

Lee County, Florida

Financial Reports

For The

Fiscal Year Ended September 30, 2022



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, 2022

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May 9, 2023

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, 2022, 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 May 2, 2023. The Management Letter, Independent Auditors' Report, and the Single Audit Independent Auditor's Report were received on April 20, 2023.

Sincerely,

Michele Crowell

Michele Crowell
General Accounting Manager

MC/cjh

FINANCE DEPARTMENT

Annual COMPREHENSIVE FINANCIAL REPORT

Lee County
FLORIDA



Fiscal Year Ended September 30, 2022

www.LeeClerk.org



Lee County
Southwest Florida

Lee County, Florida

Annual Comprehensive Financial Report

For the
Fiscal Year Ended September 30, 2022



Lee County
Southwest Florida

Prepared by:
General Accounting Office, Finance & Records Department

Clerk to Board of County Commissioners

Kevin C. Karnes

Lee County, Florida
PRINCIPAL OFFICIALS
As of September 30, 2022

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	Mike Greenwell	

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, 2022
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Lee County
Southwest Florida

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INTRODUCTORY SECTION





April 20, 2023

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, 2022. 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, 2022, 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, 2022. 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 18-28) can be found in the Financial Section immediately following the Independent Auditors' Report and should be read in conjunction with this transmittal letter.

FINANCE DEPARTMENT

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 most populous 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 25.0 percent of its residents age 65 and older, the County is well known as a retirement destination. Lee County's population grew by approximately 23.0 percent between 2010 and 2020, and is projected to have a population of over 1,000,000 by 2040. The Bureau of Economic and Business Research projects a 49.1 percent increase in Lee County's 35 to 54 age group by 2040. The estimated population in 2022 is 802,178.

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 5.1 million visitors in fiscal year 2022 that generated \$4.4 billion in economic impact. The Lee County Visitor and Convention Bureau reported tourist tax collections of \$66.8 million in fiscal year 2022, up 24.7 percent from fiscal year 2021. The tourism figures provided by Lee County’s Visitor and Convention Bureau for fiscal year 2022 showed that the number of visitors increased 13.8 percent and spending by visitor’s increased 29.8 percent year over year. Passenger traffic at Southwest Florida International Airport (“SWFIA”) reflected a 22.5 percent increase from the previous fiscal year. Southwest Florida International Airport served approximately 11.1 million passengers in fiscal year 2022 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 last year by the nonprofit group Tax Foundation. Lee County was ranked the ninth fastest-growing County in the country, according to data released by the U.S Census Bureau. 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 50,000 businesses and has become a coastal hub for business growth and talented workers. In 2022 the leading industries in Lee County were retail, health care and social services, accommodations and food services, and construction. 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, Scotlynn, Hertz Global Holdings, and cancer care service provider 21st Century Oncology to a handful of companies that have relocated to the region over the last several years, companies across multiple sectors have chosen Lee County.

The County continues to see steady job growth and an increase in labor force. The Florida Department of Economic Opportunity projects a 10.0 percent increase in Lee County jobs by 2030. The labor force at September 30, 2022, 2021, and 2020 was 373,500; 361,206; and 338,831, respectively. Employment in the County as of September 30, 2022, is estimated at 363,900.

The unemployment rate decreased from 4.0 percent in 2021 to 2.6 percent in 2022. The County’s unemployment level is slightly above Florida’s rate of 2.5 percent and below the national rate of 3.5 percent.

According to the United States Department of Labor, Bureau of Labor Statistics, the non-agricultural employment for the Lee County Metropolitan Area was comprised of 19.7 percent in Trade, Transportation and Utilities, 15.3 percent in Government (Federal, State and Local), 13.8 percent in Leisure and Hospitality, 14.2 percent in Professional and Business Services, 12.1 percent in Education and Health Services, 14.4 percent in Mining, Logging, Construction and Manufacturing, and 10.5 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 experienced the last couple of years. Foreclosures filed in the County increased, from 265 in fiscal year 2021 to 588 in fiscal year 2022 which represents a 121.9 percent increase from prior year. The housing market saw an increase in median sales price and new pending sales compared to the same period a year ago. According to Florida Realtors, the median sale price of an existing single-family home in Lee County increased 16.5 percent, from \$356,000 in September 2021 to \$415,000 in September 2022. New pending sales decreased by 39.0 percent and closed sales decreased 36.9 percent, year over year. The median sale price for existing townhouses and condominiums in September 2022 and 2021 was \$320,000 and \$255,000, respectively, which represents a 25.5 percent increase. Townhouse and condo new pending sales decreased 44.8 percent and closed sales decreased 45.2 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 2022 include (total cost in millions):

\$4.0	Rosa Parks Transportation Center
\$5.7	SWFIA airside pavement phase 2, cargo camp
\$7.3	Fiesta Village Wastewater Treatment Plant sludge handling
\$7.8	Governmental Communications radio system replacement
\$9.9	Fiddlesticks water main replacement
\$14.8	Estero Boulevard force main relocation
\$21.7	SWFIA airside pavement Phase I, taxiway and vault
\$81.6	Construction of Estero Boulevard

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

Southwest Florida International Airport (SWFIA)

\$11.0	Design of rental car relocation facilities
\$20.0	Rehabilitate roadways
\$29.5	South quad hangars and ramp design and construction
\$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
\$623.0	Phase 2 terminal expansion – Concourse E Gates

Transit

\$6.1	Design and construction of the Lehigh Acres Park and Ride transfer center
\$7.9	South County Park and Ride transfer station

Water and Wastewater

\$10.8	Fiesta Village reuse main upgrade
\$12.6	Summerlin Road force main replacement
\$13.2	RSW transmission main-Ben Hill to Treeline
\$14.0	Relocate potable, reuse, force main, and raw transmission lines for Corkscrew Road widening
\$15.0	Green Meadows deep injection well

- \$15.6 Fort Myers Beach Water Reclamation Facility deep injection well
- \$21.6 Fiesta Village Water Reclamation Facility deep injection well
- \$25.0 Gateway Water Treatment Plant expansion
- \$30.9 Three Oaks Water Reclamation Facility expansion
- \$40.8 North Lee County Water Treatment Plant expansion
- \$47.0 North Lee County Wellfield expansion
- \$94.0 SE Water Reclamation Facility

Solid Waste

- \$9.7 Landfill gas collections system
- \$15.3 Landfill expansion class I
- \$55.2 Construction of new Material Recovery Facility

Transportation

- \$16.7 Widening of Littleton Road
- \$35.0 Widening of Ortiz Road from Colonial Boulevard to State Road 82
- \$56.1 Widening of Corkscrew Road from Ben Hill to Alico
- \$76.6 Widening of Burnt Store Road from Pine Island Road to Van Buren Parkway
- \$82.0 Replacement of the Big Carlos Pass Bridge
- \$179.0 Extension of Alico Road to State Road 82
- \$187.0 Cape Coral Bridge Replacement
- \$192.8 Extension of Three Oaks North to Daniels Parkway

Culture and Recreation

- \$8.4 Able Canal Greenway
- \$12.5 Larry Kiker Preserve
- \$17.4 Expansion of Lehigh Community Park

Natural Resources

- \$7.1 San Carlos Park drainage improvements
- \$7.9 Captiva Island beach renourishment
- \$11.9 Lovers Key Beach 2 renourishment

Public Safety

- \$8.5 Emergency generators for shelters
- \$55.2 Emergency Operations Center Expansion

Facilities

- \$7.1 East Lee County Government Center

Cash Management and Investments

The cash needs of the County are monitored daily and cash that is temporarily idle during the year is invested in accordance with the County’s investment policy. The primary objective of the investment policy is the preservation of capital and the protection of investment principal. The investment portfolio as of September 30, 2022 was \$2,116,769,000.

Investments during the year were:

- Treasury bills and notes and government agencies and instrumentalities whose investments consist primarily of municipals and U.S. government obligations. At fiscal year-end the maturities of the investments ranged from one year and three months to four years and one month and interest earned ranged from .30 percent to 2.00 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 .84 percent.



- The County also participates in three additional investment pools. The average yield for the Florida Cooperative Liquid Assets Securities System (FLCLASS) was .78 percent, the Florida Fixed Income Trust (FLFIT) was .71 percent, and the Florida Surplus Asset Fund Trust (FLSAFE) was .72 percent.

The County earned a total of \$91.6 million in interest earnings over the last five years, of which \$15.5 million was earned in fiscal year 2022. Interest earnings increased in fiscal year 2022 as a result of higher rates.

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, 2021. This was the 37th 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, Stephanie Mulhall, Brian Cole, Kim Tester, Cody Hall, Brandi Marchese, Renukaa Bocio, and Rebecca Lampley are especially noteworthy.

Respectfully submitted,



Kevin C. Karnes
Clerk of the Court & Comptroller



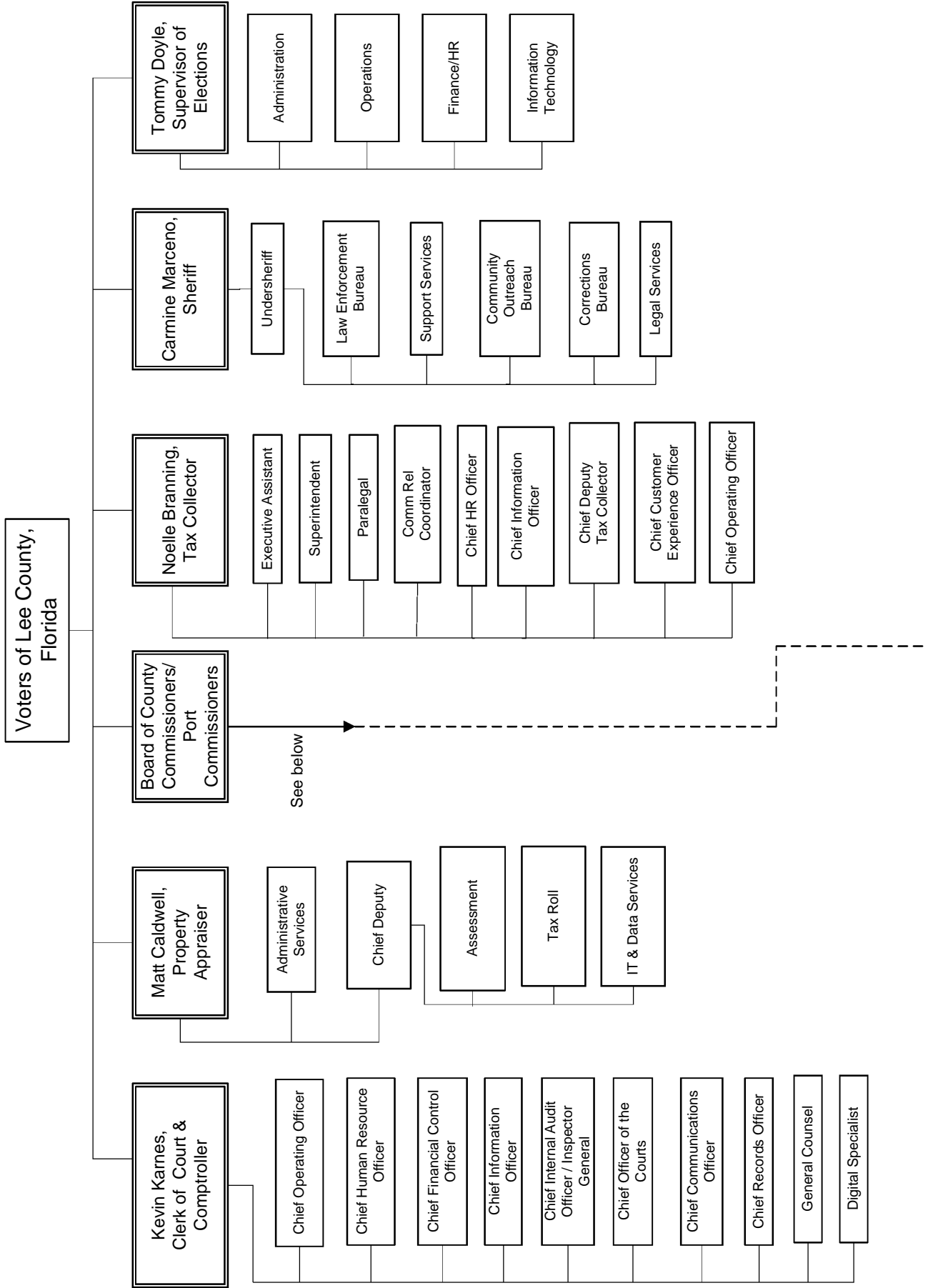
Terry Mallow, CPA
Chief Financial Control Officer



