,270
Economic environment	1,504	262	247	63	296
Human services	8	65	73	74	27
Culture and recreation	3,691	16,908	20,858	3,369	4,709
Debt service					
Principal retirement	19,680	11,211	12,726	13,119	16,986
Interest and fiscal charges	11,822	11,229	10,849	9,593	8,640
Bond issuance costs			13	651	30
Total expenditures	<u>622,832</u>	<u>705,396</u>	<u>733,294</u>	<u>777,035</u>	<u>868,701</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>15,231</u>	<u>(11,883)</u>	<u>(6,583)</u>	<u>27,163</u>	<u>68,523</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Transfers in	158,782	123,017	145,520	179,133	168,199
Transfers out	(156,758)	(117,174)	(144,063)	(139,575)	(158,420)
Insurance recoveries	-	5,580	-	-	-
Capital lease proceeds	-	543	225	8,939	-
Bond premium	-	-	-	10,791	-
Debt issuance	-	433	617	450	424
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>2,024</u>	<u>12,399</u>	<u>2,299</u>	<u>49,336</u>	<u>10,203</u>
Net change in fund balances	17,255	516	(4,284)	76,499	78,726
Fund balances - beginning	573,756	591,011	591,527	587,243	664,134 *
Fund balances - ending	<u>\$ 591,011</u>	<u>\$ 591,527</u>	<u>\$ 587,243</u>	<u>\$ 663,742 *</u>	<u>\$ 742,860</u>

\* The 2021 beginning fund balance is \$394 more than the 2020 ending fund balance due to the cumulative affect of GASB 84 implementaion and the restatement of the Sheriff's statements.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida  
**SUPPLEMENTAL SCHEDULES**  
 LEE COUNTY WATER AND WASTEWATER SYSTEMS  
 September 30, 2021  
 (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, 2021  
(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, 2021  
(unaudited)

Historical Revenues, Expenses, and Debt Service Coverage  
(dollars in thousands)

	2017	2018	2019	2020	2021
Gross Revenues <sup>(1)</sup>					
Water User Fees	\$ 51,149	\$ 51,380	\$ 52,674	\$ 53,485	\$ 53,283
Wastewater User Fees	58,883	58,938	60,598	61,208	61,641
Rentals and Franchise Fees	218	200	206	212	228
Miscellaneous Revenues <sup>(2)</sup>	1,771	2,097	1,991	1,749	2,031
Investment Earnings <sup>(3)</sup>	2,218	3,895	5,931	4,097	976
Other Revenue Adjustments:					
Gateway Debt Service Contribution <sup>(4)</sup>	172	172	172	172	172
Total Gross Revenues	\$ 114,411	\$ 116,682	\$ 121,572	\$ 120,923	\$ 118,331
Operating expenses <sup>(5)</sup>					
Salaries and Wages	\$ 15,106	\$ 15,063	\$ 15,757	\$ 16,684	\$ 16,958
Employee Benefits	6,584	6,765	7,337	7,954	8,726
Contract services, materials and supplies	23,810	33,146	35,570	31,755	25,220
Utilities	5,869	5,600	5,750	6,061	6,040
Repairs and maintenance	3,658	4,357	5,675	5,930	5,984
Insurance	693	676	854	831	831
Other	1,896	2,575	2,015	2,102	1,736
Indirect Cost	1,445	1,574	1,630	2,067	2,139
Administrative Fees	37	36	38	43	39
Total Operating Expenses	\$ 59,098	\$ 69,792	\$ 74,626	\$ 73,427	\$ 67,673
Pledged Funds					
Net Revenues	\$ 55,313	\$ 46,890	\$ 46,946	\$ 47,496	\$ 50,658
Special Assessment Proceeds	93	60	76	50	69
Connection Fees <sup>(6)</sup>	14,621	13,127	14,105	13,687	16,836
Total	\$ 70,027	\$ 60,077	\$ 61,127	\$ 61,233	\$ 67,563
Annual Debt Service - Outstanding Bonds <sup>(7)</sup>					
Series 2011 Bonds	\$ 7,006	\$ 7,003	\$ 6,997	\$ 6,633	\$ 5,754
Series 2012A Bonds	1,000	1,000	1,000	719	-
Series 2012B Bonds	374	374	374	269	-
Series 2013A Bonds	3,440	3,441	3,441	2,864	1,401
Series 2013B Bonds	3,956	3,952	3,947	3,940	3,943
Series 2019 Bonds	-	-	-	742	4,050
Annual Debt Service	\$ 15,776	\$ 15,770	\$ 15,759	\$ 15,167	\$ 15,148
Rate Covenant Compliance					
Test A - Net Revenues and Special Assessments Proceeds	\$ 55,406	\$ 46,950	\$ 47,022	\$ 47,546	\$ 50,727
Annual Debt Service	15,776	15,770	15,759	15,167	15,148
Calculated Coverage	351.20%	297.72%	298.38%	313.48%	334.88%
Required Coverage	100.00%	100.00%	100.00%	100.00%	100.00%
Test B - Net Revenues, Special Assessments Proceeds and Connection Fees	\$ 70,027	\$ 60,077	\$ 61,127	\$ 61,233	\$ 67,563
Annual Debt Service	15,776	15,770	15,759	15,167	15,148
Calculated Coverage	443.88%	380.96%	387.89%	403.73%	446.02%
Required Coverage	120.00%	120.00%	120.00%	120.00%	120.00%
State Revolving Fund Loan Compliance					
Pledged Revenues:					
Gross Revenues	\$ 114,411	\$ 116,682	\$ 121,572	\$ 120,923	\$ 118,331
Less Operating Expenses	(59,098)	(69,792)	(74,626)	(73,427)	(67,673)
Less Senior Revenue Obligations Debt Service	(15,776)	(15,770)	(15,759)	(15,167)	(15,148)
Net Amount Available for SRF Debt Coverage	\$ 39,537	\$ 31,120	\$ 31,187	\$ 32,329	\$ 35,510

(continued)

Lee County, Florida  
**SUPPLEMENTAL SCHEDULES**  
**LEE COUNTY WATER AND WASTEWATER SYSTEMS**  
September 30, 2021  
(unaudited)

Historical Revenues, Expenses, and Debt Service Coverage  
(dollars in thousands)

	2017	2018	2019	2020	2021
Outstanding SRF Loan Debt Service					
SRF Loan 2001 CS12039232P	\$ 226	\$ -	\$ -	\$ -	\$ -
SRF Loan 2005 DW3610010	1,717	1,717	1,717	1,717	935
SRF Loan 2009 WW392330	2,256	2,256	2,256	2,256	2,265
SRF Loan 2015 WW360200	-	-	770	1,540	1,540
SRF Loan 2017 DW3602A0	-	-	-	655	1,311
Total	<u>\$ 4,199</u>	<u>\$ 3,973</u>	<u>\$ 4,743</u>	<u>\$ 6,168</u>	<u>\$ 6,051</u>
Calculated Coverage	941.58%	783.29%	657.54%	524.14%	586.85%
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: <sup>(8)</sup>					
Renewal and Replacement Fund <sup>(9)</sup>	\$ 5,457	\$ 5,688	\$ 5,781	\$ 5,992	\$ 5,975
Subordinated Indebtedness Debt Service	4,199	3,973	4,743	6,168	6,051
Amounts Available for Other System Purposes	<u>\$ 29,881</u>	<u>\$ 21,459</u>	<u>\$ 20,663</u>	<u>\$ 20,169</u>	<u>\$ 23,484</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 value 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) Does not include the Water and Sewer Refunding Revenue Bonds, Series 2021A&B since debt service is not payable until November 21, 2021.

(8) Amounts shown reflect other required deposits to funds and accounts as referenced in Section 4.05 of the Bond Resolution.

(9) 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, 2021  
 (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)				
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
2021	91,246	7,650,849	6,987	833,567	8,484,416	9,739,825	26.70

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)				
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
2021	64,022	5,794,899	7,543	143,965	5,938,864	6,245,673	17.12

Source: Lee County Utilities Division



Lee County, Florida  
**SUPPLEMENTAL SCHEDULES**  
**LEE COUNTY WATER AND WASTEWATER SYSTEM**  
September 30, 2021  
(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	\$ 809,137	0.69%
Landings Env. Wrm. Assoc. Inc.	Multifamily	6"	Water/Sewer	628,634	0.54%
Gulf Coast Town Center	Commercial	10"	Water/Sewer	473,529	0.40%
Health Park Medical Center	Commercial	6"	Water/Sewer	452,364	0.39%
Shell Point Village	Commercial	8"	Water/Sewer	405,406	0.35%
Kraft Heinz Company	Commercial	3"	Water/Sewer	358,403	0.31%
Jamaica Bay Assoc. LDT	Multifamily	8"	Water	354,861	0.30%
Indian Creek Park	Multifamily	6"	Water/Sewer	287,029	0.25%
Bayside Estates	Multifamily	3"	Water/Sewer	279,788	0.24%
Island Club Homewoners Association	Multifamily	6"	Water/Sewer	266,007	0.23%
				\$ 4,315,158	3.70%

Lee County, Florida  
**SUPPLEMENTAL SCHEDULES**  
**LEE COUNTY WATER AND WASTEWATER SYSTEM**  
September 30, 2021  
(Unaudited)

*Rate Comparison with Other Florida Utilities <sup>(1)</sup>*  
*Residential Service Assuming 5,000 Gallons of Monthly Utility Service*

	Water	Wastewater	Total
Lee County Existing Rates <sup>(2)</sup>	\$ 28.94	\$ 49.70	\$ 78.64
Other Neighboring and Florida Utilities:			
Bonita Springs Utilites, Inc.	\$ 30.47	\$ 46.98	\$ 77.45
City of Bradenton	31.56	39.53	71.09
City of Cape Coral	36.82	66.27	103.09
Charlotte County	56.43	68.56	124.99
Collier County	41.49	63.55	105.04
DeSoto County	65.45	61.04	126.49
Englewood Water District	30.58	45.66	76.24
FGUA - Lehigh Acres (Lee County)	43.90	70.82	114.72
FGUA - North Fort Myers Service Area <sup>(3)</sup>	28.94	66.36	95.30
FGUA - Lake Fairway/Pine Lakes Service Area (Lee County)	56.44	61.43	117.87
City of Fort Myers	32.84	83.60	116.44
Hillsborough County - Northwest Service Area	34.69	43.69	78.38
Manatee County	21.50	49.32	70.82
City of Marco Island	58.41	58.27	116.68
City of Naples	16.39	43.34	59.73
City of North Port	45.86	64.09	109.95
Okeechobee Utility Authority	48.62	61.27	109.89
Pinellas County	32.45	50.69	83.14
City of Punta Gorda	33.03	37.29	70.32
Sarasota County	31.55	63.62	95.17
Other Florida Utilities Average	\$ 38.87	\$ 57.27	\$ 96.14

<sup>(1)</sup> Unless otherwise noted, amounts shown reflect residential rates in effect October 2021 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

<sup>(2)</sup> 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.

<sup>(3)</sup> Reflects utility service area receiving wastewater service by FGUA and potable water service by Lee County.

Source: Lee County Utilities Division

*Connection Fees Comparison With Other Utilities Systems <sup>(1)</sup>*  
*(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	2,213	4,085
Englewood Water District	1,751	2,754	4,505
Charlotte County	1,290	1,610	2,900
Manatee County	1,738	3,175	4,913
Orange County	1,970	3,570	5,540
City of Cape Coral	2,551	2,406	4,957
Collier County	3,382	3,314	6,696
City of Punta Gorda	1,497	2,760	4,257
Sarasota County	2,950	3,190	6,140
Hillsborough County - Northwest Service Area	1,863	2,951	4,814
FGUA - Lehigh Acres System (Lee County)	3,070	3,057	6,127
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	\$ 2,176	\$ 2,851	\$ 5,027

<sup>(1)</sup> Unless otherwise noted, amounts shown reflect fees in effect November 2021 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 service for comparison purposes only and is not intended to be a complete listing of all fees and charges imposed by each listed utility.

Source: Water and Wastewater Miscellaneous, Wholesale and Connection Fee Study

Lee County, Florida  
SUPPLEMENTAL SCHEDULES  
LEE COUNTY SOLID WASTE SYSTEM  
September 30, 2021  
(Unaudited)

**System Historical Operating Results and Indenture Rate Covenant Compliance**

Description	Fiscal Year 2017 <sup>(7)</sup>		Fiscal Year 2018 <sup>(7)</sup>		Fiscal Year 2019 <sup>(7)</sup>		Fiscal Year 2020 <sup>(7)</sup>		Fiscal Year 2021
	Excludes Hurricane Related Expenses <sup>(8)</sup>	Includes Hurricane Irma Expenses	Excludes Hurricane Related Expenses <sup>(8)</sup>	Includes Hurricane Irma Expenses	Excludes Hurricane Related Expenses <sup>(8)</sup>	Includes Hurricane Irma Expenses	Excludes Hurricane Related Expenses <sup>(8)</sup>	Includes Hurricane Irma Expenses	
Collection Assessment Revenues	\$24,526,076	\$24,526,076	\$24,862,667	\$24,862,667	\$25,446,588	\$25,446,588	\$25,912,110	\$25,912,110	\$26,420,303
Assessment, MSTU, and Tip Fee Revenues	41,687,536	41,687,536	52,712,502	52,712,502	55,901,892	55,901,892	56,415,882	56,415,882	65,289,466
WTE Facility - Gross Electric Sales <sup>(1)</sup>	9,147,151	9,147,151	9,324,700	9,324,700	9,489,326	9,489,326	6,092,684	6,092,684	9,000,401
Recycling Revenues	3,116,434	3,116,434	781,656	781,656	973,987	973,987	894,594	894,594	1,542,869
Other Miscellaneous Revenue <sup>(2)</sup>	8,416,768	8,416,768	10,103,634	10,103,634	8,633,868	10,842,283	7,571,966	37,674,989	9,317,841
Rate Stabilization Fund Transfers	-	-	-	-	-	-	-	-	-
Gross Revenues	86,893,965	86,893,965	97,785,159	97,785,159	100,445,661	102,654,076	96,887,236	126,990,259	111,570,880
Less Operating Expenses <sup>(3)</sup>	70,642,749	73,720,652	75,887,249	109,159,350	81,664,475	83,770,033	83,104,525	83,104,525	84,883,473
Net Revenues	16,251,216	13,173,313	21,897,910	(11,374,191)	18,781,186	18,884,043	13,782,711	43,885,734	26,687,407
Net Position <sup>(4)</sup>	42,608,606	42,608,606	42,848,308	42,848,308	13,182,804	13,182,804	16,937,243	16,937,243	37,295,296
Net Revenues and Net Position	\$58,859,822	\$55,781,919	\$64,746,218	\$31,474,117	\$31,963,990	\$32,066,847	\$30,719,954	\$60,822,977	\$63,982,703
Annual Debt Service <sup>(5)</sup>									
Series 2016 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	\$8,564,000
Total Annual Debt Service	\$8,534,745	\$8,534,745	\$8,541,250	\$8,541,250	\$8,546,500	\$8,546,500	\$8,557,750	\$8,557,750	\$8,564,000
Rate Covenant Test									
Test A:									
Net Revenues and Net Position	\$58,859,822	\$55,781,919	\$64,746,218	\$31,474,117	\$31,963,990	\$32,066,847	\$30,719,954	\$60,822,977	\$63,982,703
Annual Debt Service	8,534,745	8,534,745	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750	8,564,000
Annual Debt Service Coverage	6.90	6.54	7.58	3.68	3.74	3.75	3.59	7.11	7.47
Minimum Required Debt Service Coverage	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
AND									
Test B:									
Part 1									
Net Revenues	\$16,251,216	\$13,173,313	\$21,897,910	(\$11,374,191)	\$18,781,186	\$18,884,043	\$13,782,711	\$43,885,734	\$26,687,407
Annual Debt Service	8,534,745	8,534,745	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750	8,564,000
Annual Debt Service Coverage	1.90	1.54	2.56	(1.33)	2.20	2.21	1.61	5.13	3.12
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	\$7,716,471	\$4,638,568	\$13,356,660	(\$19,915,441)	\$10,234,686	\$10,337,543	\$5,224,961	\$35,327,984	\$18,123,407
Required Deposits <sup>(6)</sup>	-	-	-	-	-	-	-	-	-
Net After Required Deposits	\$7,716,471	\$4,638,568	\$13,356,660	(\$19,915,441)	\$10,234,686	\$10,337,543	\$5,224,961	\$35,327,984	\$18,123,407

[1] Amounts shown 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 maintenance revenues, contractual reimbursements, sale of ferrous and non-ferrous metals and other miscellaneous revenues. Amounts shown are exclusive of gains on sale of system assets and fair value adjustments.

[3] Amounts shown are exclusive of depreciation, amortization, renewal and replacement expenses, OPEB and pension liabilities and landfill closure and post-closure expenses.

[4] Amount shown reflects the Net Position of the System Reserves Fund at September 30th of the prior year per definitions.

[5] Amounts shown reflect the monthly deposits to the Debt Service Fund for upcoming due (i.e. the accrued debt service).

[6] 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.

[7] 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.

[8] 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, 2021  
(Unaudited)

**Summary of Historical Charges**

Description	Fiscal Year 2020	Fiscal Year 2021	Adopted Fiscal Year 2022 <sup>[5]</sup>
<b>Assessments:</b>			
Collection (Avg. Areas 1-5) <sup>[1]</sup>	\$145.62	\$145.62	\$145.62
Residential Credit	-	-	-
Disposal MSW	45.18	45.18	50.20
Disposal Yard Waste	6.62	6.62	6.62
Disposal Facility Assessment Charge	15.53	15.53	17.25
Recycling Assessment	-	11.05	11.05
Billing Fee	2.45	2.45	2.45
Early Prepayment Gross Up (4%) (Avg. Areas 1-5) <sup>[1]</sup>	8.97	9.44	9.72
Gross Assessment Average for Areas 1-5 <sup>[2]</sup>	<u>\$224.37</u>	<u>\$235.89</u>	<u>\$242.91</u>
Assessment Paid in February = 1% Discount	\$222.13	\$233.53	\$240.48
Assessment Paid in January = 2% Discount	219.88	231.17	238.05
Assessment Paid in December = 3% Discount	217.64	228.81	235.62
Assessment Paid in November = 4% Discount	215.40	226.45	233.19
<b>Tip Fees per Ton by Waste Type:</b>			
MSW w/o Surcharges	\$50.20	\$50.20	\$50.20
MSW w/ Surcharges <sup>[3]</sup>	50.20	50.20	50.20
Horticulture / Yard Waste	25.46	31.00	37.50
C&DD	32.95	48.40	60.00
Class III	32.95	48.40	60.00
Tires	80.00 - 120.00	110.00	160.00
Disposal Facility Assessment per Ton <sup>[4]</sup>	\$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 2022 charges for services on August 3, 2021 pursuant to Resolution 21-08-07.