Michele Crowell
General Accounting Manager

Lee County Government

as of September 30, 2022



Board of County Commissioners/ Port Commissioners

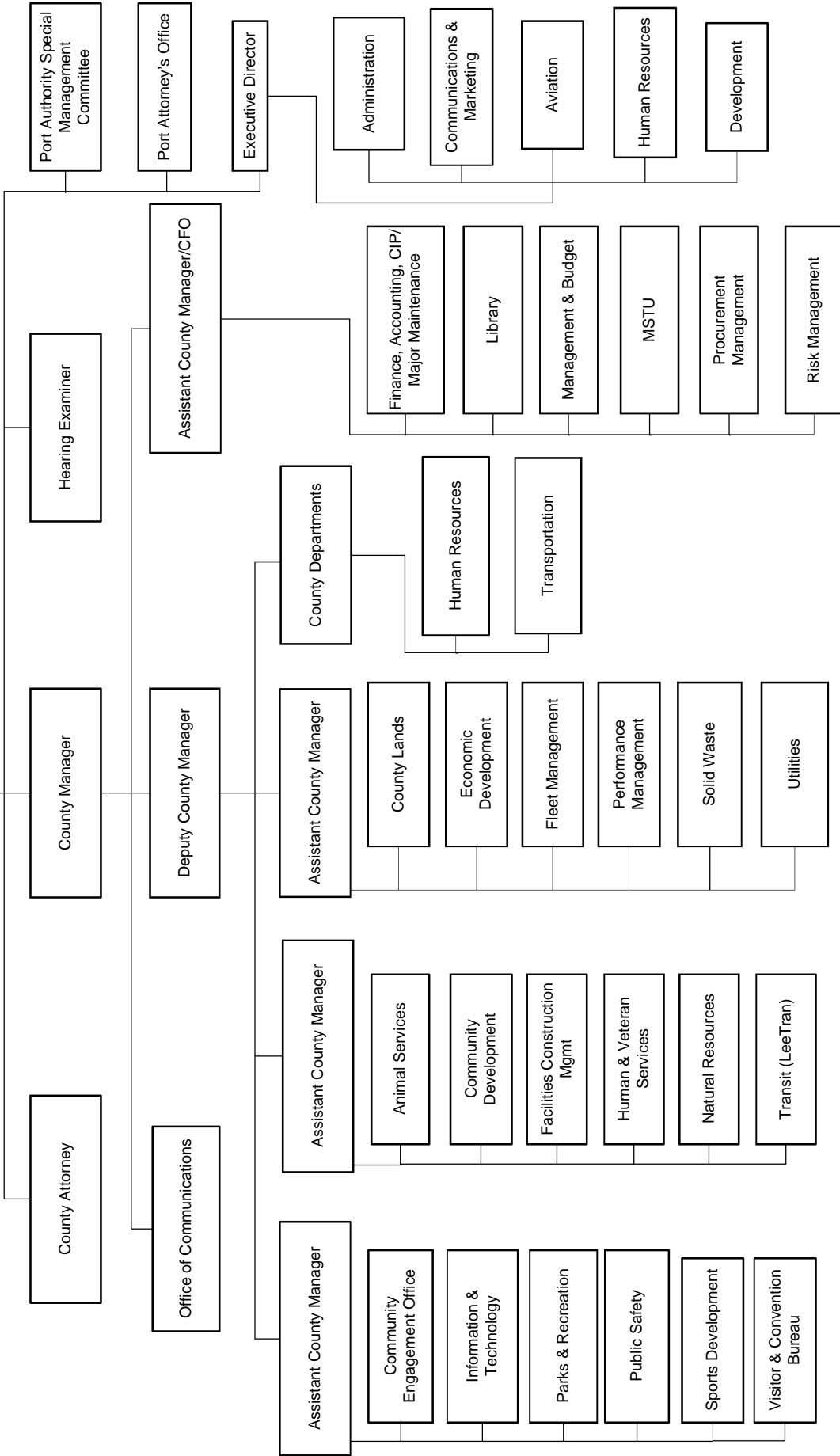
Commissioner, District 1
Kevin Ruane

Commissioner, District 2
Cecil Pendergrass

Commissioner, District 3
Raymond Sandelli

Commissioner, District 4
Brian Hamman

Commissioner, District 5
Mike Greenwell





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, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

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 (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note IX, to the financial statements, in 2022, the County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 combining and individual fund statements and schedules are presented for purposes of additional analysis and are 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 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 GAAS. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Board of County Commissioners
Lee County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023, 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 County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2023

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, 2022. 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 2022, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in total net position of \$3,319,620,000.
- The County's total net position increased \$165,732,000, or 5.3 percent, in comparison to prior year.
- The County's governmental activities total net position of \$1,575,507,000 increased \$67,288,000, or 4.5 percent, in comparison to prior year. The unrestricted net position is a deficit balance of \$571,973,000.
- The County's business-type activities total net position of \$1,744,113,000 increased \$98,504,000, or 6.0 percent, in comparison to prior year. Approximately 9 percent of the total, or \$171,943,000 is unrestricted, and thus available for spending at the County's discretion.
- The County reported a liability of \$491,165,000 for its proportionate share of the FRS and HIS net pension liabilities. \$96,000 of the liability is classified as short term.
- The County reported a total other postemployment benefits liability of \$590,557,000.
- Total revenues increased \$59,568,000, or 4.0 percent, in comparison to prior year.
- Total expenses increased \$114,878,000, or 9.2 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 28-30) 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 31-35) 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 36-42), 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 43-44) 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 2022 and 2021.

Summary of Net Position
September 30, 2022 and 2021
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021*	2022	2021*	2022	2021*
Current and other assets	\$1,276,782	\$1,013,317	\$1,063,404	\$687,685	\$2,340,186	\$1,701,002
Capital assets	1,946,106	1,919,718	1,936,309	1,856,529	3,882,415	3,776,247
Total assets	3,222,888	2,933,035	2,999,713	2,544,214	6,222,601	5,477,249
Total deferred outflows of resources	233,673	215,748	47,439	49,375	281,112	265,123
Current liabilities	234,153	186,774	111,984	66,207	346,137	252,981
Non-current liabilities	1,270,258	933,683	1,001,533	785,278	2,271,791	1,718,961
Total liabilities	1,504,411	1,120,457	1,113,517	851,485	2,617,928	1,971,942
Total deferred inflows of resources	376,643	520,124	189,522	96,495	566,165	616,619
Net Position:						
Net investment in capital assets	1,730,632	1,705,218	1,365,024	1,291,191	3,095,656	2,996,409
Restricted	416,848	355,400	207,146	203,396	623,994	558,796
Unrestricted (deficit)	(571,973)	(552,416)	171,943	151,022	(400,030)	(401,394)
Total net position	\$1,575,507	\$1,508,202	\$1,744,113	\$1,645,609	\$3,319,620	\$3,153,811

*Fiscal year 2021 balances are not restated for GASB 87

Net investment in capital assets is the largest portion of the net position. This represents capital assets (land, buildings, improvements, machinery and equipment, infrastructure and right-to-use assets), net of accumulated depreciation and amortization and the outstanding related debt (less unspent proceeds) used to acquire the assets. The net investment in capital assets balance of \$3,095,656,000 (93.3 percent of total net position) increased \$99,247,000, or 3.3 percent, in comparison to prior year.

The restricted net position balance of \$623,994,000 (18.8 percent of total net position) increased \$65,198,000, or 11.7 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 \$400,030,000. The deficit balance decreased \$1,364,000 or 0.3 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, 2022 and 2021
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021*	2022	2021*	2022	2021*
Revenues:						
Program revenues:						
Charges for services	\$147,387	\$147,253	\$450,865	\$389,124	\$598,252	\$536,377
Operating grants and contributions	100,373	137,039	34,264	29,258	134,637	166,297
Capital grants and contributions	79,660	66,888	85,783	72,549	165,443	139,437
General revenues:						
Taxes	558,805	526,971	5,833	5,455	564,638	532,426
Grants and contributions not restricted to specific programs	104,269	84,359	-	-	104,269	84,359
Other	(23,295)	9,994	(12,639)	2,847	(35,934)	12,841
Total revenues	967,199	972,504	564,106	499,233	1,531,305	1,471,737
Expenses:						
Program activities:						
General government	335,640	339,647			335,640	339,647
Public safety	329,879	269,623			329,879	269,623
Physical environment	20,332	15,965			20,332	15,965
Transportation	73,428	72,252			73,428	72,252
Economic environment	37,356	30,870			37,356	30,870
Human services	27,301	33,412			27,301	33,412
Culture and recreation	90,651	79,949			90,651	79,949
Interest on long-term debt	7,554	6,389			7,554	6,389
Indirect expenses	(5,252)	(5,276)	5,252	5,276	-	-
Business-type activities:						
Airport			127,049	113,608	127,049	113,608
Water and Wastewater			142,682	128,047	142,682	128,047
Transit			30,984	32,692	30,984	32,692
Transportation Facilities			28,362	24,705	28,362	24,705
Solid Waste			114,355	103,536	114,355	103,536
Total expenses	916,889	842,831	448,684	407,864	1,365,573	1,250,695
Total change in net position before transfers	50,310	129,673	115,422	91,369	165,732	221,042
Transfers	16,918	13,977	(16,918)	(13,977)	-	-
Change in net position	67,228	143,650	98,504	77,392	165,732	221,042
Net position October 1, as restated	1,508,279 **	1,364,552	1,645,609	1,568,217	3,153,888 **	2,932,769
Net position September 30	\$1,575,507	\$1,508,202	\$1,744,113	\$1,645,609	\$3,319,620	\$3,153,811

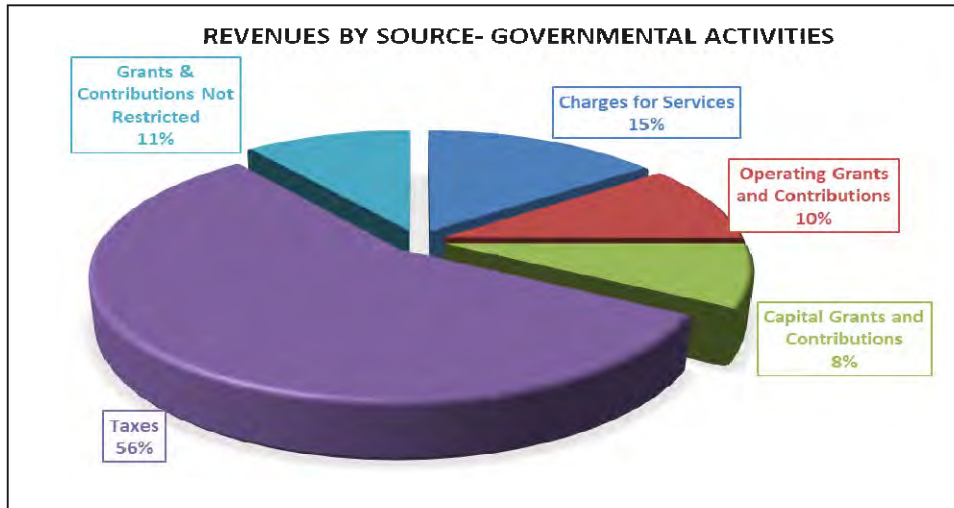
* Fiscal year 2021 columns are not restated for GASB 87

**Fiscal year 2022 beginning net position is restated due to the implementation of GASB statement 87. Additional information can be found in Note IX on page 99.

Total revenues increased \$59,568,000, or 4.0 percent, in comparison to prior year. Total expenses increased \$114,878,000, or 9.2 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 \$289,853,000, \$17,925,000, \$383,954,000, (\$143,481,000), and \$67,228,000, respectively. The increase in the governmental activities' net investment in capital assets is \$25,414,000, or 1.5 percent, in comparison to prior year.



Total revenues for governmental activities decreased \$5,305,000, or 0.5 percent, in comparison to prior year.

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

- Operating grants and contributions decreased \$36,666,000, or 26.8 percent, in comparison to prior year primarily due to \$76,323,000 in Cares Act grant funding for community aid programs and COVID-19 expenses in the prior year offset by an increase of \$17,433,000 in Cares Act Emergency Rental Assistance grant funding, and \$16,923,000 in American Rescue Plan grant funding in the current year.
- Capital grants and contributions increased \$12,772,000, or 19.1 percent, in comparison to prior year, primarily due to an increase of \$6,983,000 in road impact fees, \$1,334,000 in community and regional park impact fees, and \$5,723,000 in school impact fees.
- Taxes increased \$31,834,000, or 6.0 percent, in comparison to prior year, due to an increase of \$12,614,000 in Ad Valorem taxes collected as a result of an increase in the property value base, an increase of \$14,022,000 in Tourist Tax revenue as a result of increased visitation over prior year, and an increase of \$3,931,000 in Electric Franchise Fees.
- Grants and contributions not restricted to specific programs increased \$19,910,000, or 23.6 percent, in comparison to prior year as a result of an increase of \$10,960,000 in the local government half cent sales tax collected, and an increase of \$5,960,000 in state revenue sharing.
- Other revenue decreased \$33,289,000, or 333.1 percent, in comparison to prior year primarily due the change in fair market value adjustments as yields are significantly higher than the coupon purchase price.