Lee County, Florida  
**SUPPLEMENTAL SCHEDULES**  
**LEE COUNTY SOLID WASTE SYSTEM**  
September 30, 2021  
(Unaudited)

**Summary of Historical Inbound Waste Deliveries (Tons) by Type of Waste <sup>[1]</sup>**

<b>Description</b>	<b>Historical Period</b>				
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
MSW / Residue <sup>[2]</sup>	570,971	586,383	579,041	582,477	631,785
C&D / Class III	78,512	184,960	152,206	164,875	141,710
Yard Waste	107,427	128,639	103,196	121,563	127,725
Sludge (Wet Tons)	62,803	62,966	70,369	65,627	72,715
Tires	5,079	6,034	5,968	6,268	8,794
Other <sup>[3]</sup>	1,494	1,646	288	6,894	4,930
Recycling <sup>[4]</sup>	83,321	84,126	83,394	86,379	88,045
<b>Total</b>	<b>909,607</b>	<b>1,054,754</b>	<b>994,462</b>	<b>1,034,083</b>	<b>1,075,704</b>

- [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, 2021  
(Unaudited)

**Summary of Historical Waste-to-Energy (WTE) Processing Statistics <sup>[1]</sup>**

Description	Historical Period				
	2017	2018	2019	2020	2021
Annualized Design Capacity (Tons) <sup>[2]</sup>	670,140	670,140	670,140	670,140	670,140
Guaranteed Tonnage (Tons) <sup>[3]</sup>	569,619	569,619	569,619	569,619	569,619
Processed Waste (Tons)	610,448	620,677	620,028	599,559	587,031
Received MSW/Residue (Tons) <sup>[4]</sup>	559,074	527,515	534,965	548,088	576,969
MSW as % of Processed	91.6%	85.0%	86.3%	91.4%	98.3%
WTE Production Statistics:					
Generated Ash Residue (Tons)	148,481	163,877	164,159	153,382	139,213
Ash as % of Waste Processed	24.3%	26.4%	26.5%	25.6%	23.7%
Gross Electricity (MW-hr)	376,423	406,733	401,031	380,622	348,053
Net Electrictiy (MW-hr) <sup>[5]</sup>	320,919	348,660	343,894	322,681	288,914
Ferrous Recovery (Tons) <sup>[6]</sup>	20,114	19,311	17,048	20,755	20,366
Non-Ferrous Recovery (Tons) <sup>[6]</sup>	2,410	3,084	2,738	2,601	2,126

[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, 2021  
 (unaudited)

*Toll Rates - Sanibel Bridge*

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2021</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 <sup>(1)</sup>	Initial Vehicle	\$ 67.00	\$ 2.00
	Second Vehicle	33.50	2.00
	Initial Vehicle	400.00	-0-
	Second Vehicle	200.00	-0-
Semiannual <sup>(2)</sup>	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

<sup>(1)</sup> Valid for 12 months commencing November 1 of each year.

<sup>(2)</sup> Valid for 6 months commencing on November 1 or May 1 of each year.

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 SUPPLEMENTAL SCHEDULES  
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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 <sup>(1)</sup>	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 <sup>(2)</sup>	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

<sup>(1)</sup> Valid for 12 months commencing November 1 of each year.

<sup>(2)</sup> 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, 2021</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)



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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 <sup>(1)</sup>	Initial Vehicle	\$ 40.00	\$ 1.00
	Second Vehicle	20.00	1.00
	Initial Vehicle	330.00	-0-
	Second Vehicle	165.00	-0-
Semiannual <sup>(2)</sup>	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

<sup>(1)</sup> Valid for 12 months commencing November 1 of each year.

<sup>(2)</sup> 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

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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 <sup>(2)</sup> (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic <sup>(1)</sup>	Total				
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 <sup>(3)</sup>	7,800,958	174,168	7,975,126	4.96%	14,988	3,412	11,576
2016 <sup>(3)</sup>	8,088,851	180,033	8,268,884	3.68%	15,831	3,355	12,476
2017 <sup>(3)</sup>	7,910,053	179,967	8,090,020	-2.16%	15,754	3,396	12,358
2018 <sup>(3)</sup>	8,511,750	195,596	8,707,346	7.63%	16,339	2,797	13,542
2019 <sup>(3)</sup>	8,532,718	189,348	8,722,066	0.17%	16,734	2,822	13,912
2020 <sup>(3)</sup>	7,884,197	187,370	8,071,567	-7.46%	13,925	2,948	10,977
2021 <sup>(3)</sup>	8,646,399	208,537	8,854,936	9.71%	15,039	3,786	11,253

CAPE CORAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses <sup>(2)</sup> (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic <sup>(1)</sup>	Total				
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 <sup>(3)</sup>	7,872,440	150,196	8,022,636	4.61%	14,327	3,397	10,930
2016 <sup>(3)</sup>	8,114,891	152,000	8,266,891	3.04%	15,014	3,392	11,622
2017 <sup>(3)</sup>	7,925,272	146,445	8,071,717	-2.36%	14,819	3,565	11,254
2018 <sup>(3)</sup>	8,210,849	153,337	8,364,186	3.62%	14,890	2,544	12,346
2019 <sup>(3)</sup>	8,304,477	148,860	8,453,337	1.07%	15,458	3,115	12,343
2020 <sup>(3)</sup>	7,569,884	131,561	7,701,445	-8.89%	12,798	2,886	9,912
2021 <sup>(3)</sup>	8,238,646	125,856	8,364,502	8.61%	13,781	3,657	10,124

SANIBEL CAUSEWAY TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC(1)			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses <sup>(2)</sup> (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic <sup>(1)</sup>	Total				
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 <sup>(3)</sup>	3,207,115	75,674	3,282,789	3.70%	14,715	2,251	12,464
2016 <sup>(3)</sup>	3,256,170	80,885	3,337,055	1.65%	15,040	2,250	12,790
2017 <sup>(3)</sup>	3,197,201	80,084	3,277,285	-1.79%	15,040	2,315	12,725
2018 <sup>(3)</sup>	3,181,372	82,851	3,264,223	-0.40%	14,527	1,927	12,600
2019 <sup>(3)</sup>	3,210,873	82,899	3,293,772	0.91%	14,925	2,021	12,904
2020 <sup>(3)</sup>	2,919,222	78,139	2,997,361	-9.00%	12,710	2,024	10,686
2021 <sup>(3)</sup>	3,338,579	80,542	3,419,121	14.07%	14,482	2,727	11,755

(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.

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Revenues, Operating Expenses and Debt Service Coverage  
 Last Ten Fiscal Years  
 (dollars in thousands)

Fiscal Year	Revenues	Operating Expenses <sup>(1)(2)</sup>	Net Available for Debt Service	Debt Service	Coverage
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	35,207	15,352	2.29
2016	46,008	8,910	37,098	14,230	2.61
2017	45,742	9,376	36,366	14,349	2.53
2018	47,492	9,872	37,620	14,303	2.63
2019	49,952	12,344	37,608	9,811	3.83
2020	44,608	12,391	32,217	9,805	3.29
2021	43,708	12,137	31,571	9,795	3.22

- (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) Beginning in fiscal year 2015, operating expenses do not include under funded OPEB pension expenses, pursuant to the County's Bond Resolution. Years 2012 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  
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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 Airport<sup>1</sup>

Domestic Carriers

Alaska Airlines  
 American Airlines\*  
 Delta Air Lines \*  
 JetBlue\*  
 Frontier\*  
 Southwest\*  
 Spirit Airlines\*  
 Sun Country  
 United\*

Regionals/Affiliates

Atlantic Southeast  
 Endeavor Air  
 Express Jet  
 Mesa Airlines  
 Republic Airways  
 PSA Airlines  
 SkyWest

International Air Carriers

Air Canada  
 Westjet

Air Cargo Carriers

Federal Express  
 United Parcel Service

\* Denotes Signatory Airline as defined in Airline-Airport Use Agreements as of September 30, 2021.

(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  
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Airport Enplanements October 2020 - September 2021

	<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 2020	194,552	2,184	169	0	196,905	301,511	-34.7%
November 2020	230,700	6,758	975	0	238,433	436,243	-45.3%
December 2020	281,629	8,043	1,275	0	290,947	512,420	-43.2%
January 2021	351,319	9,136	1,982	91	362,528	571,428	-36.6%
February 2021	339,354	10,904	397	0	350,655	610,381	-42.6%
March 2021	548,040	15,294	81	82	563,497	483,206	16.6%
April 2021	574,753	19,251	159	0	594,163	35,897	1555.2%
May 2021	487,242	11,672	158	135	499,207	76,908	549.1%
June 2021	423,426	3,317	59	0	426,802	124,389	243.1%
July 2021	405,404	3,325	5	81	408,815	133,335	206.6%
August 2021	333,394	2,098	1,266	0	336,758	117,851	185.7%
September 2021	259,765	5,426	1,075	0	266,266	124,707	113.5%

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>
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	3,332,299	74,317	121,469	191	3,528,276
2021	4,429,578	97,408	7,601	389	4,534,976
<u>Compounded Growth</u>					
2012-2021	2.68%	5.78%	-26.49%	-24.63%	2.36%

Source: Lee County Port Authority

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HISTORICAL LANDED WEIGHT BY AIRLINE (1000 lbs)

Airline	FY 2020		FY 2021	
	Landed Weight	Share	Landed Weight	Share
Delta Air Lines	795,213	16.8%	1,280,542	21.7%
Southwest	934,512	19.8%	1,275,605	21.6%
American Airlines	642,674	13.6%	753,052	12.7%
United	455,571	9.6%	738,974	12.5%
JetBlue	479,433	10.1%	538,435	9.1%
Spirit Airlines	449,373	9.5%	459,746	7.8%
Frontier	397,054	8.4%	361,461	6.1%
Cargo	208,029	4.4%	197,448	3.3%
Sun Country	101,797	2.2%	126,829	2.1%
Republic Airways	56,867	1.2%	99,256	1.7%
Alaska Airlines	-	0.0%	24,370	0.4%
International Airlines	163,143	3.5%	22,823	0.4%
Mesa Airlines	31,002	0.7%	7,346	0.1%
Endeavor Air	11,265	0.2%	6,668	0.11%
Domestic Charters	1,873	0.04%	5,717	0.10%
SkyWest	284	0.01%	4,498	0.08%
PSA Airlines	75	0.00%	3,815	0.06%
Envoy	44	0.00%	2,330	0.04%
Silver Airways	175	0.00%	99	0.00%
Atlantic Southeast	44	0.00%	-	0.00%
<b>Total</b>	<b>4,728,428</b>	<b>100%</b>	<b>5,909,014</b>	<b>100%</b>

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HISTORICAL ENPLANEMENTS BY AIRLINE

Airline	FY 2020		FY 2021	
	Enplanements	Share	Enplanements	Share
Southwest	657,913	18.6%	1,036,785	22.9%
Delta Air Lines	620,041	17.6%	838,146	18.5%
American Airlines	517,114	14.7%	647,720	14.3%
United	349,831	9.9%	601,524	13.3%
JetBlue	351,503	10.0%	421,140	9.3%
Spirit Airlines	366,618	10.4%	417,004	9.2%
Frontier	370,515	10.5%	331,561	7.3%
Sun Country	98,764	2.8%	124,641	2.7%
Republic Airways	41,003	1.2%	79,939	1.8%
Alaska Airlines	-	0.00%	11,057	0.2%
International Airlines	121,469	3.4%	7,601	0.2%
Mesa Airlines	22,913	0.6%	6,079	0.1%
Endeavor Air	10,154	0.3%	3,978	0.09%
SkyWest	247	0.01%	3,690	0.08%
PSA Airlines	-	0.00%	2,640	0.06%
Envoy	-	0.00%	1,082	0.02%
Domestic Charters	191	0.01%	389	0.01%
<b>Total</b>	<b>3,528,276</b>	<b>100%</b>	<b>4,534,976</b>	<b>100%</b>

Source: Lee County Port Authority

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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 2020							Fiscal Year 2021						
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	Chicago (O'Hare)	ORD	•	1,120	500,460	7.14%	1	Chicago (O'Hare)	ORD	•	1,120	562,057	6.21%
2	Boston	BOS	•	1,249	485,052	6.92%	2	Minneapolis	MSP	•	1,416	556,161	6.15%
3	Minneapolis	MSP	•	1,416	449,082	6.41%	3	Detroit	DTW	•	1,085	507,494	5.61%
4	Detroit	DTW	•	1,085	433,665	6.19%	4	Boston	BOS	•	1,249	406,666	4.50%
5	New York (Newark)	EWR	•	1,068	376,483	5.37%	5	New York (Newark)	EWR	•	1,068	352,403	3.90%
6	Philadelphia	PHL	•	992	275,992	3.94%	6	Cleveland	CLE	•	1,037	308,780	3.41%
7	Cleveland	CLE	•	1,037	265,478	3.79%	7	Chicago (Midway)	MDW	•	1,105	295,678	3.27%
8	Chicago (Midway)	MDW	•	1,105	232,932	3.32%	8	Indianapolis	IND	•	966	273,484	3.02%
9	Indianapolis	IND	•	966	208,125	2.97%	9	Philadelphia	PHL	•	992	268,408	2.97%
10	Baltimore	BWI	•	946	199,041	2.84%	10	Columbus	CMH	•	930	223,992	2.48%
11	New York (JFK)	JFK	•	1,074	187,954	2.68%	11	Denver	DEN	•	1,606	222,041	2.45%
12	Hartford	BDL	•	1,180	172,065	2.46%	12	Cincinnati	CVG	•	878	192,431	2.13%
13	Columbus	CMH	•	930	170,093	2.43%	13	Milwaukee	MKE	•	1,183	175,642	1.94%
14	Atlanta	ATL	•	515	158,816	2.27%	14	St. Louis	STL	•	979	173,390	1.92%
15	Denver	DEN	•	1,606	155,492	2.22%	15	Pittsburg	PIT	•	966	159,730	1.77%
16	Cincinnati	CVG	•	878	154,707	2.21%	16	Baltimore	BWI	•	946	157,470	1.74%
17	Milwaukee	MKE	•	1,183	148,778	2.12%	17	New York (JFK)	JFK	•	1,074	156,022	1.72%
18	St. Louis	STL	•	979	140,109	2.00%	18	Atlanta	ATL	•	515	152,048	1.68%
19	Pittsburg	PIT	•	966	136,504	1.95%	19	Hartford	BDL	•	1,180	107,534	1.19%
20	Washington (National)	DCA	•	892	118,694	1.69%	20	Atlantic City	ACY	•	982	91,838	1.02%
21	Atlantic City	ACY	•	982	117,786	1.68%	21	Dallas/Ft. Worth	DFW	•	1,017	89,563	0.99%
22	New York (La Guardia)	LGA	•	1,090	110,137	1.57%	22	Kansas City	MCI	•	1,156	85,405	0.94%
23	Dallas/Ft. Worth	DFW	•	1,017	83,885	1.20%	23	Westchester County	HPN	•	1,102	79,573	0.88%
24	Westchester County	HPN	•	1,102	74,020	1.06%	24	Grand Rapids	GRR	•	1,147	79,464	0.88%
25	Buffalo	BUF	•	1,144	68,499	0.98%	25	Charlotte	CLT	•	600	76,628	0.85%
26	Kansas City	MCI	•	1,156	68,387	0.98%	26	Nashville International	BNA	•	722	70,677	0.78%
27	Providence	PVD	•	1,201	63,765	0.91%	27	Providence	PVD	•	1,201	70,179	0.78%
28	Grand Rapids	GRR	•	1,147	58,128	0.83%	28	Washington (National)	DCA	•	892	64,084	0.71%
29	Charlotte	CLT	•	600	57,163	0.82%	29	Dulles	IAD	•	891	57,537	0.64%
30	Trenton	TTN	•	1,028	56,483	0.81%	30	New York (La Guardia)	LGA	•	1,090	54,148	0.60%
Total- Top 30 Markets				5,727,775	81.75%	Total- Top 30 Markets				6,070,527	67.11%		
Total - All Other Markets				1,278,298	18.25%	Total - All Other Markets				2,975,690	32.89%		
Total - All Markets				7,006,073	100.00%	Total - All Markets				9,046,217	100.00%		

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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 <sup>1</sup>	All-Cargo	Military	Airport Total
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
2021	74,318	3,336	288	50	14,641	1,546	1,263	95,442

Compounded Growth

2012-2021	2.99%	-5.73%	-17.80%	-14.74%	1.74%	3.85%	8.62%	2.15%
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<sup>1</sup> 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, 2021  
(dollars in thousands)

HISTORICAL STATEMENT OF NET REVENUES<sup>1</sup>  
FISCAL YEARS 2017-2021

OPERATING REVENUES:	2017	2018	2019	2020	2021
User fees	\$ 43,936	\$ 44,225	\$ 42,310	\$ 37,836	\$ 41,367
Rentals and franchise fees	3,517	3,861	4,592	4,834	4,982
Concessions	45,291	47,971	51,773	34,563	48,857
Passenger facility charge	-	-	-	2,557	2,915
Interest revenue	1,515	2,773	3,700	1,625	219
Miscellaneous <sup>2</sup>	405	217	217	74	1,246
Total Operating Revenues	<u>94,664</u>	<u>99,047</u>	<u>102,592</u>	<u>81,489</u>	<u>99,586</u>
OPERATING EXPENSES <sup>3</sup> :					
Salaries and wages	21,346	21,864	22,241	23,250	24,186
Employee benefits	9,602	9,804	10,341	11,066	12,272
Contractual services, materials and supplies <sup>4</sup>	20,661	21,016	20,592	15,413	15,466
Utilities	4,061	4,094	4,184	3,990	4,128
Repairs and maintenance	2,937	3,365	2,960	2,178	2,710
Insurance	1,442	1,208	1,576	1,595	1,772
Other	1,617	1,715	1,896	2,067	1,470
Total Operating Expenses	<u>61,666</u>	<u>63,066</u>	<u>63,790</u>	<u>59,559</u>	<u>62,004</u>
NET REVENUES:	32,998	35,981	38,802	21,930	37,582
Transfers in <sup>5</sup>	2,891	3,060	3,306	-	-
Transfers in (Other) <sup>6</sup>	394	343	370	239	31
DEBT SERVICE:					
Bond debt service interest	14,456	13,959	13,374	12,687	11,177
Bond Principal <sup>7</sup>	10,230	10,725	11,310	3,340	3,580
Total Bond Debt Service	<u>24,686</u>	<u>24,684</u>	<u>24,684</u>	<u>16,027</u>	<u>14,757</u>
Line of Credit Interest	-	-	-	7	102
Line of Credit Principal	-	-	-	-	-
Total Line of Credit Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>102</u>
TOTAL DEBT SERVICE:	\$ 24,686	\$ 24,684	\$ 24,684	\$ 16,034	\$ 14,859
BOND SERVICE REQUIREMENT COVERAGE BEFORE TRANSFERS <sup>8</sup>	1.34	1.46	1.57	1.37	2.53
BOND SERVICE REQUIREMENT COVERAGE AFTER TRANSFERS <sup>9</sup>	1.47	1.60	1.72	1.38	2.55

<sup>1</sup> Net Revenues are determined in accordance with the bond resolution as excerpted from the audited financial statements.