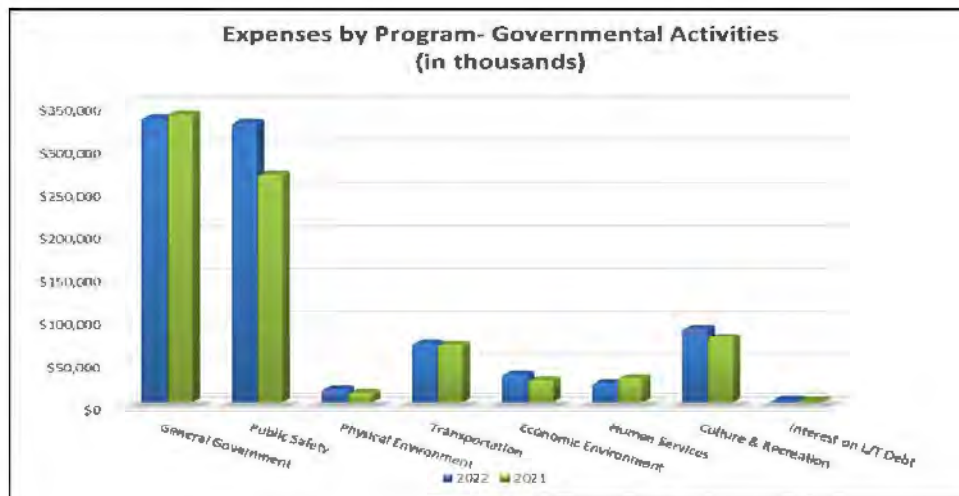
Total expenses for governmental activities increased \$74,058,000, or 8.8 percent, in comparison to prior year. The main components of the change in total expenses for governmental activities were as follows:

- Public safety expenses increased by \$60,256,000, or 22.3 percent, primarily due to an increase in salary and benefit expenses of \$28,036,000 for cost of living increases, salary compensation adjustments, an increase in FRS contribution rates, overtime and new uniform requirements, \$21,498,000 of public safety payroll costs covered with Cares Funding in the prior year, and \$2,230,000 in disaster pay related to Hurricane Ian.

Lee County, Florida

- Culture and recreation expenses increased \$10,702,000, or 13.4 percent, primarily due to an increase of \$1,892,000 in pension expense, \$3,806,000 in other postemployment benefits expense, \$1,578,000 for the Library Administration building renovation, and \$1,516,000 in restoration and maintenance expense for environmentally sensitive land.

The following is a chart of expenses by program for governmental activities for fiscal years 2022 and 2021.



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 \$455,499,000, (\$1,936,000), \$262,032,000, \$93,027,000, and \$98,504,000, respectively. The increase in the business-type activities' net investment in capital assets is \$73,833,000, or 5.7 percent, in comparison to prior year.

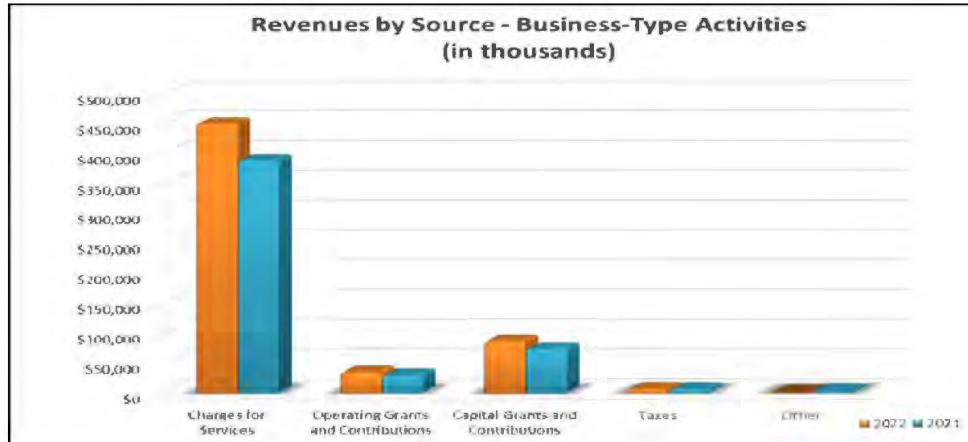
Total revenues reported in business-type activities increased \$64,873,000, or 13.0 percent, in comparison to prior year. The increase is primarily due to an increase in charges for services of \$61,741,000, or 15.9 percent, an increase in operating grants and contributions of \$5,006,000, or 17.1 percent, an increase in capital grants and contributions of \$13,234,000, or 18.2 percent, offset by a decrease in other revenue of \$15,486,000, or 543.9 percent.

- Port Authority charges for services increased \$28,943,000, or 24.2 percent, as a result of higher user fees and concession revenue due to an increase in air traffic in the current year.
- Solid Waste charges for services increased \$20,040,000, or 19.0 percent, primarily due to an increase in electric revenues as a result of higher natural gas prices, and an increase in user fees as a result of increased rates and tonnage.
- Transportation Facilities charges for services increased \$11,826,000, or 27.2 percent, primarily due to a change to cashless toll collections and a new administration fee.
- Port Authority operating grants and contributions increased \$1,143,000, or 8.4 percent due to more grant funds received for Coronavirus relief in the current year.
- Transit operating grants and contributions increased \$3,864,000, or 24.6 percent due to more FDOT and state block grant funding in the current year.
- Port Authority capital grants and contributions increased \$11,276,000, or 39.2 percent, due to more grant funds received in the current year related to the terminal expansion project.
- Transit capital grants and contributions increased \$6,228,000, or 125.9%, due to capital grant funding received in the current year for the Rosa Parks and Park and Ride transfer station projects.

Lee County, Florida

- Water and Wastewater capital grants and contributions decreased \$4,270,000, or 11.0 percent, due to decreased developer contributions in the current year.
- Other revenue decreased \$15,486,000 or 543.9 percent, across all funds primarily due the change in fair market value adjustment, as yields are significantly higher than the coupon purchase price

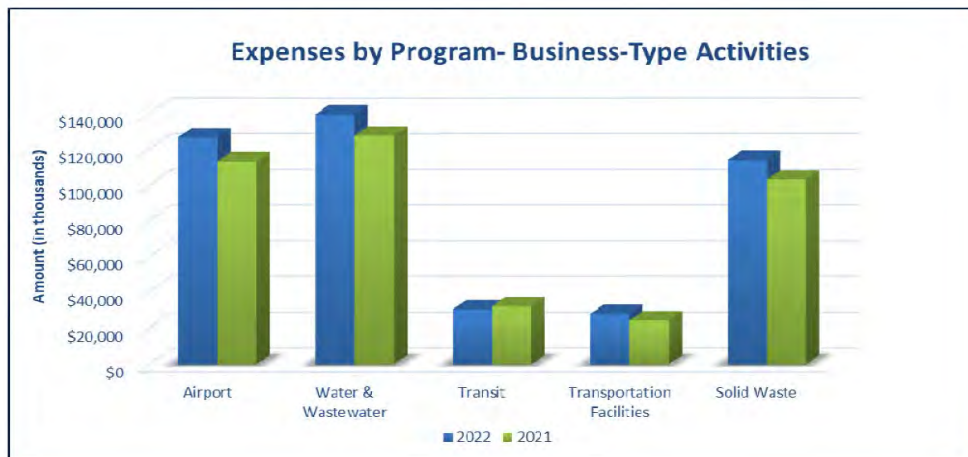
The following is a chart of revenues by source for business-type activities for fiscal years 2022 and 2021.



Total business-type expenses increased \$40,820,000, or 10.0 percent, in comparison to prior year. The increase is primarily due to an increase in Airport expenses of \$13,441,000, or 11.8 percent, an increase in Water and Wastewater expenses of \$14,635,000, or 11.4 percent, and an increase in Solid Waste expenses of \$10,819,000, or 10.4 percent.

- Airport expenses are higher in the current year as a result of a \$2,818,000 increase in salaries and benefits for additional FTE's and pay increases, a \$1,346,000 increase in pension and other postemployment benefit expense, and an increase in contractual services, materials, and supplies of \$8,160,000 due to an increase in fuel prices and parking lot management fees.
- Water and Wastewater expenses are higher in the current year as a result of a \$3,081,000 increase in salaries and benefits as a result of pay increases and disaster pay related to Hurricane Ian, an increase \$2,434,000 in contractual services, materials, and supplies related to major maintenance projects and emergency repairs, and an increase of \$8,386,000 in other expense related to the FMB reclamation facility asset impairment loss.
- Solid Waste expenses are higher in the current year as a result of an \$8,521,000 increase in contractual services, material, and supplies as a result of hauler CPI increases and increased costs for the waste-to-energy management services and an increase of \$1,278,000 in pension expense.

The following is a chart of expenses by program for business-type activities for fiscal years 2022 and 2021.



Financial Analysis of the Government's Funds

Governmental Funds

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

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 decreased \$15,345,000, or 2.5 percent. Taxes increased \$12,343,000, or 3.4 percent, due to an increase of \$8,412,000 in Ad Valorem taxes (as a result of higher assessed property values) and an increase of \$3,931,000 in Electric Franchise fees. Intergovernmental revenue decreased \$23,579,000, or 13.0 percent, primarily due \$76,323,000 in Cares Act grant funding for community aid programs and COVID-19 expenses in the prior year offset by an increase of \$17,433,000 in Cares Act Emergency Rental Assistance grant funding, and \$16,923,000 in American Rescue Plan grant funding in the current year, and an increase of \$10,960,000 and \$5,960,000 in local half-cent sales tax revenue and state revenue sharing. Total expenditures increased \$31,865,000, or 6.3 percent, due to an increase of \$57,356,000 in public safety operating expenditures as a result of; an increase in salary and benefit expenses for cost of living increases, salary compensation adjustments, an increase in FRS contribution rates, overtime and new uniform requirements, public safety payroll costs covered with Cares Funding in the prior year, and disaster pay related to Hurricane Irma. General government operating expenses decreased \$34,144,000 due to higher COVID-19 expenses in the prior year.

Transportation Capital Improvements Fund- Total revenues decreased \$17,686,000, or 50.6 percent. Intergovernmental revenue decreased \$4,464,000, or 80.9 percent, due to a decrease in Florida Department of Transportation grants received for road projects. Miscellaneous revenue decreased \$10,715,000, or 392.0 percent, primarily due to the change in fair market value adjustment, as yields were significantly higher than the coupon purchase price. Total expenditures decreased \$21,011,000, or 38.6 percent, due to completion of the Sunshine Boulevard Roundabout, Gateway Roundabout, and Estero Road projects.

Proprietary Funds

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

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

Port Authority - Net operating revenue increased \$26,043,000, or 25.7 percent, in comparison to prior year as a result of higher user fees and concession revenue due to an increase in air traffic. Total operating expenses increased \$15,537,000, or 15.4 percent, in comparison to prior year as a result of an increase in salaries and wages of \$2,291,000 and an increase of \$8,160,000 in contractual services, materials, and supplies due to an increase in fuel prices and parking lot management fees. Capital grants and contributions were \$11,276,000, or 39.2 percent, higher compared to the prior year due to grants received for capital projects.

Water and Wastewater – Net operating revenue increased \$705,000, or .6 percent, in comparison to prior year. Operating expenses increased \$17,100,000 or 14.1 percent, in comparison to prior year as a result a \$3,081,000 increase in salaries and benefits as a result of pay increases and disaster pay related to Hurricane Ian, and an increase \$2,434,000 in contractual services, materials, and supplies related to major maintenance projects and emergency repairs, and \$8,589,000 in other operating expense related to a \$8,386,000 capital asset impairment loss for the FMB

Lee County, Florida

reclamation facility. Capital contributions were \$4,270,000, or 11.0 percent, lower compared to the prior year due to a decrease in developer contributions offset by an increase in connections fees.

Transportation Facilities – Net operating revenue increased by \$11,826,000, or 27.2 percent, in comparison to prior year. The increase is due to increased toll revenues as a result of changing to cashless tolls and new administration fee. Total operating expenses increased \$3,858,000, or 18.2 percent, in comparison to prior year primarily due to an increase of \$845,000 in pension expense and an increase of \$1,904,000 in other expenses related to higher postage costs and bad debt expense.

Solid Waste – Net operating revenue increased \$20,052,000, or 18.5 percent, in comparison to prior year primarily due to an increase in electric revenues as a result of higher natural gas prices, and an increase in user fees as a result of increased rates and tonnage. Total operating expenses increased \$12,519,000 or 12.4 percent, in comparison to prior year primarily due to an \$8,521,000 increase in contractual services, material, and supplies as a result of hauler CPI increases and increased costs for the waste-to-energy management services and an increase of \$1,278,000 in pension expense.

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 \$98,800,000 and \$118,288,000. The changes include:

- \$74,838,000 for American Rescue Plan Act (ARPA) funding and related expenditures.
- \$11,046,000 for Cares Act Emergency Rental Assistance grant funding and related expenditures.
- \$1,656,000 increase for West Coast Inland Navigation District (WCIND) pass through grant funding and related expenditures for navigation related major maintenance projects.
- \$1,830,000 increase for grants received and related expenditures for housing assistance, homeless prevention projects, homeless housing and relocation services, and the Bob Janes Triage Center.
- \$3,404,000 increase for the Low Income Home Energy Assistance Program (LIHEAP) grant funding and related expenditures.
- \$5,270,000 for purchase of an office building in Lehigh Acres for County and Constitutional Officers operations and a warehouse for disaster preparedness items and supplies.