<sup>2</sup> Miscellaneous Revenue excludes revenue from the sale of disposed property beginning in FY21 in accordance with the bond resolution.

<sup>3</sup> Operating Expenses do not include depreciation, amortization and unpaid pension and other postemployment benefits expense in accordance with the bond resolution.

<sup>4</sup> Contractual services reduced with moneys received from the CARES and CRRSA Act by \$2.3M and \$3.5M in FY2020 and FY2021, respectively.

<sup>5</sup> 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. Beginning Fiscal Year 2020, these transfers are considered as revenue.

<sup>6</sup> Other transfers include a Federal Inspection Station user fee of \$2.00 per deplaned passenger.

<sup>7</sup> Principal reduced by early redemption of Airport Revenue Refunding Bonds, Series 2010A paid with moneys received from the CARES Act by \$8.6M and \$8.7M in FY2020 and FY2021, respectively.

<sup>8</sup> 1.00x Required Coverage includes both Bonds and Line of credit.

<sup>9</sup> 1.25x Required Coverage includes Bond only.



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Lee County, Florida

# Single Audit Reports

For the Year Ended September 30, 2021

(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 (County), as of and for the year ended September 30, 2021, 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 16, 2022.

**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.

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.

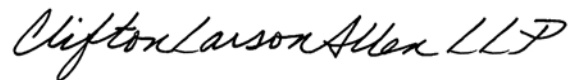
Honorable Board of County Commissioners  
Lee County, Florida

### **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 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 "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
March 16, 2022



**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, 2021. 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; 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 for 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, 2021.

**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 its major federal programs and state projects 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 or 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 or 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 16, 2022,



Honorable Board of County Commissioners  
Lee County, Florida

which contained unmodified opinions on those financial statements. 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, the schedule of expenditures 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*

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
June 9, 2022

**LEE COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Fiscal Year ended September 30, 2021**

Federal/State grantor /Program or Cluster Title	Assistance Listing/ CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2020-2021 Transfers to Subrecipients
U.S. Election Assistance Commission:						
Help America Vote Act Requirements Payments	90.401	MOA 2017-2018-0001-LEE	Florida Department of State, Div of Elections	65,891	44,924	
Help America Vote Act Requirements Payments	90.401	MOA 2018-2019-0003-LEE	Florida Department of State, Div of Elections	61,015	17,311	
Covid-19 Help America Vote Act Security Grant	90.404	MOA 2020-0001-LEE	Florida Department of State, Div of Elections	630,755	298,751	
Help America Vote Act Security Grant	90.404	MOA 2020-2021-0001-LEE	Florida Department of State, Div of Elections	15,313	14,522	
Total U.S. Election Assistance Commission				772,974	375,508	-
U.S. Environmental Protection Agency:						
Nonpoint Source Implementation Grants - C.R. /NFM Nutrient & Bacteria Source	66.460	NF047		89,964	18,897	
Total program				89,964	18,897	-
Total U.S. Environmental Protection Agency				89,964	18,897	-
U.S. Department of Health & Human Services:						
Temporary Assistance for Needy Families - Homeless Prevention (FY19-20)	93.558	QPZ02	Florida Department of Children and Families	46,582	39,811	39,811
Temporary Assistance for Needy Families - Homeless Prevention (FY20-21)	93.558	QPZ02	Florida Department of Children and Families	46,582	13,087	12,389
Total Program				93,164	52,898	52,200
Child Support Enforcement Program (Federal Initiative)	93.563	COC36	Florida Department of Revenue	1,332,755	1,332,755	
Low Income Home Energy Assistance Program (LIHEAP) - FY17	93.568	17EA-OF-09-46-01-015	Florida Department of Economic Opportunity	5,526,244	803,375	-
Low Income Home Energy Assistance Program (LIHEAP) - FY20	93.568	17EA-OF-09-46-01-015	Florida Department of Economic Opportunity	2,176,382	746,312	-
COVID-19 Low Income Home Energy Assistance Program (LIHEAP)	93.568	17EA-OF-09-46-01-015	Florida Department of Economic Opportunity	1,371,796	1,349,684	-
COVID-19 Low Income Home Energy Assistance Program (LIHEAP)	93.568	2102FLE5C6	Florida Department of Economic Opportunity	979,612	26,641	-
Total Program				10,054,034	2,926,012	-
COVID-19 Community Services Block Grant - FY20	93.569	17SB-0D-09-46-01-114		738,499	568,316	-
COVID-19 Community Services Block Grant - FY21	93.569	17SB-0D-09-46-01-114		612,425	250,609	-
Total Program				1,350,924	818,925	-
Total U.S. Department of Health & Human Services				12,830,877	5,130,590	52,200
U.S. Department of Homeland Security:						
Disaster Grant-Public Assistance - RSW/FMY	97.036	Z0114	Florida Division of Emergency Management	457,527	1,918	
Disaster Grant-Public Assistance - Hurricane Irma	97.036	Z1135	Florida Division of Emergency Management	118,568	118,568	
Disaster Grant-Public Assistance - RSW/RSW FEMA Grant (State)	97.036	Z0114		54,331	59	
Total program				630,426	120,545	-
Hazard Mitigation Grant - Lee County - Iona Drainage District Canal	97.039	4337-243-R/H0332		76,271	76,271	
Hazard Mitigation Grant - Lee County - Industrial Park Drainage, Phase 1	97.039	4337-242-R/H0330		87,467	87,467	
Total Program				163,738	163,738	-
Emergency Management Performance Grant (EMPG - FY20)	97.042	G0139	Florida Division of Emergency Management	162,123	131,236	
COVID- 19 Emergency Management Performance Grant (EMPG - Supplemental CARES- FY20)	97.042	G0174	Florida Division of Emergency Management	36,000	33,389	
Emergency Management Performance Grant (EMPG - FY21)	97.042	G0272	Florida Division of Emergency Management	163,922	33,751	
Total Program				362,045	198,376	-
Homeland Security Grant Program - USAR	97.067	R0272	Florida Division of Emergency Management	94,309	19,975	
Homeland Security Grant Program - USAR	97.067	R0125	Florida Division of Emergency Management	143,439	68,451	
Homeland Security Grant Program - FY18 Operation Stonegarden	97.067	19-DS-01-09-46-01-265	Florida Division of Emergency Management	200,000	3,834	
Total program				437,748	92,260	-
Total U.S. Department of Homeland Security				1,593,957	574,919	-
U.S. Department of Housing & Urban Development:						
Community Development Block Grant Entitlement Grants Cluster:						
CDBG/Entitlement Grants- Year 28	14.218	B-17-UC-12-0013		2,649,950	203,931	106,430
CDBG/Entitlement Grants- Year 29	14.218	B-18-UC-12-0013		3,008,725	330,634	151,705
CDBG/Entitlement Grants- Year 30	14.218	B-19-UC-12-003		3,047,518	866,205	403,545
COVID-19 CDBG/Entitlement Grants- Year 30	14.218	B-20-UW-12-0013		4,574,937	853,206	558,161
CDBG/Entitlement Grants- Year 31	14.218	B-19-UC-12-0014		3,229,599	1,287,348	1,027,839

**LEE COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Fiscal Year ended September 30, 2021**

Federal/State grantor /Program or Cluster Title	Assistance Listing/ CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2020-2021 Transfers to Subrecipients
Neighborhood Stabilization Program	14.218	B-08-UN-12-0009		18,243,867	88,400	1,500
Neighborhood Stabilization Program 3	14.218	B-11-UN-12-0009		6,639,174	42,627	-
Total Community Development Block Grant Entitlement Grants Cluster				41,393,770	3,672,351	2,249,180
Emergency Solutions Grant Program -Year 17 (FY20)	14.231	E-19-UC-12-0013		225,297	151,846	108,258
COVID-19 Emergency Solutions Grant Program	14.231	E-20-UW-12-0013		2,741,846	1,246,578	668,125
Emergency Solutions Grant Program	14.231	QPZ02		105,525	63,644	-
Emergency Solutions Grant Program - CV	14.231	QPZ02		711,000	353,466	-
Emergency Solutions Grant Program - CV2	14.231	QPZ02		941,808	633,692	-
Emergency Solutions Grant Program - CV2	14.231	E-20-UC-12-0013		267,778	239,067	-
Emergency Solutions Grant Program - State (FY21)	14.231	QPZ02		105,525	54,118	-
Total program				5,098,779	2,742,411	776,383
Home Investment Partnership Program - Year 27 (FY19)	14.239	M-18-UC-12-0210		983,519	169,065	121,167
Home Investment Partnership Program - Year 28 (FY20)	14.239	M-19-UC-12-0210		938,598	321,566	79,124
Home Investment Partnership Program - Year 29 (FY21)	14.239	M-20-UC-12-0210		1,040,553	17,491	-
Total program				2,962,670	508,122	200,291
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODME	FL Dept of Health/Health Planning Council of SWFL	219,372	140,444	-
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODME	FL Dept of Health/Health Planning Council of SWFL	219,372	45,392	-
Total program				438,744	185,836	-
Homeless Management Information System (HMIS)	14.261	FL0760H4D031800		84,900	3,957	-
Continuum of Care Program (SHP FY19)	14.267	Various		1,835,581	218,344	218,344
Continuum of Care Program (SHP FY20)	14.267	Various		1,825,537	1,462,683	1,144,271
Continuum of Care Program (SHP FY21)	14.267	Various		1,997,727	152,884	149,330
Total program				5,658,845	1,833,911	1,511,945
Total U.S. Department of Housing & Urban Development				55,637,708	8,946,588	4,737,799
U.S. Department of Interior:						
U.S. Fish and Wildlife Service:						
Cooperative Endangered Species Conservation Fund - Hab Mgmt of Buttonw & Pine Isl. Flatw Pres.	15.615	27492		15,000	15,000	-
Total U.S Fish and Wildlife Service				15,000	15,000	-
Total U.S Department of Interior				15,000	15,000	-
U.S. Department of Justice:						
Crime Victim Assistance - State Criminal Alien Assistance ( SCAAP)	16.606	2020-AP-BX-0919		120,965	48,442	-
Total program				120,965	48,442	-
Edward Byrne Memorial Justice Assistance Grant Program - Disaster Recovery (FY19)	16.738	2020-DJ-BX-0095		90,035	84,549	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-LEE		24,526	24,526	24,526
Total program				114,561	109,075	24,526
Paul Coverdell Forensic Sciences Improvement Grant Program FY21	16.742	2020-CD-BX-xxxx	Florida Department of Law Enforcement	2,389	2,389	-
Total Program				2,389	2,389	-
Equitable Sharing Program - Federal Forfeiture- Justice	16.922	None		312,052	312,052	-
Total U.S. Department of Justice				549,967	471,958	24,526
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	47,783	-
Federal Transit Formula Grants - USC 5307 (FY14)	20.507	FL-90-X850		5,833,046	20,078	-
Federal Transit Formula Grants - USC 5307 (FY15)	20.507	FL-2016-047-00		5,787,589	103,760	-
Federal Transit Formula Grants - USC 5307 (FY17)	20.507	FL-2017-075-01		6,107,871	1,028,827	-
Federal Transit Formula Grants - USC 5307 (FHWA Flex Funds Transfer)	20.507	FL-2018-079-00		6,257,157	1,499,793	-
Federal Transit Formula Grants - USC 5307 (Urbanized Area FY19)	20.507	FL-2019-080-00		6,459,631	1,224,745	-
COVID-19 Federal Transit Formula Grants - USC 5307 (Urbanized Area FY20)	20.507	FL-2020-067-00		19,156,442	11,402,950	-

**LEE COUNTY, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Fiscal Year ended September 30, 2021**

Federal/State grantor /Program or Cluster Title	Assistance Listing/ CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2020-2021 Transfers to Subrecipients
Federal Transit Formula Grants - USC 5307 (Flex Funds)	20.507	FL 2021-002		2,639,258	175,797	
Federal Transit Formula Grants - USC 5307 (Formula Grant FY20)	20.507	FL 2021-059		6,768,285	8,380	
Federal Transit Formula Grants - USC 5339 Bus & Bus Facilities Formula	20.526	FL-2018-072-00		714,731	121,834	
Federal Transit Formula Grants - USC 5339 Bus & Bus Facilities Formula	20.526	FL-2019-072-01		673,013	425,985	
Total Federal Transit Cluster				66,128,388	16,059,932	-
Formula Grants for Rural Areas - USC 5311 Non Urban Area Program Multi Year	20.509	G1581	Florida Department of Transportation	205,526	29,082	
Formula Grants for Rural Areas - USC 5311	20.509	G1M56	Florida Department of Transportation	849,324	52,692	
Total Program				1,054,850	81,774	-
Federal Highway Administration:						
Highway Planning and Construction Cluster:						
Highway Planning and Construction - Enhancement & Ops of Lee TOC	20.205	429960-1-88-01	Florida Department of Transportation	130,500	62,174	
Highway Planning and Construction - Gunnery Road and Buckingham	20.205	442123-1-38-01	Florida Department of Transportation	453,334	237,796	
Highway Planning and Construction - Able Canal Pathway	20.205	435351-2-38-01, 435351-2-58-01, 435351-2-68-01	Florida Department of Transportation	4,912,650	76,925	
Total Highway Planning and Construction Cluster				5,496,484	376,895	-
Total U.S. Department of Transportation/non-FAA				72,679,722	16,518,601	-
U.S. Department of Transportation/FAA:						
Federal Aviation Administration:						
Airport Improvement Program (FMY South Quad Hangers and Ramp)	20.106	3-12-0027-021-2020		404,626	162,685	
Airport Improvement Program (Airside Pavement Rehab TW A, F & G2)	20.106	3-12-0135-056-2020		14,537,517	10,301,470	
Airport Improvement Program (Airside Pavement Cargo)	20.106	3-12-0135-057-2020		4,909,124	4,297,395	
COVID-19 Airport Improvement Program (CARES Act - RSW)	20.106	3-12-0135-055-2020		36,603,212	9,112,081	
Airport Improvement Program - ACRGP- RSW ( CRRSA Act)	20.106	3-12-0135-060-2021		9,853,507	3,023,600	
Airport Improvement Program - Update Airport Master Plan Study	20.106	3-12-0135-058-2021		1,999,776	717,526	
Airport Improvement Program - CRRSA - RSW ( Adendum to ACRGP - RSW)	20.106	3-12-0135-061-2021		1,080,299	1,080,299	
Total U.S. Department of Transportation/FAA				69,388,061	28,695,056	-
U.S. Department of Treasury:						
Coronavirus Relief Fund	21.019	Not available yet		134,459,744	76,340,187	17,014,975
Coronavirus Relief Fund - SHIP	21.019	069-2020		2,198,181	1,923,591	
Total Program				136,657,925	78,263,778	17,014,975
Emergency Rental Assistance Program	21.023	ERA0340		23,268,102	10,051,428	1,663,794
Federal Forfeiture-Treasury	21.000	None		13,650	13,650	
Total U.S. Department of the Treasury				159,939,677	88,328,856	18,678,769
<b>Total expenditures of federal awards</b>				<b>373,497,907</b>	<b>149,075,973</b>	<b>23,493,294</b>
Florida Department of Community Affairs:						
Florida Forever Act - FCT Wild Turkey Strand 2020	52.002	05-CT-E5-04-F4-A1-031		2,529,995	6,765	
Total Florida Department of Community Affairs				2,529,995	6,765	-
Florida Department of Children and Families:						
Homeless Challenge Grant FY19-20	60.014	QPZ02		148,500	95,300	-
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	25,393	-
Homeless Challenge Grant FY20-21 - Staffing Grant	60.014	QPZ02		107,143	26,786	26,786
Total Program				511,286	227,836	107,143
Criminal Justice, Mental Health, & Substance Abuse Reinvestment Grant Prg FY20-21	60.115	LHZ97		1,300,000	286,402	286,403
Total Program				1,300,000	286,402	286,403
Total Florida Department of Children and Families				1,811,286	514,238	393,546

LEE COUNTY, FLORIDA  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance  
For the Fiscal Year ended September 30, 2021

Federal/State grantor /Program or Cluster Title	Assistance Listing/CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2020-2021 Transfers to Subrecipients
Florida Department of Economic Opportunity:						
Florida Sports Foundation:						
Economic Development Partnership - Perfect Game Baseball Championship	40.040	171003438		25,000	25,000	
Total Florida Sports Foundation				25,000	25,000	-
Florida Housing Finance Corporation:						
SHIP YR23 (State FY17-18)	40.901	LB027		2,281,955	86,177	8,190
SHIP YR24 (State FY18-19)	40.901	LB028		635,859	246,127	219,826
SHIP YR25 (State FY19-20)	40.901	LB029		809,644	344,163	332,458
SHIP YR27 (State FY21-22)	40.901	LB031		3,116,962	590	
Total Program				6,844,420	677,057	560,475
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise	73.016	SB13-235		15,000,000	-	
Total Florida Department of Economic Opportunity				21,869,420	702,057	560,475
Florida Department of Elders Affairs						
Senior Center - Fixed Capital Outlay (FCO) - Lehigh Senior Citizen Center Improvements	65.013	XQ001		350,000	316,081	
Total Florida Department of Elders Affairs				350,000	316,081	-
Florida Department of the Executive Office:						
EMPA Base Grant FY19-20	31.063	A0104		105,806	78,882	
EMPA Base Grant FY20-21	31.063	A0187		105,806	28,398	
Total Florida Department of the Executive Office				211,612	107,280	-
Florida Department of Environmental Protection:						
Beach Management Funding Assistance Program - Lovers Key Beach 2	37.003	19LE1		260,000	142,876	
Beach Management Funding Assistance Program - Estero Barriers Regional Inlet Mgmt	37.003	19LE2		316,947	273,930	
Beach Management Funding Assistance Program - Lee Co. Shore Protection - Gasparilla Island	37.003	20LE1		3,101,764	33,549	
Beach Management Funding Assistance Program - Blind Pass Monitoring	37.003	20LE2		182,097	14,427	
Beach Management Funding Assistance Program - Estero Barriers Regional Inlet Mgmt Study	37.003	22LE4		67,806	91,310	
Total Program				3,928,614	556,092	-
Statewide Surface Water Restoration and Wastewater Project - Caloosahatchee T. Canal Rehab	37.039	LPA0063		400,000	167,348	
Statewide Surface Water Restoration and Wastewater Project - Yellow Fever Creek T. Facility	37.039	LPQ0012		817,000	817,000	
Statewide Surface Water Restoration and Wastewater Prj - Caloosahatchee T. Flow Monitor	37.039	NS037		172,200	57,400	
Statewide Surface Water Restoration and Wastewater Project -FLDEP Yellow Fever Creek	37.039	S0840		175,000	124,725	
Statewide Surface Water Restoration and Wastewater Project - Artesian Well Abandmnt Proj	37.039	LPA0112		80,000	15,699	
Total Program				1,644,200	1,182,172	-
Innovative Technologies	37.103	INV10		180,000	15,119	
Total Program				180,000	15,119	-
Total Florida Department of Environmental Protection				5,752,814	1,753,383	-
Florida Department of Health:						
Bureau of Emergency Management Services:						
County Grant Award - EMS FY19-20	64.005	C8036		88,398	44,999	
County Grant Award - EMS FY20-21	64.005	C9036		84,207	52,654	
Total Florida Department of Health				172,605	97,653	-
Florida Department of State:						
Division of Library and Information Services:						
State Aid to Libraries Grant (FY20-21)	45.030	21-ST-24		471,550	471,550	
Total Florida department of State				471,550	471,550	-
Florida Department of Transportation/non-FAA:						
Florida Commission for the Transportation Disadvantaged Trip and Equipment	55.001	410140-1-84.05		1,662,097	229,875	
Total Program				1,662,097	229,875	-
Commuter Assistance Program/Ride Share Grants - Vanpool Services - FY19-20	55.007	G1F33 430306-1-84-03		55,000	16,050	
Total Program				55,000	16,050	-

LEE COUNTY, FLORIDA  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance  
For the Fiscal Year ended September 30, 2021

Federal/State grantor /Program or Cluster Title	Assistance Listing/CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2020-2021 Transfers to Subrecipients
Public Transit Block Grant Program	55.010	410140-1-84-04 G1192		2,060,032	964,215	
Total Program				<u>2,060,032</u>	<u>964,215</u>	-
Public Transit Service Development Program - Downtown Trolley Service	55.012	G1G04		1,212,725	70,591	
Public Transit Service Development Program - Beach Tram Service	55.012	G1G03		998,573	61,346	
Public Transit Service Development Program - S.A.T Center and Park-and-Ride Lot	55.012	G0H60		160,000	122,821	
Total Program				<u>2,371,298</u>	<u>254,758</u>	-
Transit Corridor Development Program - FY19-20	55.013	407329-1-84-04 G1G67		1,677,499	724,805	
Total Program				<u>1,677,499</u>	<u>724,805</u>	-
Intermodal Access Development Program - Rosa Parks Improvements	55.014	G0W44		6,000,000	355,743	
Transportation Regional Incentive Prg (TRIP) - Burnt Store Rd South	55.026	440340-1-54-01	Florida Department of Transportation	2,962,302	2,862,302	
Total Program				<u>2,962,302</u>	<u>2,862,302</u>	-
Local Transportation Projects	55.039	447299-1-54-01		4,250,000	270,824	
Total Florida Department of Transportation/non-FAA				<u>21,038,228</u>	<u>5,678,572</u>	-
Florida Department of Transportation/FAA:						
Aviation Grant Programs - Airside Pavement Rehabilitation	55.004	ARR95 431367-1-94-01		2,574,138	648,994	
Aviation Grant Programs - RSW Terminal Expansion	55.004	G0R60 441981-1-94-01		6,552,659	1,764,759	
Aviation Grant Programs - RSW Ticket Counter and Gate Podium Modernization	55.004	G0K77 441246-1-94-01		5,200,000	4,775,000	
Aviation Grant Programs - South Quadrant Hangars and Ramp	55.004	G1C72 446314-1-94-01		525,000	98,730	
Aviation Grant Programs - RSW Terminal Expansion	55.004	G1C87 441981-1-94-01		17,272,947	196,262	
Aviation Grant Programs - RSW Terminal Expansion	55.004	G1C87 441981-1-94-02		4,500,000	371,836	
Aviation Grant Programs - RSW Air Traffic Control Tower and Terminal Radar Approach Control	55.004	G1035 420652-1-94-04		7,247,173	2,621,266	
Aviation Grant Programs - Airside Payment Rehabilitation	55.004	G1K77 431367-1-94-02		100,000	100,000	
Total Florida Department of Transportation/FAA				<u>43,971,917</u>	<u>10,576,847</u>	-
<b>Total expenditures of state financial assistance</b>				<u><u>98,179,427</u></u>	<u><u>20,224,426</u></u>	<u><u>954,021</u></u>

## LEE COUNTY, FLORIDA

### Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2021

#### (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, 2021, 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 Principles, 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.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### (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 (Assistance Listing #14.218) in the amount of \$19,181.

**LEE COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

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**Financial Statements**

Type of auditors' report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	None noted
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?	None noted
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)?	No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507, 20.526	Federal Transit Cluster
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Program

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, 2021**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS (CONTINUED)**

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**State Financial Assistance Section**

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified? 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:

<b>State CSFA</b>	<b>Name of State Program or Cluster</b>
37.039	Statewide Surface Water Restoration & Wastewater Projects
55.004	Aviation Grant Programs
55.010	Public Transit Block Grant
55.026	Transportation Regional Incentive Program

Dollar threshold used to distinguish between type A State projects \$750,000

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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**SECTION IV - FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS**

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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  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

Lee County, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2021.

Audit period: October 1, 2020 through September 30, 2021

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 — FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS  
2020-001**

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**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.

**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, 2021.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of 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 types of 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, 2021.

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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Honorable Board of County Commissioners  
Lee County, Florida  
and  
Honorable Board of Port Commissioners  
Lee County Port Authority

### **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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 16, 2022, 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, 2021 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
June 9, 2022

Lee County, Florida  
Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As Reported to FAA)  
for the year ended September 30, 2021

	Quarter Ended December 31, 2020	Quarter Ended March 31, 2021	Quarter Ended June 30, 2021	Quarter Ended September 30, 2021	Year Ended September 30, 2021	Cumulative Totals as of September 30, 2020	Cumulative Totals as of September 30, 2021
<b>Collections</b>							
PFCs Collected	\$ 2,586,027	\$ 4,301,875	\$ 5,635,221	\$ 4,538,816	\$ 17,061,939	\$ 335,609,608	\$ 352,671,547
Interest Earned	28,631	19,883	15,611	15,273	79,398	12,413,785	12,493,183
<b>Total Collection</b>	<b>\$ 2,614,658</b>	<b>\$ 4,321,758</b>	<b>\$ 5,650,832</b>	<b>\$ 4,554,089</b>	<b>\$ 17,141,337</b>	<b>\$ 348,023,393</b>	<b>\$ 365,164,730</b>
<b>EXPENDITURES ON APPROVED PFC PROJECTS INCLUDED IN</b>							
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	\$ 441,804	\$ 734,944	\$ 962,737	\$ 775,424	\$ 2,914,909	\$ 96,624,251	\$ 99,539,160
Application No. 6							
06-06-C-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,838,689	\$ 4,838,689
Application No. 7							
10-07-C-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,206,566	\$ 48,206,566
Application No. 8							
13-08-C-00-RSW	\$ 2,500,965	\$ 1,799,464	\$ 4,103,613	\$ 3,739,750	\$ 12,143,792	\$ 27,136,961	\$ 39,280,753
Application No. 9							
18-09-C-00-RSW		\$ 2,105,944	\$ 7,666,297	\$ 14,711,277	\$ 24,483,518	\$ 11,584,096	\$ 36,067,614
Application No. 10							
19-10-C-00-RSW				\$ 1,624,815	\$ 1,624,815	\$ 6,897,012	\$ 8,521,827
<b>Total Expenditures</b>	<b>\$ 2,942,769</b>	<b>\$ 4,640,352</b>	<b>\$ 12,732,647</b>	<b>\$ 20,851,266</b>	<b>\$ 41,167,034</b>	<b>\$ 297,731,453</b>	<b>\$ 338,898,487</b>

LEE COUNTY, FLORIDA

Notes to Schedule of Passenger Facility  
Charges Collected and Expended

Year ended September 30, 2021

(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, 2021**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

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**Financial Statements**

Type of auditors' report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	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 FINDINGS AND QUESTIONED COSTS  
PASSENGER FACILITY CHARGE PROGRAM  
YEAR ENDED SEPTEMBER 30, 2021**

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***SECTION II - FINANCIAL STATEMENT FINDINGS***

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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.

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***SECTION III – FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE PROGRAM***

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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, 2021**

**Prior Year Findings**

There were no prior year audit findings reported.



## 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, 2021, and have issued our report thereon dated March 16, 2022.

### 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* 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 which are dated March 16, 2022. We also issued our Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance and Schedule of Findings and Questioned Costs which are dated June 9, 2022. Disclosures in those reports and schedule 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. All prior year findings have been corrected.

### 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.

### **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Lee County Port Authority reported:

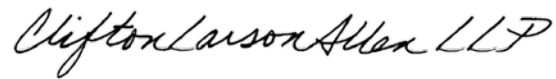
- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 357.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as \$26,657,128.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 16.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 11,502,739.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
  - a. Bullet Trap Project – Total expenditures of \$106,250
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$360,001,139.

**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  
June 9, 2022



## 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), 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund, and Section 288.8018(1), Florida Statutes regarding expended funds related to the Deepwater Horizon oil spill during the year ended September 30, 2021. 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), 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund, and Section 288.8018(1), Florida Statutes regarding expended funds related to the Deepwater Horizon oil spill during the year ended September 30, 2021.

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**

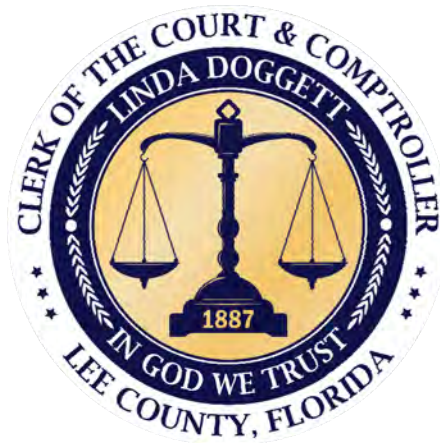
Fort Myers, Florida  
March 16, 2022



# Clerk of Circuit Court

## Lee County, Florida

Financial Statements  
September 30, 2021



Prepared By:  
General Accounting Office, Finance & Records Department

# 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, 2021, 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, 2021, and the respective changes in financial position and the respective 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 Matters***

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, 2021, 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.

During fiscal year ended September 30, 2021, the Clerk adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Clerk reported a restatement of beginning fiduciary net position for the change in accounting principal (see Note X). Our auditors' opinion was not modified with respect to this restatement.

### ***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 8, 2021, 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 8, 2021



# Financial Statements

CLERK OF CIRCUIT COURT  
Lee County, Florida  
BALANCE SHEET  
As of September 30, 2021

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 5,708,703	\$ 7,997,911	\$ 10,480,924	\$ 4,410,530	\$ 28,598,068
Accounts receivable	1,960	1,332	-	-	3,292
Due from other governments	39,514	67,994	-	62,685	170,193
Due from Board of County Commissioners	120,262	20,612	-	-	140,874
Inventory	42,218	-	-	-	42,218
<b>Total assets</b>	<b><u>5,912,657</u></b>	<b><u>8,087,849</u></b>	<b><u>10,480,924</u></b>	<b><u>4,473,215</u></b>	<b><u>28,954,645</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	189,001	81,672	-	30,046	300,719
Accrued liabilities	265,423	199,170	46,283	6,075	516,951
Due to other governments	330,139	1,247,013	23,619	3,041	1,603,812
Due to Board of County Commissioners	1,736,539	247,196	-	-	1,983,735
Deposits	3,295,669	6,260,449	-	-	9,556,118
Unearned revenue	95,886	51,941	-	-	147,827
Other	-	408	-	-	408
<b>Total liabilities</b>	<b><u>5,912,657</u></b>	<b><u>8,087,849</u></b>	<b><u>69,902</u></b>	<b><u>39,162</u></b>	<b><u>14,109,570</u></b>
<b>Fund Balances:</b>					
Nonspendable	42,218	-	-	-	42,218
Restricted	-	-	10,411,022	-	10,411,022
Committed	-	-	-	4,434,053	4,434,053
Unassigned	(42,218)	-	-	-	(42,218)
<b>Total fund balances</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>10,411,022</u></b>	<b><u>4,434,053</u></b>	<b><u>14,845,075</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 5,912,657</u></b>	<b><u>\$ 8,087,849</u></b>	<b><u>\$ 10,480,924</u></b>	<b><u>\$ 4,473,215</u></b>	<b><u>\$ 28,954,645</u></b>

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, 2021

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Intergovernmental	\$ 1,651,013	\$ 860,010	\$ 374	\$ 698,528	\$ 3,209,925
Charges for services	8,011,858	13,785,887	3,525,951	700	25,324,396
Interest	1,223	1,217	1,195	842	4,477
Miscellaneous	369,217	1,191	-	-	370,408
Total revenues	<u>10,033,311</u>	<u>14,648,305</u>	<u>3,527,520</u>	<u>700,070</u>	<u>28,909,206</u>
<b>EXPENDITURES</b>					
General government					
Personal services	14,144,500	11,205,167	1,115,240	799,629	27,264,536
Operating expenditures	4,497,536	363,735	2,820	296,453	5,160,544
Capital outlay	28,593	-	-	147,454	176,047
Total expenditures	<u>18,670,629</u>	<u>11,568,902</u>	<u>1,118,060</u>	<u>1,243,536</u>	<u>32,601,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,637,318)</u>	<u>3,079,403</u>	<u>2,409,460</u>	<u>(543,466)</u>	<u>(3,691,921)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Board of County Commissioners appropriations	9,649,385	-	-	-	9,649,385
Distribution of excess fees and appropriations to other governmental units	<u>(1,012,067)</u>	<u>(3,079,403)</u>	<u>-</u>	<u>-</u>	<u>(4,091,470)</u>
Total other financing sources (uses)	<u>8,637,318</u>	<u>(3,079,403)</u>	<u>-</u>	<u>-</u>	<u>5,557,915</u>
Net change in fund balances	-	-	2,409,460	(543,466)	1,865,994
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>8,001,562</u>	<u>4,977,519</u>	<u>12,979,081</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,411,022</u>	<u>\$ 4,434,053</u>	<u>\$ 14,845,075</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) AND ACTUAL  
GENERAL FUND  
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 990,000	\$ 1,490,000	\$ 1,651,013	\$ 161,013
Charges for services	4,234,495	7,788,495	8,107,744	319,249
Interest	90,000	90,000	1,223	(88,777)
Miscellaneous	317,412	317,412	369,217	51,805
Total revenues	<u>5,631,907</u>	<u>9,685,907</u>	<u>10,129,197</u>	<u>443,290</u>
<b>EXPENDITURES</b>				
General government				
Personal services	13,397,669	14,632,963	14,144,500	488,463
Operating	1,529,273	4,486,979	4,497,536	(10,557)
Capital outlay	205,350	215,350	28,593	186,757
Total expenditures	<u>15,132,292</u>	<u>19,335,292</u>	<u>18,670,629</u>	<u>664,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,500,385)</u>	<u>(9,649,385)</u>	<u>(8,541,432)</u>	<u>1,107,953</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Board of County Commissioners appropriations	9,500,385	9,649,385	9,649,385	-
Distribution of excess fess and appropriations to the Board of County Commissioners	-	-	(1,012,067)	(1,012,067)
Total other financing sources (uses)	<u>9,500,385</u>	<u>9,649,385</u>	<u>8,637,318</u>	<u>(1,012,067)</u>
Net change in fund balance	-	-	95,886	95,886
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,886</u>	<u>\$ 95,886</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) AND ACTUAL  
COURT FEES  
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 765,965	\$ 928,965	\$ 804,955	\$ (124,010)
Charges for services	13,639,118	13,639,118	13,785,887	146,769
Interest	200,000	200,000	1,217	(198,783)
Miscellaneous	-	-	1,191	1,191
Total revenues	<u>14,605,083</u>	<u>14,768,083</u>	<u>14,593,250</u>	<u>(174,833)</u>
EXPENDITURES				
General government				
Personal services	11,041,792	11,200,592	11,205,167	(4,575)
Operating	428,815	433,015	363,735	69,280
Capital outlay	4,250	4,250	-	4,250
Total expenditures	<u>11,474,857</u>	<u>11,637,857</u>	<u>11,568,902</u>	<u>68,955</u>
Excess of revenues over expenditures	<u>3,130,226</u>	<u>3,130,226</u>	<u>3,024,348</u>	<u>(105,878)</u>
OTHER FINANCING SOURCES (USES)				
Distribution of excess fees and appropriations to other governmental units	<u>(3,130,226)</u>	<u>(3,130,226)</u>	<u>(3,079,403)</u>	<u>50,823</u>
Total other financing sources (uses)	<u>(3,130,226)</u>	<u>(3,130,226)</u>	<u>(3,079,403)</u>	<u>50,823</u>
Net change in fund balance	-	-	(55,055)	(55,055)
Fund balances - beginning	-	-	55,055	55,055
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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 AND ACTUAL  
PUBLIC RECORDS MODERNIZATION FUND  
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 374	\$ 374
Charges for services	1,695,000	1,695,000	3,525,951	1,830,951
Interest	75,000	75,000	1,195	(73,805)
Total revenues	<u>1,770,000</u>	<u>1,770,000</u>	<u>3,527,520</u>	<u>1,757,520</u>
<b>EXPENDITURES</b>				
General government				
Personal services	2,375,082	2,375,082	1,115,240	1,259,842
Operating	3,027,345	3,027,345	2,820	3,024,525
Capital Outlay	803,000	803,000	-	803,000
Total expenditures	<u>6,205,427</u>	<u>6,205,427</u>	<u>1,118,060</u>	<u>5,087,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,435,427)</u>	<u>(4,435,427)</u>	<u>2,409,460</u>	<u>6,844,887</u>
Net change in fund balance	(4,435,427)	(4,435,427)	2,409,460	6,844,887
Fund balances - beginning	<u>4,435,427</u>	<u>4,435,427</u>	<u>8,001,562</u>	<u>3,566,135</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,411,022</u></u>	<u><u>\$ 10,411,022</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 AND ACTUAL  
CHILD SUPPORT ENFORCEMENT  
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 450,000	\$ 720,500	\$ 698,528	\$ (21,972)
Charges for services	-	-	700	700
Interest	60,000	60,000	842	(59,158)
Total revenues	510,000	780,500	700,070	(80,430)
EXPENDITURES				
General government				
Personal Services	312,655	795,137	799,629	(4,492)
Operating	425,539	501,734	296,453	205,281
Capital outlay	1,225,000	1,138,885	147,454	991,431
Total expenditures	1,963,194	2,435,756	1,243,536	1,192,220
Net change in fund balance	(1,453,194)	(1,655,256)	(543,466)	1,111,790
Fund balances - beginning	1,453,194	1,655,256	4,977,519	3,322,263
Fund balances - ending	\$ -	\$ -	\$ 4,434,053	\$ 4,434,053