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 \$176,593,000. The differences are across multiple departments and are mainly due to unspent budget for American Rescue Plan funds, various operating and capital 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. Amortizable assets include intangible right-to-use buildings, machinery and equipment, and infrastructure.

Noteworthy capital asset purchases/completed projects that took place in fiscal year 2022 were as follows:

- Governmental Communications radio system replacement
- Construction of Estero Boulevard
- Rosa Parks Transportation Center

Lee County, Florida

- Southwest Florida International Airport airside pavement Phase 1 and 2
- Fiesta Village Wastewater Treatment Plant sludge hauling
- Fiddlesticks water main replacement
- Estero Boulevard force main replacement

The following is a schedule of the County's capital assets as of September 30, 2022 and 2021.

Lee County, Florida
Summary of Capital Assets
September 30, 2022 and 2021
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Artwork	\$323	\$323	\$293	\$293	\$616	\$616
Land, easements, and rights of way	769,072	768,502	247,831	247,296	1,016,903	1,015,798
Construction in progress	82,932	78,229	298,927	189,805	381,859	268,034
Buildings	626,868	622,147	677,788	674,244	1,304,656	1,296,391
Improvements other than buildings	245,392	236,019	686,086	664,480	931,478	900,499
Machinery and equipment	305,509	282,806	598,883	582,460	904,392	865,266
Software	20,218	19,620	8,017	8,037	28,235	27,657
Infrastructure	924,373	905,178	1,104,460	1,080,615	2,028,833	1,985,793
Intangible right to use land	43	-	-	-	43	-
Intangible right to use building	8,934	-	-	-	8,934	-
Intangible right to use machinery and equipment	1,979	-	70	-	2,049	-
Intangible right to use infrastructure	10,314	-	-	-	10,314	-
Total capital assets	<u>\$2,995,957</u>	<u>2,912,824</u>	<u>\$3,622,355</u>	<u>\$3,447,230</u>	<u>\$6,618,312</u>	<u>\$6,360,054</u>
Accumulated depreciation/amortization	<u>(1,049,851)</u>	<u>(993,106)</u>	<u>(1,686,046)</u>	<u>(1,590,701)</u>	<u>(2,735,897)</u>	<u>(2,583,807)</u>
Total	<u><u>\$1,946,106</u></u>	<u><u>1,919,718</u></u>	<u><u>\$1,936,309</u></u>	<u><u>\$1,856,529</u></u>	<u><u>\$3,882,415</u></u>	<u><u>\$3,776,247</u></u>

Additional information on the County's capital assets can be found in Note V on pages 65-66.

Debt Administration

At September 30, 2022, the County had \$897,900,000 of outstanding bonded debt. The revenue bonds, which are each payable from a specific revenue stream, had an outstanding balance of \$897,900,000, or 100 percent of the total bonded debt. The outstanding bond balance increased \$267,715,000 or 42.5 percent, in comparison to prior year.

- On June 28, 2022, the County issued the Local Option Gas Tax Revenue Bonds, Series 2022, in the amount of \$90,480,000. The proceeds will be used to finance the acquisition and construction of various transportation capital improvements.
- On October 7, 2021, the County issued the Airport Revenue Bonds, Series 2021B, in the amount of \$217,670,000. The proceeds will be used to finance a portion of capital improvements to the Airport.

Total long-term liabilities of \$1,190,165,000, which includes bonds payable (net of unamortized discounts/premiums), notes payable, finance purchase obligations, leases payable, self-insurance claims payable, compensated absences, and landfill closure and postclosure costs increased by \$290,029,000, or 32.2 percent, in comparison to prior year.

Lee County, Florida

The following is a schedule of outstanding bonds as of September 30, 2022 and 2021.

Lee County, Florida						
Summary of Outstanding Debt						
September 30, 2022 and 2021						
(amounts expressed in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenue Bonds	\$262,350	\$175,795	\$635,550	\$454,390	\$897,900	\$630,185
Total	<u>\$262,350</u>	<u>\$175,795</u>	<u>\$635,550</u>	<u>\$454,390</u>	<u>\$897,900</u>	<u>\$630,185</u>

Standard and Poor’s Rating Group suggests that debt service should not exceed 10-15 percent of appropriations. The fiscal year 2022 debt service was 3.5 percent of appropriations, which is within the suggested guidelines. Additional information on the County’s long-term debt can be found in Note V on pages 69-79.

Economic Factors and Next Year’s Budget Rates

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

- Lee County had a 2.6 percent unemployment rate as reported by the Florida Research & Economic Database and Lee County Economic Development.
- There is a 5.0 percent salary increase in the County’s fiscal year 2022-2023 budget.
- There was an increase in the property values from fiscal year 2022, which is used for fiscal year 2023, of 18.1 percent, based upon values determined by the Property Appraiser.
- The County received 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.
- Hurricane Ian, a strong category 4 hurricane, made landfall in Lee County on September 28, 2022. The County expects substantial reimbursement from federal and state agencies for expenditures related to Hurricane Ian. Due to anticipated delays in receiving reimbursement funds, the County entered into a Revolving Credit Line to cover expenditures, if needed.

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 Department, 2115 Second Street, 3rd Floor, Fort Myers, Florida, 33901, phone (239) 533-2100.

BASIC FINANCIAL STATEMENTS



Lee County, Florida
STATEMENT OF NET POSITION
As of September 30, 2022
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments	\$ 608,305	\$ 433,840	\$ 1,042,145
Receivables (net)	73,510	162,217	235,727
Due from other governments	7,715	314	8,029
Internal balances	34,866	(34,866)	-
Inventories	4,259	3,021	7,280
Prepays	5,467	2,211	7,678
Other assets	250	94	344
Restricted assets:			
Cash, cash equivalents and investments	533,079	493,887	1,026,966
Receivables	5,807	2,686	8,493
Due from other governments	3,230	-	3,230
Inventory	294	-	294
Capital assets:			
Non-depreciable	852,327	547,051	1,399,378
Depreciable, net	1,093,779	1,389,258	2,483,037
Total Assets	<u>3,222,888</u>	<u>2,999,713</u>	<u>6,222,601</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	3,709	7,691	11,400
Unamortized pension costs and subsequent contributions	113,316	20,808	134,124
Unamortized other postemployment benefits costs and subsequent contributions	116,648	18,940	135,588
Total Deferred Outflows of Resources	<u>233,673</u>	<u>47,439</u>	<u>281,112</u>
LIABILITIES			
Contracts and accounts payable	26,476	42,086	68,562
Accrued liabilities	14,577	2,641	17,218
Due to other governments	15,657	5,134	20,791
Due to individuals	298	-	298
Customer deposits	5,145	1,184	6,329
Unearned revenues	137,451	2,408	139,859
Refunds and rebates	-	13,013	13,013
Net pension liability	76	20	96
Liabilities payable from restricted assets:			
Contracts and accounts payable	11,083	25,321	36,404
Accrued liabilities	594	-	594
Due to other governments	10,358	34	10,392
Customer deposits	7,337	2,939	10,276
Unearned revenue	197	2,898	3,095
Accrued interest payable	4,904	14,306	19,210

(continued)

Lee County, Florida
STATEMENT OF NET POSITION
As of September 30, 2022
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Noncurrent liabilities:			
Due within one year	40,568	38,041	78,609
Due in more than one year	329,201	782,355	1,111,556
Net pension liability	409,397	81,672	491,069
Total other postemployment benefits liability	491,092	99,465	590,557
Total Liabilities	<u>1,504,411</u>	<u>1,113,517</u>	<u>2,617,928</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding of debt	53	139	192
Unamortized pension costs	30,385	3,288	33,673
Unamortized other postemployment benefits costs	286,164	79,031	365,195
Unamortized leases	60,041	107,064	167,105
Total Deferred Inflows of Resources	<u>376,643</u>	<u>189,522</u>	<u>566,165</u>
NET POSITION			
Net investment in capital assets	1,730,632	1,365,024	3,095,656
Restricted for:			
Capital projects	255,645	123,937	379,582
Debt service	12,626	40,289	52,915
Inventory for resale	294	-	294
Special revenue funds:			
Improvement districts	11,871	-	11,871
Culture & recreation	6,371	-	6,371
Economic development	53,108	-	53,108
Health, safety & welfare	18,597	-	18,597
Transportation roads	42,421	-	42,421
Court programs	4,380	-	4,380
Public records	7,526	-	7,526
Inmate welfare	1,639	-	1,639
Driver's education	588	-	588
Law enforcement activities	1,782	-	1,782
Renewal and replacement	-	42,920	42,920
Unrestricted (deficit)	(571,973)	171,943	(400,030)
Total Net Position	<u>\$ 1,575,507</u>	<u>\$ 1,744,113</u>	<u>\$ 3,319,620</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, 2022
(amounts expressed in thousands)

Functions/Programs	Program Revenue						Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Primary Government		Total
							Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT:									
Governmental activities:									
General government	\$ 335,640	\$ (11,513)	\$ 83,996	\$ 50,139	\$ 27,682	\$ (162,310)	\$ -	\$ -	\$ (162,310)
Public safety	329,879	816	48,703	15,772	10,258	(255,962)	-	-	(255,962)
Physical environment	20,332	229	2,910	461	83	(17,107)	-	-	(17,107)
Transportation	73,428	1,224	1,618	10,386	2,998	(59,650)	-	-	(59,650)
Economic environment	37,356	382	56	19,115	-	(18,567)	-	-	(18,567)
Human services	27,301	357	2,976	3,604	101	(20,977)	-	-	(20,977)
Culture and recreation	90,651	3,253	7,128	896	38,538	(47,342)	-	-	(47,342)
Interest on long-term debt	7,554	-	-	-	-	(7,554)	-	-	(7,554)
Total governmental activities	922,141	(5,252)	147,387	100,373	79,660	(589,469)	-	-	(589,469)
Business-type activities:									
Airport	127,049	789	148,684	14,689	40,047	-	75,582	-	75,582
Water and Wastewater	142,682	2,071	117,888	-	34,560	-	7,695	-	7,695
Transit	30,984	752	3,489	19,575	11,176	-	2,504	-	2,504
Transportation Facilities	28,362	681	55,225	-	-	-	26,182	-	26,182
Solid Waste	114,355	959	125,579	-	-	-	10,265	-	10,265
Total business-type activities	443,432	5,252	450,865	34,264	85,783	-	122,228	-	122,228
Total primary government	1,365,573	-	598,252	134,637	165,443	(589,469)	122,228	122,228	(467,241)
General revenues:									
Taxes:									
Property taxes						437,992	3,169	-	441,161
Gas taxes						23,713	-	-	23,713
Tourist taxes						66,843	-	-	66,843
Communication taxes						6,721	-	-	6,721
Franchise fees						22,705	2,664	-	25,369
Local business taxes						831	-	-	831
Grants and contributions not restricted to specific programs						104,269	-	-	104,269
Investment earnings						(37,478)	(14,145)	-	(51,623)
Miscellaneous						14,183	1,506	-	15,689
Transfers						16,918	(16,918)	-	-
Total general revenues and transfers						656,697	(23,724)	-	632,973
Change in net position						67,228	98,504	-	165,732
Net position - beginning - as restated						1,508,279	1,645,609	-	3,153,888
Net position - ending						\$ 1,575,507	\$ 1,744,113	\$ -	\$ 3,319,620

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

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	General	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 338,407	\$ 181,367	\$ 529,547	\$ 1,049,321
Cash and cash equivalents with fiscal agent	-	-	16,598	16,598
Receivables				
Accounts (net)	9,977	32	726	10,735
Special assessments	-	-	2,639	2,639
Accrued interest	259	207	852	1,318
Leases	9,515	-	45,462	54,977
Due from other funds	1,434	19,650	1,541	22,625
Due from other governments	7,181	2,628	4,784	14,593
Inventory	452	-	3,078	3,530
Inventory held for resale	294	-	-	294
Advances	3,000	-	-	3,000
Total assets	<u>370,519</u>	<u>203,884</u>	<u>605,227</u>	<u>1,179,630</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	16,159	7,261	10,496	33,916
Accrued liabilities	12,513	-	2,457	14,970
Due to other funds	1,495	-	2,086	3,581
Due to other governments	8,441	-	17,344	25,785
Due to individuals	298	-	-	298
Deposits and overbids	5,015	727	6,610	12,352
Unearned revenues	137,446	-	197	137,643
Other	130	-	-	130
Total liabilities	<u>181,497</u>	<u>7,988</u>	<u>39,190</u>	<u>228,675</u>
Deferred Inflows of Resources:				
Accounts receivable	-	32	-	32
Grants receivable	819	631	246	1,696
Special assessment receivable	-	-	2,886	2,886
Unamortized leases	9,485	-	45,356	54,841
Total deferred inflows of resources	<u>10,304</u>	<u>663</u>	<u>48,488</u>	<u>59,455</u>
Fund Balances:				
Nonspendable	3,452	-	3,078	6,530
Restricted	294	195,233	327,473	523,000
Committed	-	-	183,911	183,911
Assigned	50,184	-	3,087	53,271
Unassigned	124,788	-	-	124,788
Total fund balances	<u>178,718</u>	<u>195,233</u>	<u>517,549</u>	<u>891,500</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 370,519</u>	<u>\$ 203,884</u>	<u>\$ 605,227</u>	<u>\$ 1,179,630</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, 2022
(amounts expressed in thousands)