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, 2021

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 31,836,422
Total assets	31,836,422
<b>LIABILITIES AND NET POSITION</b>	
Liabilities	
Accounts payable	3,552
Due to other governments	8,092,625
Total liabilities	8,096,177
Fiduciary Net Position	
Restricted for:	
Individuals, organizations, and other governments	23,740,245
Total Fiduciary net position	23,740,245
Total liabilities and Fiduciary net position	\$ 31,836,422

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

CLERK OF CIRCUIT COURT  
Lee County, Florida  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended September 30, 2021

	Custodial Funds
ADDITIONS	
Fees/Fines collected for other governments	\$ 244,471,813
Registry and other deposits collected	54,291,192
Total Additions	298,763,005
DEDUCTIONS	
Fees/Fines disbursed to other governments	244,471,813
Registry and other deposits disbursed	44,284,869
Total Deductions	288,756,682
Change in Fiduciary Net Position	10,006,323
Fiduciary Net Position - Beginning of Year (as restated)	13,733,922
Fiduciary Net Position - Ending of Year	\$ 23,740,245

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, 2021

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 Annual Comprehensive 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, 2022.

*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 custodial 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, 2021

### *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*, and must be 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.

#### *Custodial Funds*

Custodial Funds - Custodial Funds are used to account for assets held by the Clerk in a fiduciary capacity for individuals, private organizations, and other governments. The Clerk reports activity for five Custodial Funds; *Fines and Forfeitures*, *Jury and Witness*, *Delinquent Tax*, *Registry of Court*, and *Cash Bonds and Deposits*.

### *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, 2021

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 custodial 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), except as disclosed in Note II. 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.

CLERK OF CIRCUIT COURT  
Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2021

*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.

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 4.4% of Florida PRIME’s portfolio at September 30, 2021.

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, 2021, 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.



CLERK OF CIRCUIT COURT  
Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2021

*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 maintain accountability for all capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets is \$5,000, 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:

General Fund

Net Change in fund balance (GAAP Basis)	\$ 0
Unearned Value Adjustment Board Revenue	<u>95,886</u>
Net Change in fund balance non-GAAP	<u>\$ 95,886</u>

Court Fees Fund

Net Change in fund balance (GAAP Basis)	\$ 0
Recognition of 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, 2021

NOTE III - CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2021, 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	\$ 2,047,933	N/A
Demand Deposits	N/A	32,731,911	N/A
Florida PRIME	49 days	<u>25,654,646</u>	AAAm
Total Cash, Cash Equivalents and Investments		<u>\$60,434,490</u>	
Reconciliation:			
General Fund		\$5,708,703	
Court Fees		7,997,911	
Public Records Modernization		10,480,924	
Child Support Enforcement		4,410,530	
Custodial Funds		<u>31,836,422</u>	
		<u>\$60,434,490</u>	

*Custodial Credit Risk*

At September 30, 2021, 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, 2021 was 49 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, 2021 was 64 days.

CLERK OF CIRCUIT COURT  
Lee County, Florida  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2021

*Concentration of Credit Risk*

The Clerk places no limit on the amount it may invest in any one issuer or investment.

NOTE IV – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Governmental Activities:</u></i>				
Capital assets not being depreciated:				
Artwork	\$ 1,000	\$ -	\$ -	\$ 1,000
Total capital assets not being depreciated	1,000	-	-	1,000
Capital assets being depreciated:				
Machinery and equipment	4,908,171	176,047	(694,222)	4,389,996
Software	11,320,418	-	-	11,320,418
Total capital assets being depreciated	16,228,589	176,047	(694,222)	15,710,414
Less accumulated depreciation for:				
Machinery and equipment	3,223,992	339,266	(588,332)	2,974,926
Software	10,028,248	417,227	-	10,445,475
Total accumulated depreciation	13,252,240	756,493	(588,332)	13,420,401
Total capital assets being depreciated, net	2,976,349	(580,446)	(105,890)	2,290,013
Total governmental activities capital assets, net	\$ 2,977,349	\$ (580,446)	\$ (105,890)	\$ 2,291,013

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.

CLERK OF CIRCUIT COURT  
Lee County, Florida  
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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 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. An annual comprehensive 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](http://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  
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***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, 2021, 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  
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*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 Annual Comprehensive 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, 2021, 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, 2021, 2020, and 2019 were \$2,024,445, \$1,747,688, and \$1,587,478 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual comprehensive financial report.

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*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, 2021:

Accrued compensated absences at October 1, 2020	\$2,426,417
Additions	1,933,194
Reductions	<u>(1,813,274)</u>
Accrued compensated absences at September 30, 2021	<u>\$2,546,337</u>

Of these liabilities, approximately \$155,290 is expected to be paid during the fiscal year ended September 30, 2022. 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.

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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, 2021, the Clerk’s General Fund reported a nonspendable fund balance of \$42,218 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 \$10,411,022 which includes \$6,698,084 for public records modernization and \$3,712,938 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, 2021, the Clerk’s Child Support Enforcement special revenue fund reported committed fund balance of \$4,434,053 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, 2021, 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, 2021, the Clerk’s General Fund reported a negative unassigned fund balance of \$42,218 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.

NOTE X – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the Clerk implemented GASB Statement No. 84, *“Fiduciary Activities”*. The goal of the statement is to improve financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities. The implementation of the pronouncement required the restatement of the September 30, 2020 Fiduciary net position of the custodial funds.

	Custodial Funds
Fiduciary Net Position, as previously reported	\$ -
Prior period adjustment	13,733,922
Fiduciary Net Position, as restated	\$ 13,733,922





Supplementary Financial  
Information

CLERK OF CIRCUIT COURT  
Lee County, Florida  
COMBINING STATEMENT OF FIDUCIARY NET POSITION - ALL CUSTODIAL FUNDS  
As of September 30, 2021

	Fines and Forfeitures	Jury and Witness	Delinquent Tax	Registry of Court	Cash Bonds and Deposits	Total All Custodial Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,092,625	\$ 14,748	\$ 11,973,346	\$ 10,337,229	\$ 1,418,474	\$ 31,836,422
Total assets	<u>8,092,625</u>	<u>14,748</u>	<u>11,973,346</u>	<u>10,337,229</u>	<u>1,418,474</u>	<u>31,836,422</u>
<b>LIABILITIES AND FIDUCIARY NET POSITION</b>						
<b>Liabilities</b>						
Accounts payable	-	-	3,552	-	-	3,552
Due to other governments	8,092,625	-	-	-	-	8,092,625
Total liabilities	<u>8,092,625</u>	<u>-</u>	<u>3,552</u>	<u>-</u>	<u>-</u>	<u>8,096,177</u>
<b>Fiduciary Net Position</b>						
<b>Restricted for:</b>						
Individuals, organizations, and other governments	-	14,748	11,969,794	10,337,229	1,418,474	23,740,245
Total Fiduciary net position	<u>-</u>	<u>14,748</u>	<u>11,969,794</u>	<u>10,337,229</u>	<u>1,418,474</u>	<u>23,740,245</u>
Total liabilities and Fiduciary net position	<u>\$ 8,092,625</u>	<u>\$ 14,748</u>	<u>\$ 11,973,346</u>	<u>\$ 10,337,229</u>	<u>\$ 1,418,474</u>	<u>\$ 31,836,422</u>

CLERK OF CIRCUIT COURT  
Lee County, Florida  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended September 30, 2021

	Fines and Forfeitures	Jury and Witness	Delinquent Tax	Registry of Court	Cash Bonds and Deposits	Total All Custodial Funds
ADDITIONS						
Fees/Fines collected for other governments	\$ 244,471,813	\$ -	\$ -	\$ -	\$ -	\$ 244,471,813
Registry and other deposits collected	-	-	18,717,379	34,651,423	922,390	54,291,192
Total Additions	<u>244,471,813</u>	<u>-</u>	<u>18,717,379</u>	<u>34,651,423</u>	<u>922,390</u>	<u>298,763,005</u>
DEDUCTIONS						
Fees/Fines disbursed to other governments	244,471,813	-	-	-	-	244,471,813
Registry and other deposits disbursed	-	29,436	12,743,871	30,586,932	924,630	44,284,869
Total Deductions	<u>244,471,813</u>	<u>29,436</u>	<u>12,743,871</u>	<u>30,586,932</u>	<u>924,630</u>	<u>288,756,682</u>
Change in Fiduciary Net Position	-	(29,436)	5,973,508	4,064,491	(2,240)	10,006,323
Fiduciary Net Position - Beginning of Year (as restated)	-	44,184	5,996,286	6,272,738	1,420,714	13,733,922
Fiduciary Net Position - Ending of Year	<u>\$ -</u>	<u>\$ 14,748</u>	<u>\$ 11,969,794</u>	<u>\$ 10,337,229</u>	<u>\$ 1,418,474</u>	<u>\$ 23,740,245</u>

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



# Additional Reports of Independent Auditor



**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, 2021, 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 8, 2021.

**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) 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 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.

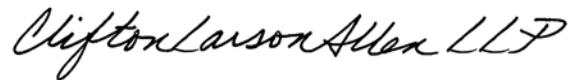
Honorable Linda Doggett  
Clerk of Circuit Court  
Lee County, Florida

***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 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 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 8, 2021



## 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, 2021, and have issued our report thereon dated December 8, 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; 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 8, 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 annual 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. See Note I in the notes to the financial statements.

Honorable Linda Doggett  
Clerk of Circuit Court  
Lee County, Florida

***Financial Management***


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.

***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 8, 2021





## 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, 2021. 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, 2021.

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 8, 2021

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2021**



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**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
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## INDEPENDENT AUDITORS' REPORT

Honorable Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

### **Report on the Financial Statements**

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser'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 the 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 of America. 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 auditor's 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 Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

### **Opinions**

In our opinion, the 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, 2021, and the changes in financial position and the respective 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.

### **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, only for that portion of the major funds of Lee County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2021, 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**

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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2021, 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.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 10, 2021

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>GIS Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,122,764	\$ 242,324	\$ 1,365,088
Accounts Receivable	<u>2,326</u>	<u>-</u>	<u>2,326</u>
 Total Assets	 <u>\$ 1,125,090</u>	 <u>\$ 242,324</u>	 <u>\$ 1,367,414</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 15,046	\$ 867	\$ 15,913
Accrued and Other Liabilities	142,772	19,453	162,225
Due to Other Governments	139,357	-	139,357
Due to the Board of County Commissioners	<u>827,915</u>	<u>222,004</u>	<u>1,049,919</u>
Total Liabilities	1,125,090	242,324	1,367,414
 <b>FUND BALANCE</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,125,090</u>	 <u>\$ 242,324</u>	 <u>\$ 1,367,414</u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	GIS Fund	Total
<b>REVENUES</b>			
Intergovernmental	\$ 1,975,176	\$ -	\$ 1,975,176
Charges for Services	338,634	12	338,646
Interest Earned	1,294	-	1,294
Miscellaneous	508	-	508
Total Revenues	<u>2,315,612</u>	<u>12</u>	<u>2,315,624</u>
<b>EXPENDITURES</b>			
General Government:			
Personal Services	7,954,298	999,486	8,953,784
Operating Expenditures	1,259,317	607,627	1,866,944
Capital Outlay	57,841	-	57,841
Total Expenditures	<u>9,271,456</u>	<u>1,607,113</u>	<u>10,878,569</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(6,955,844)	(1,607,101)	(8,562,945)
<b>OTHER FINANCING SOURCES (USES)</b>			
Board of County Commissioners Fees and Appropriations	7,913,358	1,829,105	9,742,463
Distribution of Excess Fees and Appropriations to the Board of County Commissioners	(818,157)	(222,004)	(1,040,161)
Distribution of Excess Fees to Other Taxing Districts	(139,357)	-	(139,357)
Total Other Financing Sources	<u>6,955,844</u>	<u>1,607,101</u>	<u>8,562,945</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND –  
(NON-GAAP BUDGETARY BASIS)  
YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,360,080	\$ 1,370,774	\$ 1,466,152	\$ 95,378
Charges for Services	-	-	-	-
Interest Earned	-	-	1,294	1,294
Miscellaneous	-	-	508	508
Total Revenues	<u>1,360,080</u>	<u>1,370,774</u>	<u>1,467,954</u>	<u>97,180</u>
<b>EXPENDITURES</b>				
General Government:				
Personal Services	8,345,271	8,169,254	7,494,915	674,339
Operating Expenditures	887,467	1,035,458	871,042	164,416
Capital Outlay	40,700	79,420	57,841	21,579
Total Expenditures	<u>9,273,438</u>	<u>9,284,132</u>	<u>8,423,798</u>	<u>860,334</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(7,913,358)	(7,913,358)	(6,955,844)	957,514
<b>OTHER FINANCING SOURCES (USES)</b>				
Board of County Commissioners Fees and Appropriations	7,913,358	7,913,358	7,913,358	-
Distribution of Excess Fees and Appropriations to the Board of County Commissioners	-	-	(818,157)	(818,157)
Distribution of Excess Fees to Other Taxing Districts	-	-	(139,357)	(139,357)
Total Other Financing Sources	<u>7,913,358</u>	<u>7,913,358</u>	<u>6,955,844</u>	<u>(957,514)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

See accompanying Notes to Financial Statements.



**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GIS FUND  
YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Aerial Map Sales	\$ -	\$ -	\$ 12	\$ 12
<b>EXPENDITURES</b>				
General Government:				
Personal Services	1,261,343	1,261,343	999,486	261,857
Operating Expenditures	556,962	556,962	607,627	(50,665)
Capital Outlay	10,800	10,800	-	10,800
Total Expenditures	<u>1,829,105</u>	<u>1,829,105</u>	<u>1,607,113</u>	<u>221,992</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(1,829,105)	(1,829,105)	(1,607,101)	222,004
<b>OTHER FINANCING SOURCES (USES)</b>				
Board of County Commissioners Fees and Appropriations	1,829,105	1,829,105	1,829,105	-
Distribution of Excess Fees and Appropriations to the Board of County Commissioners			(222,004)	(222,004)
Total Other Financing Sources	<u>1,829,105</u>	<u>1,829,105</u>	<u>1,607,101</u>	<u>(222,004)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements of the Lee County, Florida Property Appraiser (Property Appraiser).

**Financial Reporting Entity**

The Property Appraiser is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of the Lee County, Florida (the County). Although the Board of County Commissioners (the Board) and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and the operation of the Property Appraiser's office. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office.

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of the County, and, therefore, is included as such in the County's Annual Comprehensive Financial Report (ACFR). There are no component units included in the Property Appraiser's financial statements.

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

These financial statements have been 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, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Lee County, Florida that are attributable to the Property Appraiser. 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. The financial activities of the Property Appraiser, as a constitutional officer, are included in the County's Annual Comprehensive Financial Report (ACFR).

These 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.

**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.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds (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 liabilities of the current fiscal year). For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days after year-end. 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.

Charges for services and interest income are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Interest revenue and miscellaneous revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Substantially all the Property Appraiser's revenue is received from taxing authorities. These 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" criteria are met.

*Florida Statutes* provide that the amount by which revenues exceed annual expenditures (excess fees) be remitted to each governmental agency or the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized.

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.

**Refund of "Excess Fees"**

*Florida Statutes* further provide that the excess of revenues over expenditures held by the Property Appraiser be distributed to each governmental agency or the Board in the same proportion as the fees paid by each governmental agency bear to total fee revenues. The amount of this distribution is recorded as a liability and as another financing use-transfer out in the accompanying financial statements.

**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.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

During 2021, the Property Appraiser replaced existing policies covering sick and vacation leave. After the effective date, sick and vacation time no longer will be accrued separately. Full-time employees of the Property Appraiser can accumulate paid time off (PTO) based on the number of years of continuous service with the Property Appraiser. Regular part-time employees scheduled to work at least thirty hours per week accrue PTO on a prorated basis calculated from the base hours normally scheduled to work. Employees can accumulate PTO not to exceed to 560 hours. Upon termination, employees who have completed their initial probationary period will be eligible for payment of a portion of their unused PTO accruals based on their length of service. PTO is included in operating costs when the payments are made to employees. The Property Appraiser does not, nor is 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 Property Appraiser but, rather, is reported in the basic financial statements of the County.