Fund balances - total governmental funds		\$ 891,500
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	851,817	
Depreciable governmental capital assets, net	<u>1,053,248</u>	1,905,065
Other assets are not available to pay for current period expenditures and are reported as deferred inflows in the funds.		
		4,614
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.		
		4,130
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.		
		3,709
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.		
		81,746
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.		
		(165,943)
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	(284,051)	
Accrued interest payable	(4,803)	
Finance purchase obligations payable	(7,018)	
Non-cancelable leases payable	(7,785)	
Notes payable	(2,698)	
Net pension liability	(404,015)	
Total other postemployment benefits liability	(485,323)	
Compensated absences	<u>(33,314)</u>	(1,229,007)
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.		
		(53)
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>79,746</u>
Net position of governmental activities		<u><u>\$1,575,507</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, 2022
(amounts expressed in thousands)

	General	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 379,476	\$ 23,713	\$ 155,616	\$ 558,805
Licenses and permits	1,670	-	12,798	14,468
Intergovernmental	158,002	1,051	47,154	206,207
Charges for services	54,280	-	38,751	93,031
Fines and forfeitures	70	-	2,246	2,316
Impact fees	-	-	73,875	73,875
Special assessments	-	478	910	1,388
Investment earnings	(6,698)	(8,390)	(20,236)	(35,324)
Miscellaneous	9,823	408	7,349	17,580
Total revenues	<u>596,623</u>	<u>17,260</u>	<u>318,463</u>	<u>932,346</u>
EXPENDITURES				
Current				
General government	185,965	-	81,735	267,700
Public safety	277,798	-	41,369	319,167
Physical environment	5,540	-	12,455	17,995
Transportation	-	10,281	38,678	48,959
Economic environment	10,189	-	27,128	37,317
Human services	18,708	-	8,134	26,842
Culture and recreation	18,722	-	63,536	82,258
Capital outlay				
General government	8,746	-	4,912	13,658
Public safety	9,779	-	3,708	13,487
Physical environment	159	-	5,962	6,121
Transportation	-	23,164	8,387	31,551
Economic environment	-	-	1,142	1,142
Human services	-	-	62	62
Culture and recreation	613	-	8,582	9,195
Debt service				
Principal retirement	2,351	-	12,949	15,300
Interest and fiscal charges	449	-	7,955	8,404
Bond issuance costs	-	-	490	490
Total expenditures	<u>539,019</u>	<u>33,445</u>	<u>327,184</u>	<u>899,648</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>57,604</u>	<u>(16,185)</u>	<u>(8,721)</u>	<u>32,698</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	6,084	34,526	186,455	227,065
Transfers out	(81,310)	(1,637)	(130,307)	(213,254)
Lease proceeds	952	-	-	952
Debt issuance	-	-	101,179	101,179
Total other financing sources and (uses)	<u>(74,274)</u>	<u>32,889</u>	<u>157,327</u>	<u>115,942</u>
Net change in fund balances	(16,670)	16,704	148,606	148,640
Fund balances - beginning	195,388	178,529	368,943	742,860
Fund balances - ending	<u>\$ 178,718</u>	<u>\$ 195,233</u>	<u>\$ 517,549</u>	<u>\$ 891,500</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, 2022
(amounts expressed in thousands)

Net change in fund balances - total governmental funds:		\$ 148,640
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	75,216	
Less current year depreciation and amortization	<u>(65,516)</u>	9,700
The net effect of various miscellaneous transactions involving capital and intangible assets (i.e., disposals, transfers, donations) is to decrease net position.		
		(3,041)
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.		
		11
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(618)
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 and lease proceeds	(100,727)	
Lease proceeds	(952)	
Finance purchase obligations	(452)	
Principal payments on bonds, notes, loans, and lease obligations	<u>15,300</u>	(86,831)
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	(5,890)	
Other postemployment benefits	(543)	
Change in compensated absences	<u>(4,384)</u>	(10,817)
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	(629)	
Amortization of bond premiums, discounts, refunding gains and losses	<u>1,942</u>	1,313
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		8,871
Change in net position of governmental activities		<u><u>\$67,228</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, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 370,899	\$ 370,899	\$ 379,476	\$ 8,577
Licenses and permits	500	500	1,670	1,170
Intergovernmental	201,626	298,684	157,633	(141,051)
Charges for services	73,423	74,443	72,806	(1,637)
Fines and forfeitures	160	160	70	(90)
Investment earnings	1,300	1,300	2,731	1,431
Miscellaneous	3,533	4,255	9,815	5,560
Total revenues	<u>651,441</u>	<u>750,241</u>	<u>624,201</u>	<u>(126,040)</u>
EXPENDITURES				
Current				
General government	280,336	370,656	204,654	166,002
Public safety	267,458	272,305	277,796	(5,491)
Physical environment	6,356	8,132	5,540	2,592
Economic environment	10,991	17,667	10,189	7,478
Human services	22,160	23,832	18,708	5,124
Culture and recreation	22,585	22,244	18,722	3,522
Capital outlay				
General government	2,514	6,610	8,677	(2,067)
Public safety	1,010	9,602	9,779	(177)
Physical environment	128	128	159	(31)
Culture and recreation	231	231	613	(382)
Debt service				
Principal retirement	1,981	2,823	2,577	246
Interest and fiscal charges	-	-	223	(223)
Special contingency	192	-	-	-
Total expenditures	<u>615,942</u>	<u>734,230</u>	<u>557,637</u>	<u>176,593</u>
Excess of revenues over expenditures	<u>35,499</u>	<u>16,011</u>	<u>66,564</u>	<u>50,553</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	259,094	272,618	278,018	5,400
Transfers out	(348,982)	(349,741)	(352,681)	(2,940)
Lease proceeds	-	-	883	883
Total other financing sources (uses)	<u>(89,888)</u>	<u>(77,123)</u>	<u>(73,780)</u>	<u>3,343</u>
Net change in fund balance	(54,389)	(61,112)	(7,216)	53,896
Fund balances - beginning	<u>196,127</u>	<u>196,127</u>	<u>208,585</u>	<u>12,458</u>
Fund balances - ending	<u>\$ 141,738</u>	<u>\$ 135,015</u>	<u>\$ 201,369</u>	<u>\$ 66,354</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, 2022
(amounts expressed in thousands)

	Port Authority	Business-type Activities - Enterprise Funds						Total Enterprise Funds	Governmental Activities Internal Service Funds
		Water and Wastewater	Transportation Facilities	Solid Waste	Non-Major Transit	Other			
ASSETS									
Current Assets:									
Cash, cash equivalents and investments	\$ 184,509	\$ 106,911	\$ 29,612	\$ 112,001	\$ 807	\$ 433,840	\$ 75,465		
Restricted assets									
Cash, cash equivalents and investments	20,719	13,701	3,022	375	-	37,817	-		
Cash and cash equivalents with fiscal agent	14,526	13,366	8,189	7,645	-	43,726	-		
Receivables									
Accounts (net)	4,199	11,233	3,294	9,771	43	28,540	509		
Grants	18,473	-	-	-	6,598	25,071	-		
Special assessments	-	488	-	-	-	488	-		
Leases	5,396	51	-	10	-	5,457	367		
Accrued interest	52	150	36	161	5	404	72		
Due from other funds	-	10	-	132	-	142	469		
Due from other governments	-	-	240	72	2	314	174		
Inventories	287	2,566	168	-	-	3,021	729		
Other	1,679	183	174	25	150	2,211	1,587		
Total current assets	249,840	148,659	44,735	130,192	7,605	581,031	79,372		
Noncurrent Assets:									
Restricted assets									
Cash, cash equivalents and investments	260,365	122,872	2,112	26,995	-	412,344	-		
Receivables									
Accounts	2,530	6	-	-	-	2,536	-		
Accrued interest	-	137	5	8	-	150	-		
Receivables									
Leases	101,772	369	-	116	-	102,257	4,878		
Capital assets									
Non-depreciable									
Artwork	293	-	-	-	-	293	-		
Land, easements, and rights of way	132,623	33,524	44,485	28,099	9,100	247,831	510		
Construction in progress	209,366	82,334	-	3,136	4,091	298,927	-		
Depreciable/amortizable									
Buildings	362,878	134,420	11,182	125,017	44,291	677,788	4,163		
Improvements	33,103	610,067	5,045	35,194	2,677	686,086	29		
Machinery and equipment	115,527	200,652	6,168	224,954	51,582	598,883	70,061		
Software	3,741	2,391	482	-	1,403	8,017	817		
Infrastructure	403,693	375,584	290,638	32,552	1,993	1,104,460	283		

(continued)

Lee County, Florida
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Port Authority	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
		Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds		
Intangible right-to-use building	-	-	-	-	-	-	812	
Intangible right-to-use machinery and equipment	55	15	-	-	-	70	1,033	
Intangible right-to-use infrastructure	-	-	-	-	-	-	10,314	
Less accumulated depreciation and amortization	(395,924)	(799,368)	(166,058)	(43,832)	(1,686,046)	(46,981)		
Unamortized bond insurance	-	-	94	-	-	94	-	
Total noncurrent assets	1,230,022	763,003	194,153	71,305	2,453,690	45,919		
Total assets	1,479,862	911,662	238,888	78,910	3,034,721	125,291		
DEFERRED OUTFLOWS OF RESOURCES								
Loss on refunding of debt	4,154	2,915	542	-	7,691	-		
Unamortized pension costs and subsequent contributions	9,515	4,847	934	3,447	20,808	1,397		
Unamortized other postemployment benefits costs	7,801	4,242	991	4,075	18,940	1,083		
Total deferred outflows of resources	21,470	12,004	2,467	7,522	47,439	2,480		
LIABILITIES								
Current liabilities:								
Contracts and accounts payable	20,433	8,870	276	2,920	42,086	3,643		
Accrued liabilities	1,101	779	123	364	2,641	302		
Refunds and rebates	13,013	-	-	-	13,013	-		
Due to other funds	-	-	19,650	-	19,655	-		
Due to other governments	722	3,150	711	182	5,134	230		
Financed purchase obligation	-	163	-	-	163	-		
Leases payable	11	-	-	-	11	328		
Customer deposits	1,156	-	-	-	1,184	-		
Unearned revenues	1,570	838	-	-	2,408	5		
Self-insurance claims payable	-	-	-	-	-	12,712		
Compensated absences	1,612	100	24	49	1,822	27		
Net pension liability	7	5	1	5	20	1		
Current liabilities payable from restricted assets:								
Contracts and accounts payable	20,707	4,146	93	-	25,321	-		
Accrued liabilities	9,403	2,219	1,754	-	14,306	-		
Due to other governments	-	3	31	-	34	-		
Customer deposits	-	2,939	-	-	2,939	-		
Unearned revenues	-	-	2,898	-	2,898	-		
Notes payable - current	-	6,425	-	-	6,425	-		
Revenue bonds payable - current	5,135	11,335	6,435	-	29,620	-		
Total current liabilities	74,870	40,972	31,996	3,520	169,680	17,248		

(continued)

Lee County, Florida
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of September 30, 2022
(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		
Noncurrent liabilities:								
Self-insurance claims payable	-	-	-	-	-	-	-	9,971
Compensated absences	575	1,522	365	567	745	3,774	419	
Financed purchase obligation	-	514	-	-	-	514	-	
Leases payable	35	-	-	-	-	35	-	11,446
Notes payable	9,008	56,675	-	-	-	65,683	-	
Revenue bonds payable	460,375	121,221	71,993	32,769	-	686,358	-	
Landfill closure and postclosure costs	-	-	-	25,991	-	25,991	-	
Advances	-	-	-	-	3,000	3,000	-	
Net pension liability	36,136	19,229	3,810	8,206	14,291	81,672	5,457	
Total other postemployment benefits liability	40,133	22,596	5,278	9,751	21,707	99,465	5,769	
Total noncurrent liabilities	546,262	221,757	81,446	77,284	39,743	966,492	33,062	
Total liabilities	621,132	262,729	113,442	95,606	43,263	1,136,172	50,310	
DEFERRED INFLOWS OF RESOURCES								
Gain on refunding of debt	-	-	139	-	-	139	-	
Unamortized pension costs	1,098	835	194	360	801	3,288	212	
Unamortized other postemployment benefits costs	31,148	18,236	4,260	7,869	17,518	79,031	4,656	
Unamortized leases	106,498	441	-	125	-	107,064	5,200	
Total deferred inflows of resources	138,744	19,512	4,593	8,354	18,319	189,522	10,068	
NET POSITION								
Net investment in capital assets	607,455	437,267	113,918	136,192	70,192	1,365,024	28,851	
Restricted								
Capital projects	26,678	97,259	-	-	-	123,937	-	
Debt service	13,473	13,647	6,445	6,724	-	40,289	-	
Renewal and replacement	500	33,341	2,106	6,973	-	42,920	-	
Unrestricted (deficit)	93,350	59,911	851	75,526	(45,342)	184,296	38,542	
Total net position	\$ 741,456	\$ 641,425	\$ 123,320	\$ 225,415	\$ 24,850	\$ 1,756,466	\$ 67,393	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(12,353)
Net position of business-type activities								\$ 1,744,113