**Use of Estimates**

The preparation of the 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 financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 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. Distributions of excess fees and appropriations are not considered expenditures. 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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, 2021, from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Revenues	Expenditures
Total Budgetary Basis (Non-GAAP)	\$ 1,467,954	\$ 8,423,798
Charges for Services not Budgeted (TRIM)	337,233	
Operating Expenditures not Budgeted (TRIM)		337,233
Intergovernmental Revenue not Budgeted (Cost Recovery)	509,024	
Charges for Services not Budgeted (Cost Recovery)	1,401	
Operating Expenditures not Budgeted (Cost Recovery)		51,042
Personnel Services not Budgeted (Cost Recovery)		459,383
Total GAAP Basis	\$ 2,315,612	\$ 9,271,456

**NOTE 3 CASH**

At September 30, 2021, the carrying value of the Property Appraiser's cash was as follows:

Type	Carrying Value
Cash on Hand	\$ 1,000
Demand Deposits	1,364,088
Total Cash	\$ 1,365,088

**Custodial Credit Risk**

At September 30, 2021, 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 3 CASH (CONTINUED)**

**Credit 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 Florida PRIME (formerly 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 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.

**Interest Rate Risk**

The Property Appraiser has no specific investment policy regarding interest rate risk.

**NOTE 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 acquisition 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 financial statements. However, depreciation expense is recorded in the basic financial statements of the County.

**NOTE 5 LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of the Board:

	October 1, 2020	Additions	Retirements	September 30, 2021
Accrued Compensated Absences	\$ 648,865	\$ 477,861	\$ (500,712)	\$ 626,014

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

Substantially all the balance outstanding at September 30, 2021 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 Property Appraiser since they have not matured.

**NOTE 6 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. An annual comprehensive 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](http://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.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLAN (CONTINUED)**

**Florida Retirement System Pension Plan (FRS Plan) (Continued)**

***Plan Description (Continued)***

- *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.

***Benefits Provided***

Benefits under the FRS Plan are computed based on 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  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLAN (CONTINUED)**

**Florida Retirement System Pension Plan (FRS Plan) (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% 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. 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.

**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 June 30, 2021, 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 Annual Comprehensive Financial Report.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 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.

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% 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 one 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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, 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 lumpsum 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***

The Property Appraiser's contributions excluding employee contributions to the pension plans totaled \$783,679 for the year ended September 30, 2021. The Property Appraiser contributed 100% of the required contributions.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Property Appraiser provides postretirement healthcare benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Property Appraiser. The Property Appraiser pays 50% of the premium cost for the retiree to participate in the Board's self-insurance fund. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**NOTE 8 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. No contributions were made during the year ended September 30, 2021.

**NOTE 9 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, 2021, the Property Appraiser paid \$1,885,105 to the Board of County Commissioners for health, life, dental and disability coverage 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, 2021.

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.

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 10 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**



**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 Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

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 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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Property Appraiser, and have issued our report thereon dated December 10, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 that we consider to be a material weakness.

Honorable Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

### **Compliance and Other Matters**

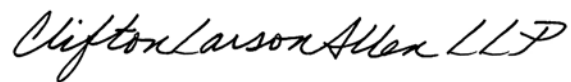
As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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*.

### **Property Appraiser's Response to Findings**

The Property Appraiser's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Property Appraiser's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 10, 2021

**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2021**

**2021-001 Audit Adjustments**

**Type of Finding:** Material weakness in internal control over financial reporting.

**Criteria or specific requirement:** The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Property Appraiser's ability to ensure financial transactions are authorized and accurate. The Property Appraiser's management is responsible for establishing and maintaining internal controls for the proper recording of all transactions in the financial statements.

**Condition:** The Property Appraiser overstated cash and accrued liabilities in an amount of \$185,917 and \$26,142 in General Fund and GIS Fund, respectively, and for a payment that had already been executed at year-end. As a result, an audit adjustment was recorded by management to correct the financial statements.

**Cause:** The Property Appraiser's internal controls failed to detect or prevent the error.

**Effect:** The amounts reported in the year-end financial statements were misstated and an audit correction was required to adjust the balance sheet in the General Fund and GIS Fund.

**Recommendation:** We recommend the Property Appraiser review policies and procedures for reviewing year-end accruals to ensure that only transactions that have not yet cleared the bank at year-end be accrued.

**View of responsible officials and planned corrective actions:** See management's response on the following page.



**LEE COUNTY, FLORIDA  
PROPERTY APPRAISER  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2021**



STATE OF FLORIDA  
**LEE COUNTY PROPERTY APPRAISER**  
MATTHEW H. CALDWELL

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**Physical Address:**  
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Fort Myers, Florida 33901-3074  
**Website:** [www.lscpa.org](http://www.lscpa.org)



January 3, 2022


Clifton, Larson, Allen LLP

Re: Response to Schedule of Findings and Responses  
Financial Statements, Year End September 30, 2021

The Lee County Property Appraiser acknowledges CLA's findings of overstated cash and accrued liabilities in the amount of \$185,917 and \$26,142, in the general fund and GIS fund respectively. The error occurred as a result of the first payroll and the first day of the new fiscal year falling on the same date.

October 1, 2021 was the first day of the new fiscal year (2021-22), and was also the first bi-weekly pay date of the new fiscal year. ADP processed the payroll sweep from the general and GIS funds (cash) on September 30, 2021 to cover the payroll liabilities (direct deposits and taxes). The funds were expensed effective October 1, 2021 for budgetary purposes; however, the trial balance did not accurately reflect the cash reduction due to the erroneous classification of the funds withdrawn on the bank statements. The payments withdrawn on September 30, 2021 were erroneously classified as accrued wages and cash in transit.

Corrective Action: Jennifer Laufenberg, Administrative Services Director and Paula Placher, Accounting Specialist have reviewed the circumstances and standard operating procedures (SOP) for reviewing year-end accruals, cash transactions, and accrued wages entries. This was a fairly unique calendar event that hadn't happened in the past; we've also looked forward in the calendar and it's also not expected to happen on the calendar in the near future either. To ensure that future staff look for this event, the SOP for accrued wages at fiscal year-end has been updated to include the above circumstances to highlight the difference between accrued wages and wages expense, and the appropriate entries for each.

  
Jennifer Laufenberg  
Administrative Services Director

  
Matthew H. Caldwell  
Lee County Property Appraiser



## MANAGEMENT LETTER

Honorable Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

### Report on the Financial Statements

We have audited the financial statements of each major fund of the Lee County, Florida, Property Appraisers' (the Property Appraiser) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated December 10, 2021.

### Auditor's Responsibility

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.

### 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 10, 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. There were no findings or recommendations made in the preceding annual financial audit.

### 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.

Honorable Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

### **Financial Management**

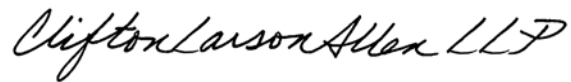
Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **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 Property Appraiser 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 10, 2021



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Matthew H. Caldwell  
Property Appraiser  
Lee County, Florida

We have examined the Lee County, Florida, Property Appraisers' (the Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser 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 Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the Property Appraiser 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 10, 2021

**LEE COUNTY, FLORIDA  
SHERIFF  
FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2021**



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**LEE COUNTY, FLORIDA, SHERIFF  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Carmine Marceno  
Sheriff  
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 Lee County, Florida, Sheriff (Sheriff), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff'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 the 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 auditor's 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.

The Honorable Carmine Marceno  
Sheriff  
Lee County, Florida

### ***Opinions***

In our opinion, the 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, 2021, and the respective changes in financial position, and where applicable, cash flows and the budgetary comparison thereof 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 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 that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Lee County as of September 30, 2021, 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.

As described in Note 12, the Sheriff corrected errors related to self-insurance claims payable and revenue recognition. As a result of the error, the Sheriff reported a restatement of net position and fund balance, respectively, for the corrections. Our auditors' opinion was not modified with respect to the restatements.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

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.



The Honorable Carmine Marceno  
Sheriff  
Lee County, Florida

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2022, 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 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 Sheriff'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 Sheriff's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
January 28, 2022

## **FINANCIAL STATEMENTS**

**LEE COUNTY, FLORIDA, SHERIFF  
BALANCE SHEET – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2021**

	<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>
<b>ASSETS</b>						
Cash	\$ 10,775,679	\$ 500	\$ -	\$ 2,000,862	\$ 313,818	\$ 13,090,859
Receivables	32,174	-	195,478	388,652	-	616,304
Due from Other Funds	867,612	-	-	-	-	867,612
Due from Lee County, Florida, Board of County Commissioners	-	1,191,186	74,811	-	-	1,265,997
Due from Other Governmental Units	-	104,142	-	-	-	104,142
	<u>11,675,465</u>	<u>1,295,828</u>	<u>270,289</u>	<u>2,389,514</u>	<u>313,818</u>	<u>15,944,914</u>
Total Assets	<u>\$ 11,675,465</u>	<u>\$ 1,295,828</u>	<u>\$ 270,289</u>	<u>\$ 2,389,514</u>	<u>\$ 313,818</u>	<u>\$ 15,944,914</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Contracts, Claims, and Accounts Payable	\$ 4,548,641	\$ 18,535	\$ -	\$ 94,114	\$ -	\$ 4,661,290
Accrued Liabilities	4,307,942	-	111,758	-	-	4,419,700
Due to Other Funds	-	709,081	158,531	-	-	867,612
Due to Other Governmental Units	33,627	-	-	-	5,000	38,627
Due to Lee County, Florida, Board of County Commissioners	2,354,833	-	-	-	308,818	2,663,651
Due to Individuals	430,422	-	-	-	-	430,422
Unearned Revenue	-	322,177	-	-	-	322,177
Total Liabilities	<u>11,675,465</u>	<u>1,049,793</u>	<u>270,289</u>	<u>94,114</u>	<u>313,818</u>	<u>13,403,479</u>
<b>FUND BALANCE</b>						
Restricted for:						
Inmate Welfare	-	-	-	2,295,400	-	2,295,400
Public Safety	-	246,035	-	-	-	246,035
Unassigned	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>246,035</u>	<u>-</u>	<u>2,295,400</u>	<u>-</u>	<u>2,541,435</u>
Total Liabilities and Fund Balance	<u>\$ 11,675,465</u>	<u>\$ 1,295,828</u>	<u>\$ 270,289</u>	<u>\$ 2,389,514</u>	<u>\$ 313,818</u>	<u>\$ 15,944,914</u>

**LEE COUNTY, FLORIDA, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUND  
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Grants Fund	Off-Duty Detail Fund	Canteen Fund	Forfeitures Fund	Total
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 11,750,953	\$ -	\$ -	\$ 9,157	\$ 11,760,110
Charges for Services	1,201,710	65,045	3,808,666	3,168,486	-	8,243,907
Fines and Forfeits	-	-	-	-	-	-
Investment Earnings	6,595	-	-	-	-	6,595
Miscellaneous Revenues	-	196,757	-	-	-	196,757
Total Revenues	<u>1,208,305</u>	<u>12,012,755</u>	<u>3,808,666</u>	<u>3,168,486</u>	<u>9,157</u>	<u>20,207,369</u>
<b>EXPENDITURES</b>						
General Government	8,652,849	-	-	-	-	8,652,849
Public Safety	180,390,402	12,159,581	3,489,457	2,705,198	9,157	198,753,795
Debt Service:						
Principal Retirement	4,310,958	-	-	-	-	4,310,958
Interest and Fiscal Charges	429,759	-	-	-	-	429,759
Capital Outlay	10,487,389	217,113	319,209	-	-	11,023,711
Total Expenditures	<u>204,271,357</u>	<u>12,376,694</u>	<u>3,808,666</u>	<u>2,705,198</u>	<u>9,157</u>	<u>223,171,072</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(203,063,052)	(363,939)	-	463,288	-	(202,963,703)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Sale	556,530	-	-	-	-	556,530
Lee County, Florida, BOCC appropriations	204,845,057	395,000	-	-	-	205,240,057
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	(2,338,535)	-	-	-	-	(2,338,535)
Total Other Financing Sources (Uses)	<u>203,063,052</u>	<u>395,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,458,052</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	31,061	-	463,288	-	494,349
Fund Balance - Beginning of Year, as restated	-	214,974	-	1,832,112	-	2,047,086
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 246,035</u>	<u>\$ -</u>	<u>\$ 2,295,400</u>	<u>\$ -</u>	<u>\$ 2,541,435</u>

**LEE COUNTY, FLORIDA, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 1,201,710	\$ 1,201,710	\$ -
Investment Earnings	-	6,595	6,595	-
Total Revenues	<u>-</u>	<u>1,208,305</u>	<u>1,208,305</u>	<u>-</u>
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	9,199,067	8,520,724	8,462,965	(57,759)
Operating	240,508	214,460	189,884	(24,576)
Public Safety:				
Personnel Services	148,657,301	144,825,327	143,687,116	(1,138,211)
Operating	38,491,177	37,583,974	36,703,286	(880,688)
Debt Service	567,193	4,740,717	4,740,717	-
Capital Outlay	700,000	10,724,690	10,487,389	(237,301)
Total Expenditures	<u>197,855,246</u>	<u>206,609,892</u>	<u>204,271,357</u>	<u>(2,338,535)</u>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(197,855,246)	(205,401,587)	(203,063,052)	2,338,535
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	-	556,530	556,530	-
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	-	-	(2,338,535)	(2,338,535)
Lee County, Florida, Board of County Commissioners Appropriations	197,855,246	204,845,057	204,845,057	-
Total Other Financing Sources (Uses)	<u>197,855,246</u>	<u>205,401,587</u>	<u>203,063,052</u>	<u>(2,338,535)</u>
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LEE COUNTY, FLORIDA, SHERIFF  
STATEMENT OF NET POSITION –  
INTERNAL SERVICE FUND  
SEPTEMBER 30, 2021**

**ASSETS**

Assets:

Cash

\$ 25,044,167

Total Current Assets

\$ 25,044,167

**LIABILITIES**

Liabilities:

Accounts Payable

\$ 143,025

Self-Insurance Claims Payable

2,362,922

Total Current Liabilities

2,505,947

**NET POSITION**

Unrestricted

22,538,220

Total Net Position

\$ 22,538,220

*See accompanying Notes to Financial Statements.*

**LEE COUNTY, FLORIDA, SHERIFF  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION – INTERNAL SERVICE FUND  
YEAR ENDED SEPTEMBER 30, 2021**

<b>OPERATING REVENUES</b>	
Charges for Services	\$ 40,543,779
<b>OPERATING EXPENSES</b>	
Claims and Claims Expenses	29,412,632
Reinsurance Premiums	3,005,511
Contractual Services and Expense	1,313,217
Operating Expenses	166,403
Medical, Pharmacy Supplies/Dispensing	155,040
Administrative and Other Expenses	1,327,862
Total Operating Expenses	<u>35,380,665</u>
<b>OPERATING INCOME</b>	5,163,114
<b>NONOPERATING REVENUES</b>	
Interest Income and Other	<u>4,453</u>
<b>CHANGE IN NET POSITION</b>	5,167,567
Net Position - Beginning of Year, As Restated	<u>17,370,653</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 22,538,220</u></u>

*See accompanying Notes to Financial Statements.*

**LEE COUNTY, FLORIDA, SHERIFF  
STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND  
YEAR ENDED SEPTEMBER 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Payments for Claims and Claim-Related Services	\$ (29,268,741)
Cash Payments for Reinsurance Premiums	(3,005,511)
Cash Payments for Administrative Services and Supplies	(1,327,862)
Cash Paid for Contractual Services, Operating Supplies, and Expenses	(1,634,660)
Cash Received from Other Funds for Services	<u>40,543,779</u>
Net Cash Provided by Operating Activities	<u>5,307,005</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Income and Other	<u>4,453</u>
Net Cash Provided by Investing Activities	<u>4,453</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

5,311,458

Cash and Cash Equivalents - Beginning of Year

19,732,709

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 25,044,167

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 5,163,114
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Self-Insurance Claims Payable	148,702
Decrease in Accounts Payable	<u>(4,811)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 5,307,005</u></u>

*See accompanying Notes to Financial Statements.*



**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Lee County, Florida, Sheriff (Sheriff) is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, *Florida Statutes*, the Sheriff's budget is submitted to the Lee County, Florida, Board of County Commissioners (Board) for approval. The Sheriff is the chief law enforcement officer of Lee County, Florida (County) and is responsible also for operating the County's corrections and detention facilities.

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The financial statements include the general fund, special revenue funds, proprietary fund (Internal Service Fund) and custodial funds of the Sheriff'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*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Lee County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial positions and results of operations of Lee County, Florida in conformity with accounting principles generally accepted in the United States of America. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, requires the Sheriff to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Sheriff as of September 30, 2021 and the changes in its financial position and its cash flows, where applicable, for the year then ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

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, Annual Comprehensive 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, annually; therefore, no unappropriated general fund balance is carried forward.

The 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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.

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 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.

Substantially all the Sheriff's revenue is appropriated by the Board. In applying the susceptible to accrual concept to intergovernmental revenue, there are essentially two types of revenue. In one, money 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. In the other, money is virtually unrestricted and is 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.

Other revenue is recognized as earned and becomes measurable and available to pay liabilities of the current period.

*Florida Statutes* provide that the amount by which revenues and transfers exceed annual expenditures 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 distribution is recorded as a liability and as another financing use in the accompanying financial statements.

Capital outlays expended in the governmental fund operations are capitalized in the basic financial statements of the County rather than in the financial statements of the Sheriff.

The Sheriff has five major governmental funds:

*General Fund* – This fund is used to account for the general operations of the Sheriff and includes all transactions which are not accounted for in another fund.

*Grants Special Revenue Fund* – This fund is used to account for grants, donations, and miscellaneous revenues from other agencies intended to be used for specific purposes.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds (Continued)**

*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 specific revenue sources 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.

**Proprietary Fund**

*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 nonoperating income.

**Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties. Due to the implementation of Government Accounting Standards Board (GASB) Statement 84 *Fiduciary Activities*, funds previously reported in the fiduciary funds are now reported in the general fund effective for the fiscal year ending September 30, 2021.

**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.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 financial statements of the Sheriff but, rather, is reported in the basic financial statements of the County.

**Use of Estimates**

The preparation of these 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 financial statements and accompanying notes. Actual results could differ from those estimates.

**Fund Balance Reporting and Governmental Fund Type Definitions**

Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent.

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff did not have any non-spendable fund balances as of September 30, 2021.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned, and unassigned. The Sheriff's fund balances for the Grant Special Revenue Fund, and Canteen Fund fall into this category.

Fund balance maintained in the Canteen Fund are constrained for specific purposes that are externally imposed by donors, grantors, laws, or regulations or imposed by law through constitutional provisions or enabling legislation, and reported as restricted fund balance.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 2 BUDGETARY PROCESS**

Florida Statutes 30.49 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 is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except that the proceeds from leases and the related capital outlay are not budgeted and certain expenditures for long-term projects which are reimbursed by the Board are also not budgeted. Any subsequent amendments 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. Budgetary control is maintained at the departmental major object expenditure level. Budgetary changes within the major object expenditure categories are made at the discretion of the Sheriff.

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.

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 legally authorized changes applicable to the fiscal year, whenever legally authorized.

**NOTE 3 CASH**

At September 30, 2021, the carrying value of the Sheriff's cash was as follows:

<u>Type</u>	<u>Carrying Value</u>	<u>Credit Rating</u>
Cash on Hand	\$ 3,000	N/A
Demand Deposits	38,132,026	N/A
Total Cash	<u>\$ 38,135,026</u>	

*Custodial Credit Risk*

At September 30, 2021, the Sheriff's demand 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 government entity for the loss.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 3 CASH (CONTINUED)**

*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.

*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, 2021 or during the year ended September 30, 2021.

**NOTE 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 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 acquisition 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 financial statements. However, depreciation expense for these assets is recorded in the basic financial statements of the County.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in capital assets which are reported in the basic financial statements of the County:

	Balance October 1, 2020	Additions Adjustments	Deletions	Balance September 30, 2021
<b>Governmental Activities</b>				
Capital Assets Depreciated:				
Machinery and Equipment	\$ 83,237,651	\$ 11,082,370	\$ (14,628,315)	\$ 79,691,706
Total Capital Assets Depreciated	83,237,651	11,082,370	(14,628,315)	79,691,706
Less: Accumulated Depreciation:				
Machinery and Equipment	(48,734,092)	(8,247,333)	14,114,135	(42,867,290)
Total Accumulated Depreciation	(48,734,092)	(8,247,333)	14,114,135	(42,867,290)
Total Depreciable Capital Assets, Net	34,503,559	2,835,037	(514,180)	36,824,416
Total Governmental Activities Capital Assets, Net	\$ 34,503,559	\$ 2,835,037	\$ (514,180)	\$ 36,824,416

**NOTE 5 CHANGES IN LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of Lee County, Florida:

	Balance October 1, 2020	Additions	Retirements/ Adjustments	Balance September 30, 2021
<b>Governmental Activities</b>				
Capital Leases	\$ 12,066,000	\$ -	\$ (4,310,957)	\$ 7,755,043
Compensated Absences	15,844,388	9,013,738	(8,399,102)	16,459,024
Total	\$ 27,910,388	\$ 9,013,738	\$ (12,710,059)	\$ 24,214,067

Of these liabilities, approximately 40% of compensated absences is expected to be paid during the fiscal year ending September 30, 2022. These long-term liabilities are not reported in the financial statements of the Sheriff since they have not matured.

The following is a summary of the long-term obligations at September 30, 2021:

<u>Description</u>	<u>Amount</u>
\$7,755,043 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.	\$ 7,755,043
Total	\$ 7,755,043

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 5 CHANGES IN LONG-TERM OBLIGATION (CONTINUED)**

The annual debt service requirements at September 30, 2021 were as follows:

<u>Year Ending September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payments</u>
2022	\$ 1,213,443	\$ 195,427	\$ 1,408,870
2023	1,244,021	164,848	1,408,869
2024	1,275,371	133,499	1,408,870
2025	1,307,510	101,360	1,408,870
2026	1,340,459	68,410	1,408,869
2027	1,374,239	34,631	1,408,870
Total	<u>\$ 7,755,043</u>	<u>\$ 698,175</u>	<u>\$ 8,453,218</u>

Interest expenditures for the year ended September 30, 2021 were \$429,759.

Equipment and related accumulated depreciation under capital leases is as follows:

Equipment	\$ 12,643,694
Less: accumulated depreciation	<u>(2,883,651)</u>
Net Value	<u>\$ 9,760,043</u>

**NOTE 6 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. An annual comprehensive 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](http://www.dms.myflorida.com)).



**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 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.
- *Renewed Membership Class* – Members who retired from July 1, 1991 through June 30, 2010 and are reemployed in a regularly established position with a covered employer, upon vesting again, are eligible for an additional retirement benefit based on service as a renewed member. Retirees of the FRS Investment Plan who are employed on or after July 1, 2017 are eligible for renewed membership in the Investment Plan.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight 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, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (FRS Plan) (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.

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% 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. 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, 2021, 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.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**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. 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% 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 one 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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, 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 lumpsum 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Defined Contribution Plan (Continued)**

The Sheriff's contributions, excluding employee contributions, to the defined-contribution pension plan totaled \$20,132,175 for the year ended September 30, 2021, including HIS plan contributions. The Sheriff contributed 100% of the required contributions. Employee contributions to the defined-benefit pension plan totaled \$2,688,473 for the year ended September 30, 2021.

**NOTE 7 OTHER POST EMPLOYMENT BENEFITS**

The Sheriff follows the provisions of GASB Statement No 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for its other postemployment benefits (OPEB). The liability, expense, deferred outflows of resources and deferred inflows of resources for OPEB, calculated in accordance with GASB Statement No. 75, are reported in the financial statements of the County.

**Plan Description**

The Sheriff provides postretirement healthcare benefits in accordance with Section 112.0801, Florida Statutes 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, 2021, 491 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.

**Participant Data**

At September 30, 2021, the Sheriff's plan participation consisted of:

Active employees	1,571
Inactive employees or beneficiaries currently receiving benefit payments	491

**Funding Policy**

The Sheriff has the authority to establish and amend funding policy. The OPEB plan is currently being funded on a pay as you go basis. No trust or agency fund has been established for the plan.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 7 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability**

The Sheriff's OPEB liability of \$252,808,831 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020. The following table shows the changes in the Sheriff's total OPEB liability for the year ended September 30, 2021.

	Liability
Balance, as of October 1, 2019	\$ 302,839,158
Changes:	
Service Cost	9,815,772
Interest	8,527,224
Differenced Between Expected and Actual Experience	9,583,278
Changes in Assumptions or Other Inputs	(72,808,506)
Benefit Payments	(5,148,095)
Net Changes	(50,030,327)
Balance, as of September 30, 2020	\$ 252,808,831

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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 1.41%	Discount Rate 2.41%	1% Increase 3.41%
Total OPEB Liability	\$ 293,761,871	\$ 252,808,831	\$ 214,722,522

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 health care cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trends.

	Health Care Rate Sensitivity		
	Current Health Care Cost Trend Rate Assumption		
	1% Decrease	Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 203,645,668	\$ 252,808,831	\$ 312,139,537

**Deferred Outflows and Inflows of Resources Related to OPEB**

For the year ended September 30, 2021, the Sheriff's OPEB expense was \$12,859,391. In addition the Sheriff reported deferred outflow of resources and deferred inflow of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 11,711,717	\$ -
Changes in Assumptions and Other Inputs	58,306,036	122,277,362
Benefits Paid after the Measurement Date	5,495,613	-
Total	\$ 75,513,366	\$ 122,277,362



**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 7 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions (Continued)**

The following changes have been made since the prior year valuation:

- The discount rate was changed from 2.75% to 2.41%
- The rate of inflation was revised from 2.5% to 2.25%

**NOTE 8 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, 2021, the Sheriff paid premiums of \$5,560,242 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 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, 2021, 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. Settled claims have not exceeded the stop-loss coverage in any of the past three years.

The Sheriff's Office uses a Third-Party Administrator (TPA) CIGNA to administer and pay claims for the health plan.

Changes in the balance of estimated self-insurance claims payable for the fiscal years ended September 30 are as follows:

Year Ended	Balance October 1, as restated	Additions	Claim Payments	Balance September 30, as restated
2021	\$ 2,214,220	\$ 29,754,579	\$ 29,605,877	\$ 2,362,922
2020	1,781,127	28,438,438	28,005,345	2,214,220

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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 \$422,165 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.

**NOTE 9 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, 2021 was \$529,016.

The Sheriff, also, leases certain equipment under multi-year noncancellable operating leases. Rent expense under these noncancellable operating leases was \$211,809 for the year ended September 30, 2021.

Future minimum lease payments at September 30 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 291,545
2023	267,583
2024	112,033
2025	62,701
2026	38,982
Total	<u>\$ 772,844</u>

**NOTE 10 COMMITMENTS AND CONTIGENCIES**

**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, 2024, 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 \$668,345, \$691,513, and \$715,829 per month through September 30, 2022, 2023, and 2024, respectively.



**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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, 2021, the Sheriff paid \$11,237,842 for inmate medical services and \$2,720,658 for food service at its corrections and detention facilities.

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.

**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 8.

**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.

**NOTE 11 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. The Sheriff did not make employer contributions during the year ended September 30, 2021.

**LEE COUNTY, FLORIDA, SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 12 RESTATEMENTS**

The Sheriff has restated the financial statements as a result of corrections of errors related to revenue recognition in the grants fund and self-insurance claims payable in the internal service fund. The effect of this restatement adjusted beginning fund balance in the grants fund and beginning net position for the internal service fund as follows:

**Grants Fund**

Fund Balance, September 30, 2020 as Previously Reported	\$ -
Correction of Error	<u>214,974</u>
Fund Balance, September 30, 2020 as Restated	<u>\$ 214,974</u>

**Internal Service Fund**

Net Position, September 30, 2020 as Previously Reported	\$ 15,255,863
Correction of Error	<u>2,114,790</u>
Net Position, September 30, 2020 as Restated	<u>\$ 17,370,653</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**LEE COUNTY, FLORIDA, SHERIFF  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
SEPTEMBER 30, 2021**

	<u>2020</u>	<u>2019</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB Liability, as of Measurement Date</b>					
Service Cost	\$ 9,815,772	\$ 7,313,259	\$ 9,900,653	\$ 10,833,849	\$ 8,466,020
Interest	8,527,224	9,372,912	10,022,898	9,023,558	9,205,476
Differences between Expected and Actual Experience	9,583,278	-	4,210,799	-	-
Changes in Assumptions or Other Inputs	(72,808,506)	51,094,419	(58,471,288)	(22,770,911)	31,575,012
Benefit Payments	<u>(5,148,095)</u>	<u>(4,703,447)</u>	<u>(4,737,788)</u>	<u>(4,606,828)</u>	<u>(5,098,879)</u>
Net Change in Total OPEB Liability	(50,030,327)	63,077,143	(39,074,726)	(7,520,332)	44,147,629
Total OPEB Liability, Beginning	302,839,158	239,762,015	278,836,741	286,357,073	242,209,444
Total OPEB Liability, Ending	252,808,831	302,839,158	239,762,015	278,836,741	286,357,073
Covered-Employee Payroll	89,930,297	60,396,265	65,943,371	68,225,885	66,951,582
Total OPEB Liability as a Percentage of Covered-Employee Payroll	281.12%	501.42%	363.59%	408.70%	427.71%

**Notes to Schedule**

*Changes in Assumptions:*

The discount rate was changed from 2.75% as of the previous measurement date to 2.41% as of September 30, 2020.

An anti-selection load of 10% was added to the per capita costs of retirees who are not eligible for direct subsidy.

The healthcare cost trend assumption was revised to reflect the removal of the additional trend to model the excise ("Cadillac") tax as a result of the repeal of the excise tax in December 2019.

Assumed ultimate rate of inflation was revised from 2.5% to 2.25% and the healthcare cost trend assumption was revised to reflect that change.

Changes in demographic assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period 2013 through 2018 and adopted for its July 1, 2020 valuation. For more information regarding these rates, refer to the July 1, 2020 actuarial valuation report of the Florida Retirement System.

- Rates of retirement
- Rates of withdrawal
- Rates of mortality
- Rates of disability

## **ADDITIONAL REPORTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Carmine Marceno  
Sheriff  
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 Lee County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated January 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sheriff'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

The Honorable Carmine Marceno  
Sheriff, Lee County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the '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*.

### **The Sheriff's Response to Finding**

The Sheriff's response to the finding identified in our audit is described in the accompanying schedule of findings. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
January 28, 2022

**LEE COUNTY, FLORIDA, SHERIFF  
SCHEDULE OF FINDINGS  
SEPTEMBER 30, 2021**

**2021-001: Audit Adjustment**

**Type of Findings:** Material weakness over financial reporting

**Condition:** As part of the audit, we proposed audit adjustments to correct beginning fund balance in the grants fund and net position in the self-insurance fund as a result of amounts reported incorrectly in the prior period that were detected during our audit. The grants fund beginning fund balance was understated as result of the Sheriff not recognizing contribution revenue properly in the year of receipt. The self-insurance fund beginning net position was understated as result of the Sheriff reporting an incorrect amount as a claims liability at year-end. As such, audit adjustments were made by the Sheriff to correct the financial statements.

**Criteria or specific requirement:** The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Sheriff's ability to ensure financial transactions are authorized and accurate. Authority management is responsible for establishing and maintaining internal controls for the proper recording of all the Sheriff's transactions in the financial statements.

**Effect:** The Sheriff's financial records were misstated and we proposed adjusting entries to management to correct the financial statements. The proposed audit adjustments were recorded by management to correct the financial statements.

**Cause:** The Sheriff's internal controls over financial reporting did not detect or prevent the errors.

**Recommendation:** We recommend that management enhance its review over the financial statements and supporting schedules to ensure the information is accurately presented.

**Views of responsible officials and corrective actions:** The financial reporting of the grant fund has been the same for many years. The amount of the fund balance was reported correctly in the general ledger, but incorrectly classified as unearned revenue on the financial statements. Due to GASB 33, the correct classification of revenue will be used going forward.

Each fiscal year for ten years, an estimated claims liability amount was provided by a reputable independent third party to the Finance Director. This amount was deemed a reasonable estimate of the IBNR and recorded as such. As identified by the current auditor, the estimate that was provided for ten years by the independent third party was not the claims liability estimate but rather an estimated reserve amount. This reserve amount was overstated in comparison to the estimated amount provided by the actuary. At the direction of the auditor, the Human Resources Director will request the estimated actuarial report each fiscal year end. This report shall be reviewed and then provided to the Finance Director to record.





## MANAGEMENT LETTER

The Honorable Carmine Marceno  
Sheriff  
Lee County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Lee County, Florida Sheriff (Sheriff), as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated January 28, 2022.

### Auditors' Responsibility

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; 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; and our 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 January 28, 2022, 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. There were no findings or recommendations made in the preceding annual 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. See Note 1 in the notes to the financial statements.

The Honorable Carmine Marceno  
Sheriff, Lee County, Florida

**Financial Management**

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.

**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 have 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, and the Sheriff 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  
January 28, 2022



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Carmine Marceno  
Sheriff  
Lee County, Florida

We have examined the Lee County, Florida Sheriff's (Sheriff) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the Sheriff's compliance with those specified requirements. Our responsibility is to express an opinion on the Sheriff'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 Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff 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 Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the Sheriff 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  
January 28, 2022

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2021**



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LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS

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## INDEPENDENT AUDITORS' REPORT

Honorable Tommy Doyle  
Supervisor of Elections  
Lee County, Florida

### **Report on the Financial Statements**

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 an opinion 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 opinion.

Honorable Tommy Doyle  
Supervisor of Elections  
Lee County, Florida

***Opinion***

In our opinion, the 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, 2021, and the changes in financial position and budgetary comparison of its general 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, only for that portion of the major funds of Lee County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2021, 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***

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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, 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 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 Supervisor of Elections' 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.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 7, 2021

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2021**

**ASSETS**

Cash	\$ 1,835,983
Due from the Board of County Commissioners	<u>954</u>
Total Assets	<u><u>\$ 1,836,937</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 171,946
Accrued Liabilities	142,644
Due to the Board of County Commissioners	<u>1,522,347</u>
Total liabilities	<u>1,836,937</u>

**FUND BALANCE**

	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,836,937</u></u>

*See accompanying Notes to Financial Statements.*



**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2021**

**REVENUES**

Charges for Services	\$ 47,264
Intergovernmental	386,226
Miscellaneous Revenue	43,022
Total Revenues	<u>476,512</u>

**EXPENDITURES**

General Government:	
Personnel Services	5,162,498
Operating Expenditures	2,760,218
Capital Outlay	187,136
Total Expenditures	<u>8,109,852</u>

Excess of Expenditures Over Revenues (7,633,340)

**OTHER FINANCING SOURCES (USES)**

Lee County, Florida, Board of County Commissioners Appropriations	9,169,409
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	<u>(1,536,069)</u>
Total Other Financing Sources	<u>7,633,340</u>

**NET CHANGE IN FUND BALANCE**

Fund Balance – Beginning of Year -

**FUND BALANCE - END OF YEAR** \$ -

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 47,264	\$ 47,264
Intergovernmental	-	-	386,226	386,226
Miscellaneous Revenue	-	-	43,022	43,022
Total Revenues	<u>-</u>	<u>-</u>	<u>476,512</u>	<u>476,512</u>
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	5,309,183	5,309,183	5,162,498	146,685
Operating Expenditures	3,850,326	3,850,326	2,760,218	1,090,108
Capital Outlay	9,900	9,900	187,136	(177,236)
Total Expenditures	<u>9,169,409</u>	<u>9,169,409</u>	<u>8,109,852</u>	<u>1,059,557</u>
Excess of Expenditures Over Revenues	(9,169,409)	(9,169,409)	(7,633,340)	1,536,069
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Lee County, Florida, Board of County Commissioners Appropriations	9,169,409	9,169,409	9,169,409	-
Transfers out:				
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	-	-	(1,536,069)	(1,536,069)
Total Other Financing Sources	<u>9,169,409</u>	<u>9,169,409</u>	<u>7,633,340</u>	<u>(1,536,069)</u>
Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	-	-	-	-
Fund Balance – Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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 annual comprehensive financial report (ACFR). 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 financial statements presented include the general fund of the Supervisor of Elections. The accompanying financial statements have been 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, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of Lee County, Florida that are attributable to the Supervisor of Elections. 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.

The financial activities of the Supervisor of Elections, as a constitutional officer, are included in the Lee County, Florida, Annual Comprehensive 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 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 Supervisor of Elections.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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 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 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**

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.

**Compensated Absences**

Effective September 2021, the Supervisor of Elections modified its policy related to compensated absences. Under the new policy, certain employees may utilize discretionary time off. This benefit is not accrued by employees but rather available for use within specified limitations as defined by internal personnel policies.