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, 2022
(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			
OPERATING REVENUES								
User fees	\$ 58,901	\$ 115,741	\$ -	\$ 102,416	\$ 3,311	\$ 280,369	\$ 164,553	
Tolls	-	-	55,189	-	-	55,189	-	
Rentals and franchise fees	9,648	157	-	2,682	176	12,663	472	
Concessions	68,403	-	-	-	-	68,403	-	
Miscellaneous	280	1,990	36	23,145	2	25,453	-	
Total operating revenues	137,232	117,888	55,225	128,243	3,489	442,077	165,025	
Less: Rebates	(9,813)	-	-	-	-	(9,813)	-	
Net operating revenues	127,419	117,888	55,225	128,243	3,489	432,264	165,025	
OPERATING EXPENSES								
Salaries and wages	28,918	19,648	3,668	8,361	13,321	73,916	5,608	
Employee benefits	9,269	7,027	1,560	3,001	6,203	27,060	1,797	
Pension and OPEB expense (benefit)	5,870	4,257	(157)	1,919	(412)	11,477	1,644	
Contractual services, materials and supplies	34,062	27,654	4,320	79,256	5,099	150,391	19,762	
Utilities	5,533	7,132	263	1,267	512	14,707	2,342	
Repairs and maintenance	3,146	7,479	158	2,579	1,689	15,051	3,534	
Insurance	2,357	1,135	1,380	569	644	6,085	8,257	
Insurance claims	-	-	-	-	-	-	106,473	
Other	2,381	12,503	6,282	1,645	1,172	23,983	1,010	
Depreciation and amortization	25,218	51,970	7,568	15,180	4,632	104,568	3,847	
Total operating expenses	116,754	138,805	25,042	113,777	32,860	427,238	154,274	
Operating income (loss)	10,665	(20,917)	30,183	14,466	(29,371)	5,026	10,751	
NON-OPERATING REVENUES (EXPENSES)								
Investment earnings	4,493	(10,578)	(1,727)	(6,202)	(131)	(14,145)	(2,545)	
Taxes	-	-	-	3,169	-	3,169	-	
Grants	14,689	(60)	-	(1,275)	19,567	32,921	(141)	
Interest expense	(11,896)	(5,017)	(2,548)	(830)	-	(20,291)	(495)	
Excess fees - City of Sanibel	-	-	(1,630)	-	-	(1,630)	-	
Gain (loss) on disposal of capital assets	1,890	(705)	-	224	255	1,664	382	
Loss on discontinued projects	-	(404)	-	-	-	(404)	-	
Passenger facility charges	21,265	-	-	-	-	21,265	-	
Other revenues	248	768	429	34	27	1,506	19	
Other expenses	(1,646)	(2)	(1)	-	-	(1,649)	-	
Total non-operating revenues (expenses)	29,043	(15,998)	(5,477)	(4,880)	19,718	22,406	(2,780)	

(continued)

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2022
(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	
Income (loss) before contributions and transfers	39,708	(36,915)	24,706	9,586	(9,653)	27,432	7,971
Capital grants and contributions	40,047	34,560	-	-	11,176	85,783	-
Transfers in	-	-	-	125	5,714	5,839	4,107
Transfers out	-	-	(22,650)	-	(107)	(22,757)	(1,000)
Total contributions and transfers	40,047	34,560	(22,650)	125	16,783	68,865	3,107
Change in net position	79,755	(2,355)	2,056	9,711	7,130	96,297	11,078
Total net position - beginning	661,701	643,780	121,264	215,704	17,720	1,660,169	56,315
Total net position - ending	\$ 741,456	\$ 641,425	\$ 123,320	\$ 225,415	\$ 24,850	\$ 1,756,466	\$ 67,393

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net position
Change in net position of business-type activities

96,297
2,207
\$ 98,504

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, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds						Governmental
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 125,138	\$ 123,590	\$ 50,705	\$ 129,558	\$ 3,581	\$ 432,572	\$ 17,984
Receipts from interfund services provided	-	-	-	-	-	-	147,426
Cash received from customer deposits	65	844	-	-	-	909	-
Cash returned from customer deposits	(43)	(515)	-	-	-	(558)	-
Payments to suppliers	(48,035)	(36,490)	(6,939)	(89,381)	(5,342)	(186,187)	(142,934)
Payments to employees	(35,727)	(22,837)	(4,317)	(113)	(16,215)	(79,209)	(6,685)
Payments for interfund services used	(7,308)	(9,371)	(2,044)	(2,986)	(6,638)	(28,347)	(1,536)
Net cash provided by (used in) operating activities	<u>34,090</u>	<u>55,221</u>	<u>37,405</u>	<u>37,078</u>	<u>(24,614)</u>	<u>139,180</u>	<u>14,255</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grants received	14,403	-	-	-	18,210	32,613	-
Non-capital grants issued	-	(60)	(1,502)	(1,399)	-	(2,961)	(141)
Transfers in	107,244	-	-	152	5,714	113,110	4,107
Transfers out	(107,244)	-	(12,197)	-	(107)	(119,548)	(1,000)
Net cash provided by (used in) noncapital financing activities	<u>14,403</u>	<u>(60)</u>	<u>(13,699)</u>	<u>(1,247)</u>	<u>23,817</u>	<u>23,214</u>	<u>2,966</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	260,403	-	-	-	-	260,403	-
Proceeds from special assessments	-	47	-	-	-	47	-
Proceeds from capital grants	31,112	20,211	-	-	7,865	59,188	-
Proceeds from passenger facilities charges	21,265	-	-	-	-	21,265	-
Capital asset purchases	(73,458)	(62,199)	(85)	(3,906)	(11,165)	(150,813)	(3,036)
Principal paid on bonds, loans, leases, and interfund loans	(23,002)	(17,405)	(6,120)	(6,385)	3,000	(49,912)	(386)
Interest paid on bonds, loans, leases, and interfund loans	(13,623)	(4,994)	(3,662)	(2,019)	-	(24,298)	(495)
Proceeds from sale of capital assets	2,088	32	-	526	258	2,904	395
Net cash provided by (used in) capital and related financing activities	<u>204,785</u>	<u>(64,308)</u>	<u>(9,867)</u>	<u>(11,784)</u>	<u>(42)</u>	<u>118,784</u>	<u>(3,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	4,441	(10,774)	(1,759)	(6,328)	(134)	(14,554)	(2,601)
Net cash provided by investing activities	<u>4,441</u>	<u>(10,774)</u>	<u>(1,759)</u>	<u>(6,328)</u>	<u>(134)</u>	<u>(14,554)</u>	<u>(2,601)</u>
Net increase (decrease) in cash and cash equivalents and investments	257,719	(19,921)	12,080	17,719	(973)	266,624	11,098
Cash and cash equivalents at beginning of year	222,400	276,771	30,855	129,297	1,780	661,103	64,367
Cash and cash equivalents at end of year	<u>\$ 480,119</u>	<u>\$ 256,850</u>	<u>\$ 42,935</u>	<u>\$ 147,016</u>	<u>\$ 807</u>	<u>\$ 927,727</u>	<u>\$ 75,465</u>
Classified as:							
Current assets							
Cash, cash equivalents and investments	\$ 184,509	\$ 106,911	\$ 29,612	\$ 112,001	\$ 807	\$ 433,840	\$ 75,465
Restricted assets	35,245	27,067	11,211	8,020	-	81,543	-
Non-current							
Restricted assets	260,365	122,872	2,112	26,995	-	412,344	-
Totals	<u>\$ 480,119</u>	<u>\$ 256,850</u>	<u>\$ 42,935</u>	<u>\$ 147,016</u>	<u>\$ 807</u>	<u>\$ 927,727</u>	<u>\$ 75,465</u>

(continued)

Lee County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2022
(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
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Purchase of capital assets on account	\$ 31,832	\$ 5,389	\$ -	\$ 151	\$ 795	\$ 38,167	\$ 431
Contributions of capital assets	-	14,349	-	-	-	14,349	-
Loss on disposal of capital assets	(198)	(134)	-	(302)	(3)	(637)	(13)
Capital assets acquired through lease	-	-	-	-	-	-	1,033
Capital assets acquired through financed purchase obligation	-	856	-	-	-	856	-
Issuance cost paid directly from bond proceeds	(643)	-	-	-	-	(643)	-
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 10,665	\$ (20,917)	\$ 30,183	\$ 14,466	\$ (29,371)	\$ 5,026	\$ 10,751
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	25,218	51,970	7,568	15,180	4,632	104,568	3,847
Other revenues	227	768	429	3,203	27	4,654	19
Impairment loss	-	8,386	-	-	-	8,386	-
(Increase) decrease in accounts receivable	(147)	614	(1,075)	(1,991)	(40)	(2,639)	(90)
Decrease in due from other funds	-	40	12	35	95	182	610
(Increase) decrease in due from other governments	-	4,322	21	(27)	18	4,334	(92)
(Increase) decrease in inventories	(78)	(225)	220	-	-	(83)	(200)
(Increase) decrease in other assets	(317)	68	(23)	76	(25)	(221)	(554)
Increase (decrease) in contracts and accounts payable	(224)	4,566	6	2,038	1,892	8,278	548
Increase in accrued liabilities	297	477	62	145	157	1,138	212
(Decrease) in refunds and rebates	(1,755)	-	-	-	-	(1,755)	-
Increase (decrease) in due to other funds	(1)	-	-	4	-	3	-
Increase in due to other governments	192	2,628	39	64	92	3,015	90
Increase in customer deposits	22	329	-	-	-	351	-
Increase (decrease) in unearned revenues	64	110	595	-	(7)	762	(15)
Increase in compensated absences	265	346	46	174	138	969	161
(Increase) decrease in lease receivable	3,110	126	-	(126)	-	3,110	(72)
Increase (decrease) in deferred inflows of resources related to leases	(3,780)	(104)	-	125	-	(3,759)	27
Increase in net pension liability	22,784	10,936	1,853	4,643	6,635	46,851	3,333
(Increase) in deferred outflows of resources related to pensions	(1,735)	(860)	(112)	(316)	(418)	(3,441)	(333)
(Decrease) in deferred inflows of resources related to pensions	(20,162)	(9,267)	(1,756)	(4,114)	(6,135)	(41,434)	(2,473)
(Decrease) in total other postemployment benefits liability	(19,904)	(3,911)	(1,564)	(1,457)	(6,116)	(32,952)	(910)
Decrease in deferred outflows of resources related to other postemployment benefits	1,456	630	267	229	1,039	3,621	144
Increase in deferred inflows of resources related to other postemployment benefits	17,893	4,189	634	1,930	2,773	27,419	1,115
Increase in landfill closure and postclosure costs	-	-	-	2,797	-	2,797	-
(Decrease) in other liabilities	-	-	-	-	-	-	(1,863)
Total adjustments	23,425	76,138	7,222	22,612	4,757	134,154	3,504
Net cash provided by (used in) operating activities	\$ 34,090	\$ 55,221	\$ 37,405	\$ 37,078	\$ (24,614)	\$ 139,180	\$ 14,255

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, 2022
(amounts expressed in thousands)

ASSETS	
Cash, cash equivalents and investments	\$ 47,658
Accounts receivable	19
Due from other governments	5
Total Assets	47,682
LIABILITIES AND NET POSITION	
Contracts and accounts payable	34
Due to individuals	1,313
Due to other governments	17,274
Total Liabilities	18,621
Fiduciary Net Position Restricted for	
Individuals, organizations, and other governments	29,061
Total Fiduciary Net Position	29,061
Total Liabilities and Fiduciary Net Position	\$ 47,682

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

Lee County, Florida
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended September 30, 2022
(amounts expressed in thousands)

ADDITIONS	
Fees/Fines collected for other governments	\$ 1,646,141
Registry and other deposits collected	<u>68,471</u>
Total additions	<u>1,714,612</u>
DEDUCTIONS	
Fees/Fines disbursed to other governments	1,646,141
Registry and other deposits disbursed	<u>63,149</u>
Total deductions	<u>1,709,290</u>
Change in Fiduciary Net Position	5,321
Fiduciary Net Position - beginning	<u>23,740</u>
Fiduciary Net Position - ending	<u>\$ 29,061</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2022

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Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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 funds.

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 their function as ex-officio Clerk to the Board) prepares a budget for the general fund (noncourt-related activities), which is submitted to and approved by the Board. In addition, the Clerk prepares a portion of 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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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.”

Advances To/From Other Funds

County Administration Code AC-3-4 (“the Code”) allows loans between funds to be made for a period not to exceed beyond the current fiscal year or thirty days, whichever is greater, that are approved by the County Manager or their designee. Loans that will not be repaid by the end of the current fiscal year must be approved by the Board of County Commissioners to be carried into the next fiscal year and are considered advances. Interest is calculated monthly either by using the fixed or simple interest method which is a variable rate based on the current rate used on Board funds deposited at the SBA, although the Code does allow for interest free loans. The Code does not specify repayment requirements. When it is determined that the advance will not be repaid it is treated as a transfer. Currently the County has outstanding advances with payment terms of 1 year.

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, land, easements and rights of way, buildings, improvements, equipment, software, infrastructure, and intangible right-to-use 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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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

Financed Purchase Obligations

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

Leases

The County is a lessor for noncancelable leases of land, buildings, and infrastructure. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary, and governmental fund financial statements. The lease receivable is measured at the present value of payments expected to be received during the lease term. The receivable is reduced by the principal portion of lease payment received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received on or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the term of the lease.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, (3) lease receipts. When the interest rate is not provided or cannot be readily determined, the County's prior year actual interest yield is used as the discount rate. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The County is a lessee for noncancelable leases of land, building, equipment and infrastructure. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The County measures the lease liability at the present value of payments expected to be made during the lease term at the commencement of the lease. The lease liability is reduced by the principal portion of lease payment made each year. The lease asset is measured as the initial amount of the lease liability and is amortized on a straight-line basis over the term of the lease. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Estimates and judgments related to leases include, (1) the discount rate used, (2) lease term, (3) lease payments. The county uses the interest rate charged by the lessor as the discount rate. When the interest rate charged is not provided or cannot be readily determined, the County's incremental borrowing rate is used as the discount rate. The lease term includes the noncancelable period of the lease including options to extend (only if they are reasonably certain to extend). Lease Payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability or lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect those amounts.

Unearned Revenues

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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 assets 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, pension related balances, and losses on refunded debt. These amounts will be recognized as increases in expense in future years.

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets 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 accounts receivable, special assessments, and grant receivables. In addition, both governmental and proprietary funds are reporting deferred inflows of resources related to unamortized lease revenue, which will be recognized over the term of the lease. The deferred inflows of resources reported in the County's Statement of Net Position represents other postemployment benefit related balances, pension related balances, and gains on refunded debt. These amounts will be recognized as reductions in expense in future years.

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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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 \$416,848,000 of governmental activities restricted net position, of which \$396,175,000 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.

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, inventory adjustments, and lease amortization and interest are not budgeted.

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2022

The following adjustments were necessary to present actual data on a budgetary basis (Non-GAAP) for the fiscal year ended September 30, 2022 (dollars in thousands):

Net change in fund balance (GAAP basis)	\$(16,670)
Basis Difference:	
EMS ambulance fees not reported on a cash basis	(43)
Fair value adjustment	9,456
Unavailable revenues	147
Unearned revenues	(34)
Expenditures associated with inventory	(35)
Leases	<u>(37)</u>
Net change in fund balance non-GAAP	<u><u>(\$7,216)</u></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 2022 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, 2022.

Important dates in the property tax cycle are as follows:

- Assessment roll certified- July 1
- 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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Deficit Net Position

At September 30, 2022, the Self Insurance General Liability Fund had a deficit unrestricted net position balance of \$1,325,000. 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, 2022, the County had the following deposits, investments, and maturities (amounts in thousands):

Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
Cash on hand	N/A	\$ 1,242			N/A
Cash with Fiscal Agent	N/A	60,323			N/A
Demand Deposits	N/A	269,657			N/A
Local Government Investment Pool					
FLCLASS	26 days	21,588			AAAm
Florida PRIME	21 days	914,407			AAAam
FLFIT	12 days	21,276			AAAf/S1
FLSAFE	28 days	46,283			AAAam
U.S. Treasury Note	4/15/2024	18,837	N/A	N/A	N/A
U.S. Treasury Note	5/15/2024	23,427	N/A	N/A	N/A
U.S. Treasury Note	6/15/2024	23,354	N/A	N/A	N/A
U.S. Treasury Note	6/15/2024	23,354	N/A	N/A	N/A
U.S. Treasury Note	7/15/2024	18,679	N/A	N/A	N/A
U.S. Treasury Note	9/15/2024	23,199	N/A	N/A	N/A
U.S. Treasury Note	9/15/2024	23,199	N/A	N/A	N/A
U.S. Treasury Note	10/15/2024	23,248	N/A	N/A	N/A
U.S. Treasury Note	11/15/204	46,472	N/A	N/A	N/A
U.S. Treasury Note	2/28/2025	23,224	N/A	N/A	N/A
Federal Agricultural Mortgage Corp	12/2/2024	23,293	N/A	N/A	N/A
Federal Agricultural Mortgage Corp	12/2/2024	23,293	N/A	N/A	N/A
Federal Agricultural Mortgage Corp	2/24/2025	23,406	2/24/2023	QTR	N/A
Federal Agricultural Mortgage Corp	2/23/2027	22,560	2/23/2024	QTR	N/A
Federal Farm Credit	4/22/2024	13,678	N/A	N/A	AA+
Federal Farm Credit	7/23/2024	28,016	N/A	N/A	AA+
Federal Farm Credit	11/18/2024	23,284	N/A	N/A	AA+

Lee County, Florida
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Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
Federal Farm Credit	12/2/2024	16,659	12/2/2022	Cont	AA+
Federal Farm Credit	9/1/2026	21,823	9/1/2022	Cont	AA+
Federal Farm Credit	9/1/2026	21,823	9/1/2022	Cont	AA+
Federal Farm Credit	9/28/2026	21,759	9/28/2022	Cont	AA+
Federal Farm Credit	1/11/2027	22,139	1/11/2024	Cont	AA+
Federal Farm Credit	1/13/2027	22,394	N/A	N/A	AA+
Federal Home Loan Bank	5/24/2024	23,347	11/24/2022	Qtr	AA+
Federal Home Loan Bank	5/28/2024	23,340	11/30/2022	Qtr	AA+
Federal Home Loan Bank	8/26/2024	46,358	11/26/2022	Qtr	AA+
Federal Home Loan Bank	10/28/2024	23,136	10/28/2022	Qtr	AA+
Federal Home Loan Bank	1/27/2025	46,425	10/27/2022	Qtr	AA+
Federal Home Loan Bank	6/30/2026	22,083	12/31/2022	Qtr	AA+
Federal Home Loan Bank	8/14/2026	21,929	12/14/2022	Qtr	AA+
Federal Home Loan Bank	9/30/2026	21,959	12/30/2022	Qtr	AA+
Federal Home Loan Bank	1/28/2027	22,296	10/28/2022	Qtr	AA+
Total		<u>\$ 2,116,769</u>			

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	\$ 1,042,145
Restricted cash, cash equivalents and investments	1,026,966

Custodial Funds:

Cash, cash equivalents and investments	47,658
Total	<u>\$ 2,116,769</u>

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, 2022, 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.

Lee County, Florida
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Level 3 – Valuation is based on model-based techniques that use significant inputs and assumptions not observable in the market. These unobservable inputs and assumptions reflect the Reserve Banks’ estimates of inputs and assumptions that market participants would use in pricing the assets and liabilities. Valuation techniques include the use of option pricing models, discounted cash flow models, and similar techniques. At September 30, 2022, 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, 2022 (dollars in thousands):

<i>Investments by fair value level (Level 2)</i>	
Debt securities	
U.S. Treasury securities	\$ 246,993
Agency securities	535,000
Total debt securities	781,993
Total Investments by fair value level	781,993
<i>Investments measured at the net asset value (NAV)</i>	
Florida Cooperative Liquid Assets Securities System (FLCLASS)	21,588
Florida Fixed Income Trust (FLFIT)	21,276
Florida Surplus Asset Fund Trust (FLSAFE)	46,283
Total investments measured at the NAV	\$ 89,147

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)	\$ 21,588	\$ -	Daily	3:00 p.m. EST (same day)	None
Florida Fixed Income Trust (FLFIT)	21,276	-	Daily	4:00 p.m. EST (same day)	None
Florida Surplus Asset Fund Trust (FLSAFE)	46,283	-	Daily	1:00 p.m. EST (same day)	None
Total investments measured at the NAV	\$ 89,147	\$ -			

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, 2022, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 34.7 percent of Florida PRIME’s portfolio at September 30, 2022.

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

Lee County, Florida
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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, 2022, 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).

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2022

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, 2022, 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.

Lee County, Florida
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September 30, 2022

Receivables

Accounts Receivable

At September 30, 2022, accounts receivable 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	\$ 80,022	\$ 32	\$ 726	\$ 80,780			
Less: allowance for bad debt	(70,046)	-	-	(70,046)			
Total net accounts receivable	<u>\$ 9,977</u>	<u>\$ 32</u>	<u>\$ 726</u>	<u>\$ 10,735</u>			
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Accounts	\$ 4,699	\$ 11,502	\$ 11,494	\$ 9,771	\$ 43	\$ 37,510	\$ 509
Less: allowance for bad debt	(500)	(269)	(8,201)	-	-	(8,970)	-
Total net accounts receivable	<u>\$ 4,199</u>	<u>\$ 11,233</u>	<u>\$ 3,294</u>	<u>\$ 9,771</u>	<u>\$ 43</u>	<u>\$ 28,540</u>	<u>\$ 509</u>

Leases Receivable

The County currently leases land, buildings, and equipment to various third parties. As of September 30, 2022, the County's lease receivables were valued at \$167,936,000 and the deferred inflow of resources associated with these leases which will be recognized as revenue over the term of the leases was \$167,105,000. The lease receivables for Governmental and Business-type Activities at September 30, 2022 were as follows:

Governmental Activities

Land - During the fiscal year, the County recognized \$21,000 in lease revenue and \$1,000 in interest income related to various land leases at an interest rate of 0.27%, with a term dates ranging from 2034 to 2039.	<u>\$249,000</u>
Buildings - During the fiscal year, the County recognized \$1,317,000 in lease revenue and \$144,000 in interest income related to various building leases at an interest rate of 0.27%, with term dates ranging from 2026 to 2066.	51,872,000
Infrastructure - During the fiscal year, the County recognized \$607,000 in lease revenue and \$22,000 in interest income related to various infrastructure (tower) leases at an interest rate of 0.27%, with term dates ranging from 2023 to 2047.	<u>8,101,000</u>
Total Governmental Activities Lease Receivables	<u>\$60,222,000</u>

Lee County, Florida
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Business-Type Activities

Land - During the fiscal year, the County recognized \$1,663,000 in lease revenue and \$318,000 in interest income related to various land leases at interest rates ranging from 0.27% to 0.86%, with term dates ranging from 2028 to 2092. \$91,691,000

Buildings - During the fiscal year, the County recognized \$3,967,000 in lease revenue and \$271,000 in interest income related to various building leases at an interest rate of 0.86%, with term dates ranging from 2024 to 2038. 15,730,000

Infrastructure - During the fiscal year, the County recognized \$92,000 in lease revenue and \$1,000 in interest income related to various infrastructure (tower) leases at an interest rates of 0.27%, with term dates ranging from 2023 to 2029. 293,000

Total Business-Type Activities Lease Receivables \$107,714,000

Payments for lease receivables are expected to be received in subsequent years as follows (dollars in thousands):

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,635	\$ 165	\$ 5,457	\$ 604
2024	1,659	161	4,918	563
2025	1,625	157	4,821	525
2026	1,624	151	4,700	486
2027	1,532	146	4,755	450
2028 - 2032	7,227	674	6,681	513
2033 - 2037	7,483	575	11,620	1,697
2038 - 2042	8,004	469	7,270	1,454
2043 - 2047	7,381	354	7,599	1,237
2048 - 2052	6,647	266	7,929	999
2053 - 2057	6,922	173	7,504	772
2058 - 2062	6,536	77	6,887	571
2063 - 2067	1,947	11	6,669	396
2068 - 2072	-	-	6,624	214
2073 - 2077	-	-	4,920	81
2078 - 2082	-	-	3,338	28
2083 - 2087	-	-	3,109	16
2088 - 2092	-	-	2,913	6
	<u>\$ 60,222</u>	<u>\$ 3,379</u>	<u>\$ 107,714</u>	<u>\$ 10,612</u>

Regulated Leases

In accordance with GASB No. 87, the County does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airport and other aeronautical users. The County has lease agreements for Land and Buildings (Hangars) which qualify to be treated as regulated in accordance with the requirements of GASB 87.