Employees who are not eligible for discretionary time off accrue annual and sick leave benefits. 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 liability for compensated absences is not reported in the financial statements of the Supervisor of Elections, but rather is reported in the basic financial statements of the County.

**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 financial statements and accompanying notes. Actual results could differ from those estimates.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 2 BUDGETARY PROCESS**

Florida Statutes Chapter 129.201 governs 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. Distributions of excess appropriations are not considered expenditures. 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.

**NOTE 3 CASH**

At September 30, 2021, the carrying value of the Supervisor of Elections' cash was as follows:

Type	Carrying Value	Credit Rating
Cash:		
Cash on Hand	\$ 200	N/A
Demand Deposits	1,835,783	N/A
Total Cash	<u>\$ 1,835,983</u>	

**Custodial Credit Risk**

At September 30, 2021, 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.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 3 CASH (CONTINUED)**

**Credit 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 investment in Florida PRIME (formerly 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 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. The pool is administered by the State Treasurer, who may make additional assessments to ensure that no public funds will be lost.

**Interest Rate Risk**

There is no specific policy regarding interest rate risk. The Supervisor of Elections held no such investments at September 30, 2021.

**NOTE 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 acquisition cost or estimated acquisition cost if actual acquisition cost is not available. Donated capital assets are valued at their estimated acquisition cost 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.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 5 LONG-TERM LIABILITIES**

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. These long-term liabilities are not reported in the financial statements of the Supervisor of Elections since they have not matured.

	October 1, 2020	Additions	Retirements	September 30, 2021
Accrued Compensated Absences	\$ 236,115	\$ 366,889	\$ (513,789)	\$ 89,215

**NOTE 6 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 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](http://www.dms.myflorida.com)).

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 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  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (FRS Plan) (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.

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 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, 2021, 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.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (HIS) (Continued)**

**Benefits Provided (Continued)**

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.

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. Nonvested 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, 2021, 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.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Defined Contribution Plan (Continued)**

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**

The Supervisor of Elections' contributions excluding employee contributions to the defined benefit pension plans totaled \$413,359 for the year ended September 30, 2021. The Supervisor of Elections contributed 100 percent of the required contributions.

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS**

The Supervisor of Elections provides postretirement healthcare benefits in accordance with Section 112.0801, 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. 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 8 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, 2021, the Supervisor of Elections paid \$858,463, including \$79,855 paid by employees and \$778,608 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 liability, property and casualty, and workers' compensation.

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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.

**NOTE 9 CLAIMS AND CONTINGENCIES**

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.

**NOTE 10 LEASE OBLIGATIONS**

The Supervisor of Elections leases certain election related equipment and other support equipment under noncancellable operating leases. Rent expense under noncancellable operating leases was \$71,054 for the year ended September 30, 2021. Future minimum lease payments at September 30, 2021 are as follows:

<u>Year Ending September 30.</u>	<u>Future Minimum Lease Payments</u>
2022	\$ 58,264
2023	49,331
2024	15,493
Total	<u>\$ 123,088</u>

**NOTE 11 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. The Supervisor of Elections made no employer contributions during the year ended September 30, 2021.



**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 Tommy Doyle  
Supervisor of Elections  
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 general fund of the Lee County, Florida Supervisor of Elections, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated December 7, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a significant deficiency.


Honorable Tommy Doyle  
Supervisor of Elections  
Lee County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Supervisor of Elections' 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 results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

### **CliftonLarsonAllen LLP**

Fort Myers, Florida  
December 7, 2021

**LEE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SCHEDULE OF FINDINGS AND RESPONSES**

**2021-001 Documentation of Internal Controls**

**Type of Finding:** Significant deficiency in internal control over financial reporting.

**Criteria:** The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Supervisor of Elections ability to ensure financial transactions are authorized and accurate. The Supervisor of Election's management is responsible for establishing and maintaining internal controls for the proper recording of all transactions and ensuring that documentation of internal control performance exists to properly monitor the performance of internal controls.

**Condition:** The Supervisor of Elections' internal control processes include review and approval of financial transactions and during the audit it was noted that documentation of the review and approval by personnel was not performed or maintained on bank reconciliations and journal entries.

**Cause:** The Supervisor of Elections' policies and procedures over internal controls do not address documentation of internal control performance.

**Effect:** Without documentation of the performance of internal controls, there is no way to monitor the performance of internal controls, which could result in erroneous financial transactions that are not prevented or detected.

**Recommendation:** We recommend that the Supervisor of Elections' personnel establish policies and procedures to document the review and approval of all financial transactions and records. This can be achieved in ways such as documenting each transaction and reconciliation with a physical reviewer signature, or through a weekly or monthly checklist in which a reviewer is documenting review and approval regularly throughout the year.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding. See response at page 22.



## MANAGEMENT LETTER

Honorable Tommy Doyle  
Supervisor of Elections  
Lee County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Lee County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2021, and have issued our report thereon dated December 7, 2021.

### Auditors' Responsibility

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 and Chapter 10.550, Rules of the Florida 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 7, 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 annual 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. See Note 1 in the notes to the financial statements.



Honorable Tommy Doyle  
Supervisor of Elections

**Financial Management**

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 note any such matters.

**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 Supervisor of Elections 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 7, 2021



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Tommy Doyle  
Supervisor of Elections  
Lee County, Florida

We have examined the Lee County, Florida, Supervisor of Elections' (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections 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 Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the Supervisor of Elections 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 7, 2021

**LEE COUNTY, FLORIDA  
TAX COLLECTOR**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2021**



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**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
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## INDEPENDENT AUDITORS' REPORT

Honorable Noelle Branning  
Tax Collector  
Lee County, Florida

### **Report on the Financial Statements**

We have audited the accompanying 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, 2021, and the related notes to the financial statements which collectively comprise the Tax Collector'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 the 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 of America. 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 auditor's 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 Noelle Branning  
Tax Collector  
Lee County, Florida

### ***Opinions***

In our opinion, the 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, 2021, and the changes in financial position 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.

### ***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 the general fund, and the aggregate remaining fund information, only for that portion of the general fund, and the aggregate remaining fund information, of Lee County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2021, 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***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining custodial fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining custodial fund financial 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 custodial fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***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.

Honorable Noelle Branning  
Tax Collector  
Lee County, Florida

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, 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, 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 Tax Collector'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 Tax Collector's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
November 29, 2021

## FINANCIAL STATEMENTS



**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2021**

**ASSETS**

Cash and Cash Equivalents	\$ 3,996,506
Investments	8,021,017
Accounts Receivable	123,047
Due from the Lee County, Florida, Board of County Commissioners	<u>86,571</u>
Total Assets	<u>\$ 12,227,141</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 414,883
Accrued and Other Liabilities	464,871
Due to Other Governmental Units	1,750,028
Due to Lee County, Florida, Board of County Commissioners	<u>9,597,359</u>
Total Liabilities	12,227,141

**FUND BALANCE**

Total Liabilities and Fund Balance	<u>\$ 12,227,141</u>
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*See accompanying Notes to Financial Statements.*

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2021**

**REVENUES**

Commissions and Fees:	
Lee County, Florida, Board of County Commissioners	\$ 20,296,327
Other Governmental Units	5,300,534
Charges for Services	8,799,577
Interest	13,012
Miscellaneous	227,671
Total Revenues	<u>34,637,121</u>

**EXPENDITURES**

General Government:	
Personnel Services	18,120,259
Operating	4,959,896
Capital Outlay	212,465
Total Expenditures	<u>23,292,620</u>

**EXCESS OF REVENUES OVER EXPENDITURES** 11,344,501

**OTHER FINANCING USES**

Distribution of Excess Commissions and Fees to Other Governmental Units	(1,750,028)
Distribution of Excess Commissions and Fees to Lee County, Florida, Board of County Commissioners	(9,594,473)
Total Other Financing Uses	<u>(11,344,501)</u>

**NET CHANGE IN FUND BALANCE** -

Fund Balance - Beginning of Year -

**FUND BALANCE - END OF YEAR** \$ -

*See accompanying Notes to Financial Statements.*

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Commissions and Fees:				
Board of County Commissioners	\$ 19,639,925	\$ 19,639,925	\$ 20,296,327	\$ 656,402
Other Governmental Units	5,241,011	5,241,011	5,300,534	59,523
Charges for Services	8,469,004	8,469,004	8,799,577	330,573
Interest	91,810	91,810	13,012	(78,798)
Miscellaneous	46,867	46,867	227,671	180,804
Total Revenues	<u>33,488,617</u>	<u>33,488,617</u>	<u>34,637,121</u>	<u>1,148,504</u>
<b>EXPENDITURES</b>				
General Government:				
Personnel Services	20,616,866	20,595,366	18,120,259	2,475,107
Operating	6,207,011	6,208,690	4,959,896	1,248,794
Capital Outlay	198,882	218,703	212,465	6,238
Total Expenditures	<u>27,022,759</u>	<u>27,022,759</u>	<u>23,292,620</u>	<u>3,730,139</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	6,465,858	6,465,858	11,344,501	4,878,643
<b>OTHER FINANCING USES</b>				
Distribution of Excess Commissions and Fees to Other Governmental Units	-	-	(1,750,028)	(1,750,028)
Distribution of Excess Commissions and Fees to the Lee County, Florida, Board of County Commissioners	-	-	(9,594,473)	(9,594,473)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(11,344,501)</u>	<u>(11,344,501)</u>
<b>NET CHANGES IN FUND BALANCE</b>	6,465,858	6,465,858	-	(6,465,858)
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,465,858</u>	<u>\$ 6,465,858</u>	<u>\$ -</u>	<u>\$ (6,465,858)</u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2021**

	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 8,390,334
Investments	5,546,540
Accounts Receivable	3,232
Due from Other Governmental Units	549,741
Total Assets	\$ 14,489,847
<b>LIABILITIES</b>	
Due to Individuals	\$ 1,641,557
Due to Other Governmental Units	12,427,548
Due to Lee County, Florida, Board of County Commissioners	420,742
Total Liabilities	14,489,847
<b>FIDUCIARY NET POSITION</b>	<b>\$ -</b>

*See accompanying Notes to Financial Statements.*

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds
<b>ADDITIONS</b>	
Tax Collections for Other Governments	\$ 1,695,959,600
License and Fees Collected for Other Governments	84,752,196
Miscellaneous	131,208
Total Revenues	1,780,843,004
<b>DEDUCTIONS</b>	
Payments of Tax to Other Governments	1,696,090,808
Payments to Other Governments	84,752,196
Total Expenditures	1,780,843,004
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-
Fiduciary Net Position - Beginning of Year	-
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	\$ -

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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 Annual Comprehensive Financial Report (ACFR). 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 financial statements have been 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, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Lee County, Florida that are attributable to the Tax Collector. 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.

The financial activities of the Tax Collector, as a constitutional officer, are included in the Lee County, Florida, Annual Comprehensive 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

NOTE 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 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**

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**

*Custodial Funds* – These funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Custodial funds are accounted for using the accrual basis of accounting. During 2021, the Tax Collector implemented GASB 84 – *Fiduciary Activities* resulting in the Tax Collector presenting a statement of fiduciary net position and statement of changes in Fiduciary Net Position for the custodial funds.

**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, 2021, the Tax Collector held no such investments using such inputs.

LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 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, 2021, 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, 2021, 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 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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% in November, 3% in December, 2% in January, and 1% 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 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 financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 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. Distributions for excess commissions and fees are not considered expenditures. 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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.

**NOTE 3 CASH AND INVESTMENTS**

At September 30, 2021, the carrying values of the Tax Collector's cash and investments were as follows:

<u>Type</u>	<u>Fund Type</u>		<u>Carrying Value Total</u>	<u>Credit Rating</u>
	<u>General</u>	<u>Custodial</u>		
Cash :				
Cash on Hand	\$ 42,950	\$ -	\$ 42,950	N/A
Demand Deposits	3,953,556	8,390,334	12,343,890	N/A
Total Cash	<u>\$ 3,996,506</u>	<u>\$ 8,390,334</u>	<u>\$ 12,386,840</u>	
Investments:				
Florida PRIME	<u>\$ 8,021,017</u>	<u>\$ 5,546,540</u>	<u>\$ 13,567,557</u>	*AAAm

\*Rating by S&P  
N/A – Not Applicable

**Custodial Credit Risk**

At September 30, 2021, Tax Collector's deposits 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.

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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 Florida PRIME 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.

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.

As of September 30, 2021, 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 49 days at September 30, 2021. The weighted average life (WAL) for Florida PRIME at September 30, 2021 was 64 days. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (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.

LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Credit and Interest Rate Risk (Continued)**

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 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, 2021, 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.

**NOTE 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 acquisition 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 financial statements. However, depreciation expense is recorded in the basic financial statements of the County.

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 5 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, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2021</u>
Accrued Compensated Absences	<u>\$ 990,833</u>	<u>\$ 963,536</u>	<u>\$ (1,039,082)</u>	<u>\$ 915,287</u>

Substantially all the balance outstanding as of September 30, 2021 is expected to be paid during the fiscal year ended September 30, 2022. These long-term liabilities are not reported in the financial statements of the Tax Collector since they have not matured.

**NOTE 6 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](http://www.dms.myflorida.com)).

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 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 FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

NOTE 6 PENSION 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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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% 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%. 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 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, 2021, 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.

LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

NOTE 6 PENSION PLANS (CONTINUED)

**Retiree Health Insurance Subsidy Program (HIS) (Continued)**

*Benefits Provided (Continued)*

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% 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 one 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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, 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.



**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Defined Contribution Plan (Continued)**

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**

The Tax Collector's contributions excluding employee contributions to the pension plan totaled \$1,356,652 for the year ended September 30, 2021. The Tax Collector contributed 100% of the required contributions.

**NOTE 7 OTHER POST EMPLOYMENT BENEFITS**

The Tax Collector provides postretirement health care benefits in accordance with Section 112.0801, 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. The liability and expense for other postemployment benefits, calculated in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**NOTE 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. The Tax Collector did not make employer contributions during the year ended September 30, 2021.

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 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 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, 2021, the Tax Collector paid \$4,434,996 including \$225,870 (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.

**NOTE 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.

## **SUPPLEMENTARY INFORMATION**

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
SEPTEMBER 30, 2021**

	Tax Fund	Tax Certificate Fund	Motor Vehicle Fund	Driver License Fund	Hunting and Fishing Fund	Local Business Tax Fund	Birth Certificate Fund	Concealed Weapons Fund	Total Custodial Funds
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 5,690,019	\$ 1,595,969	\$ 740,410	\$ 100,425	\$ 2,017	\$ 245,899	\$ 56	\$ 15,539	\$ 8,390,334
Investments	4,947,200	381,914	63,348	-	-	154,078	-	-	5,546,540
Accounts Receivable	-	-	2,540	692	-	-	-	-	3,232
Due from Other Governmental Units	549,741	-	-	-	-	-	-	-	549,741
<b>Total Assets</b>	<b>\$ 11,186,960</b>	<b>\$ 1,977,883</b>	<b>\$ 806,298</b>	<b>\$ 101,117</b>	<b>\$ 2,017</b>	<b>\$ 399,977</b>	<b>\$ 56</b>	<b>\$ 15,539</b>	<b>\$ 14,489,847</b>
<b>LIABILITIES</b>									
Due to Individuals	\$ 37,474	\$ 1,604,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,641,557
Due to Other Governmental Units	11,080,102	373,800	792,085	101,117	2,017	62,832	56	15,539	12,427,548
Due to Lee County, Florida, Board of County Commissioners	69,384	-	14,213	-	-	337,145	-	-	420,742
<b>Total Liabilities</b>	<b>11,186,960</b>	<b>1,977,883</b>	<b>806,298</b>	<b>101,117</b>	<b>2,017</b>	<b>399,977</b>	<b>56</b>	<b>15,539</b>	<b>14,489,847</b>
<b>FIDUCIARY NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**LEE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2021**

	Tax Fund	Tax Certificate Fund	Motor Vehicle Fund	Driver License Fund	Hunting and Fishing Fund	Local Business Tax Fund	Birth Certificate Fund	Concealed Weapons Fund	Total Custodial Funds
<b>ADDITIONS</b>									
Tax Collections for Other Governments	\$ 1,649,448,540	\$ 44,717,987	\$ -	\$ -	\$ -	1,793,073	\$ -	\$ -	\$ 1,695,959,600
License and Fees Collected for Other Governments			76,705,950	6,881,278	183,261	-	7,106	974,601	84,752,196
Miscellaneous	131,066	-	-	-	-	142	-	-	131,208
Total Additions	1,649,579,606	44,717,987	76,705,950	6,881,278	183,261	1,793,215	7,106	974,601	1,780,843,004
<b>DEDUCTIONS</b>									
Payments of Tax to Other Governments	1,649,579,606	44,717,987	-	-	-	1,793,215	-	-	1,696,090,808
Payments to Other Governments	-	-	76,705,950	6,881,278	183,261	-	7,106	974,601	84,752,196
Total Deductions	1,649,579,606	44,717,987	76,705,950	6,881,278	183,261	1,793,215	7,106	974,601	1,780,843,004
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-	-	-	-	-	-	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-	-	-	-	-	-	-
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ADDITIONAL REPORTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Noelle Branning  
Tax Collector  
Lee County, Florida

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 financial statements of the general fund and the aggregate remaining fund information of the Lee County, Florida, Tax Collector (Tax Collector) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated November 29, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tax Collector'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 Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness 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 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 Noelle Branning  
Tax Collector  
Lee County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tax Collector'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 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  
November 29, 2021



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## MANAGEMENT LETTER

Honorable Noelle Branning  
Tax Collector  
Lee County, Florida

### Report on the Financial Statements

We have audited the 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, 2021, and have issued our report thereon dated November 29, 2021.

### Auditors' Responsibility

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 and Chapter 10.550, Rules of the Florida 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 DATE 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. There were no findings or recommendations made in the preceding annual 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. See Note 1 in the notes to the financial statements.

### Financial Management

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.

Honorable Noelle Branning  
Tax Collector  
Lee County, Florida

**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 Tax Collector and applicable management 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  
November 29, 2021



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## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Noelle Branning  
Tax Collector  
Lee County, Florida

We have examined the Lee County, Florida, Tax Collector's, (Tax Collector) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the Tax Collector is responsible for Tax Collector's compliance with those specified requirements. Our responsibility is to express an opinion on the Tax Collector'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 Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector 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 Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the Tax Collector 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  
November 29, 2021