Lee County, Florida
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The following represents the County’s regulated leases excluded from GASB 87 as of September 30, 2022:

Land - During the fiscal year, the County recognized \$2,697,000 in revenue related to regulated land leases, with term dates ranging from 2023 to 2063. Variable payments related to these leases was \$7,586,000 for the year.	\$82,844,000
Building (Hangar) - During the fiscal year, the County recognized \$198,000 in revenue related to regulated land leases, with term dates ranging from 2023 to 2032.	<u>2,177,000</u>
Total Business-Type Activities Regulated Leases	<u><u>\$85,021,000</u></u>

Payments for regulated leases are expected to be received in subsequent years as follows (dollars in thousands):

Fiscal Year(s)	Business-type Activities
2023	\$ 3,394
2024	3,595
2025	3,618
2026	3,631
2027	3,677
2028 - 2032	18,629
2033 - 2037	14,460
2038 - 2042	12,806
2043 - 2047	4,478
2048 - 2052	4,944
2053 - 2057	5,459
2058 - 2062	6,027
2063	303
Total	<u><u>\$ 85,021</u></u>

Airline Use and Lease Agreement -Signatory Airlines

The County and certain Signatory airlines entered into the original Airline Use and Lease Agreement that became effective October 1, 2008 and expires on September 30, 2023. By definition, an Airline Use and Lease Agreement is considered a regulated lease and does not recognize a receivable and corresponding deferred inflow of resources.

As of September 30, 2022, the County provides exclusive use to certain Signatory air carriers that lease 18 of its 28 total terminal gates at the airport or 64% of all gates at the airport. The County has entered into eight Signatory Airline Use and Lease agreements and recognized terminal space, gate, baggage claim and apron lease revenue of \$6,094,000, \$3,020,299, \$4,565,000, and \$5,259,000, respectively.

Due to the variable nature of the above revenues from year-to-year, expected future minimum payments are indeterminable.

Lee County, Florida
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Capital Assets

Capital asset activity for the fiscal year ended September 30, 2022, was as follows (dollars in thousands):

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
<i><u>Governmental Activities:</u></i>				
Capital assets not being depreciated:				
Artwork	\$ 323	\$ -	\$ -	\$ 323
Land, easements, and rights of way	768,502	2,490	(1,920)	769,072
Construction in progress	78,229	58,585	(53,882)	82,932
Total capital assets not being depreciated	<u>847,054</u>	<u>61,075</u>	<u>(55,802)</u>	<u>852,327</u>
Capital assets being depreciated/amortized:				
Buildings	622,147	6,482	(1,761)	626,868
Improvements other than buildings	236,019	10,505	(1,132)	245,392
Machinery and equipment	282,806	33,681	(10,978)	305,509
Software	19,620	598	-	20,218
Infrastructure	905,178	19,195	-	924,373
Intangible right-to-use land	43 *	-	-	43
Intangible right-to-use building	8,928 *	6	-	8,934
Intangible right-to-use machinery and equipment	-	1,979	-	1,979
Intangible right-to-use infrastructure	10,314 *	-	-	10,314
Total capital assets being depreciated/amortized	<u>2,085,055</u>	<u>72,446</u>	<u>(13,871)</u>	<u>2,143,630</u>
Less accumulated depreciation/amortization for:				
Buildings	239,260	13,042	(1,589)	250,713
Improvements other than buildings	169,620	13,290	(835)	182,075
Machinery and equipment	184,924	18,528	(10,192)	193,260
Software	17,151	982	-	18,133
Infrastructure	382,151	21,669	-	403,820
Intangible right-to-use land	-	10	-	10
Intangible right-to-use building	-	1,296	-	1,296
Intangible right-to-use machinery and equipment	-	121	-	121
Intangible right-to-use infrastructure	-	423	-	423
Total accumulated depreciation/amortization	<u>993,106</u>	<u>69,361</u>	<u>(12,616)</u>	<u>1,049,851</u>
Total capital assets being depreciated/amortized, net	<u>1,091,949</u>	<u>3,085</u>	<u>(1,255)</u>	<u>1,093,779</u>
Total governmental activities capital assets, net	<u>\$ 1,939,003</u>	<u>\$ 64,160</u>	<u>\$ (57,057)</u>	<u>\$ 1,946,106</u>

Business-Type Activities:

Capital assets not being depreciated:				
Artwork	\$ 293	\$ -	\$ -	\$ 293
Land, easements, and rights of way	247,296	673	(138)	247,831
Construction in progress	189,805	172,627	(63,505)	298,927
Total capital assets not being depreciated	<u>437,394</u>	<u>173,300</u>	<u>(63,643)</u>	<u>547,051</u>
Capital assets being depreciated/amortized:				
Buildings	674,244	6,276	(2,732)	677,788
Improvements other than buildings	664,480	28,317	(6,711)	686,086
Machinery and equipment	582,460	23,380	(6,957)	598,883
Software	8,037	-	(20)	8,017
Infrastructure	1,080,615	26,137	(2,292)	1,104,460
Intangible right-to-use machinery and equipment	70 *	-	-	70
Total capital assets being depreciated/amortized	<u>3,009,906</u>	<u>84,110</u>	<u>(18,712)</u>	<u>3,075,304</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

Capital Assets (continued)

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Less accumulated depreciation/amortization for:				
Buildings	247,843	14,633	(30)	262,446
Improvements other than buildings	413,829	32,064	(1,478)	444,415
Machinery and equipment	331,701	30,581	(6,598)	355,684
Software	7,507	165	(20)	7,652
Infrastructure	589,821	27,100	(1,097)	615,824
Intangible right-to-use machinery and equipment	-	25	-	25
Total accumulated depreciation	<u>1,590,701</u>	<u>104,568</u>	<u>(9,223)</u>	<u>1,686,046</u>
Total capital assets being depreciated/amortized, net	<u>1,419,205</u>	<u>(20,458)</u>	<u>(9,489)</u>	<u>1,389,258</u>
Total business-type activities capital assets, net	<u>\$ 1,856,599</u>	<u>\$ 152,842</u>	<u>\$ (73,132)</u>	<u>\$ 1,936,309</u>

*See note IX Other Information for detail on change in accounting principle.

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

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
General government	\$ 18,231	Port Authority	\$ 25,218
Public safety	10,766	Water and Wastewater	51,970
Physical environment	2,724	Transportation Facilities	7,568
Transportation	25,209	Solid Waste	15,180
Economic environment	323	Other non-major - Transit	4,632
Human services	200	Total depreciation / amortization for	
Culture and recreation	<u>11,908</u>	business-type activities	<u>\$ 104,568</u>
Total depreciation/amortization for			
governmental activities	<u>\$ 69,361</u>		

Construction Commitments

The County has active construction projects as of September 30, 2022. The significant commitments for remaining contracts were as follows (dollars in thousands):

	Contract Amount	Amount Spent-to-date	Remaining Commitment	Retainage
Port Authority	\$ 508,508	\$ 250,560	\$ 257,948	\$ 3,645
Water and Wastewater	128,819	46,313	82,506	2,080
Transportation	100,994	78,530	22,464	3,045
Other	25,487	6,922	18,565	482
Total	<u>\$ 763,808</u>	<u>\$ 382,325</u>	<u>\$ 381,483</u>	<u>\$ 9,252</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

Interfund Transactions

Due To/From Other Funds

Interfund balances for the year ended September 30, 2022, consisted of the following (dollars in thousands):

	<i>Funds Reporting Due From Balances</i>						Total
	General Fund	Transportation Capital Improvements	Non-Major Gov't Funds	Water and Wastewater	Solid Waste	Internal Service Funds	
<i>Funds Reporting Due To Balances:</i>							
General Fund	\$ -	\$ -	\$ 907	\$ 10	\$ 132	\$ 446	\$ 1,495
Non-Major Governmental Funds	1,434	-	629	-	-	23	2,086
Transportation Facilities	-	19,650	-	-	-	-	19,650
Solid Waste	-	-	5	-	-	-	5
	<u>\$ 1,434</u>	<u>\$ 19,650</u>	<u>\$ 1,541</u>	<u>\$ 10</u>	<u>\$ 132</u>	<u>\$ 469</u>	<u>\$ 23,236</u>

The majority of interfund balances as of September 30, 2022 are due to interfund billings for services and return of excess fees from the Constitutional Officers. There is one notable interfund balance of \$19,650,000 for the Transportation Facilities excess toll revenue transferred at year-end to the Transportation Capital Improvements fund.

Advances To/From other Funds

Interfund advances for the year ended September 30, 2022, consisted of the following (dollars in thousands):

	<u>Advances From</u>
	General Fund
<i>Advances To</i>	
Other Non-Major Transit	\$ 3,000
	<u>\$ 3,000</u>

There were notable non-recurring advances in the amount of \$3,000,000 from the General Fund to the Other Non-Major Transit fund for general operations.

Interfund Transfers

Interfund transfers for the year ended September 30, 2022, consisted of the following (dollars in thousands):

	<i>Funds Reporting Transfers In</i>						Total
	General Fund	Transportation Capital Improvements	Non-Major Gov't Funds	Solid Waste	Other Non-Major Transit	Internal Service Funds	
<i>Funds Reporting Transfers out:</i>							
General Fund	\$ -	\$ 11,876	\$ 60,714	\$ 125	\$ 4,595	\$ 4,000	\$ 81,310
Transportation Capital Improvements	-	-	814	-	823	-	1,637
Non-Major Governmental Funds	6,084	-	123,927	-	296	-	130,307
Transportation Facilities	-	22,650	-	-	-	-	22,650
Other Non-Major Transit	-	-	-	-	-	107	107
Internal Service Funds	-	-	1,000	-	-	-	1,000
	<u>\$ 6,084</u>	<u>\$ 34,526</u>	<u>\$ 186,455</u>	<u>\$ 125</u>	<u>\$ 5,714</u>	<u>\$ 4,107</u>	<u>\$ 237,011</u>

The majority of interfund transfers were for recurring annual transfers. There were notable non-recurring transfers between non-major Governmental funds of \$6,000,000 for stadium maintenance and repairs. Electronic Franchise Fees and Conservation Funds in the amount of \$17,000,000 and \$7,000,000 respectively were transferred out of the General Fund to Non-Major Gov't funds.

Lee County, Florida
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September 30, 2022

Governmental Fund Balances

At September 30, 2022, the County's governmental fund balances were classified as follows (dollars in thousands):

	General Fund	Transportation Capital Improvements	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	\$ 452	\$ -	\$ 3,078	\$ 3,530
Advances	3,000	-	-	3,000
Total nonspendable	<u>3,452</u>	<u>-</u>	<u>3,078</u>	<u>6,530</u>
Restricted For:				
Improvement districts	-	-	9,879	9,879
Culture & recreation	-	-	16,844	16,844
Economic development	294	-	53,108	53,402
Health, safety & welfare	-	-	18,807	18,807
Transportation roads	-	195,233	190,404	385,637
Debt service	-	-	22,516	22,516
Court programs	-	-	4,380	4,380
Public records	-	-	7,526	7,526
Inmate welfare	-	-	1,639	1,639
Driver's education	-	-	588	588
Law enforcement activities	-	-	1,782	1,782
Total restricted	<u>294</u>	<u>195,233</u>	<u>327,473</u>	<u>523,000</u>
Committed:				
MSTU	-	-	26,527	26,527
Capital improvements	-	-	123,452	123,452
Court programs	-	-	4,503	4,503
Culture & recreation	-	-	28,496	28,496
Health, safety & welfare	-	-	933	933
Total committed	<u>-</u>	<u>-</u>	<u>183,911</u>	<u>183,911</u>
Assigned to:				
General government	28,794	-	-	28,794
Public safety	1,482	-	-	1,482
Physical environment	878	-	-	878
Economic environment	1,302	-	-	1,302
Human services	2,956	-	-	2,956
Culture & recreation	1,750	-	452	2,202
Transportation roads	-	-	2,635	2,635
Economic development	3,018	-	-	3,018
Subsequent year's budget	10,004	-	-	10,004
Total assigned	<u>50,184</u>	<u>-</u>	<u>3,087</u>	<u>53,271</u>
Unassigned:	<u>124,788</u>	<u>-</u>	<u>-</u>	<u>124,788</u>
Total fund balances	<u>\$ 178,718</u>	<u>\$ 195,233</u>	<u>\$ 517,549</u>	<u>\$ 891,500</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

Long-Term Obligations

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, 2022, 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. For the current year, pledged revenues collected were \$68,538,000. The total principal and interest paid for the current year was \$5,753,000. The total principal and interest remaining to be paid is \$164,465,000.

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	29,525,000
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	8,410,000
					\$ 107,730,000

Non-Ad Valorem bonds are secured by a lien on and a pledge of non-ad valorem funds including ambulance service receipts, building permits, zoning fees, data processing fees, excess County Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, and sales tax. Principal and interest paid for the current year and pledged revenues collected were \$5,800,000 and \$161,873,000, respectively. The total principal and interest remaining to be paid is \$72,620,000.

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	37,130,000
					\$ 64,140,000

Local Option Gas Tax bonds are secured by a lien on and a pledge of the Local Option Gas Tax Revenues. No principal or interest was due for the current year. Pledged revenues collected were \$19,685,000. The total principal and interest remaining to be paid is \$187,885,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Local Option Gas Tax Revenue Bonds, Series 2022	2049	5.00% to 5.25%	4.27%	\$ 90,480,000	\$ 90,480,000

Lee County, Florida
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September 30, 2022

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 \$24,890,000 and \$64,553,000, respectively. Principal paid includes early redemption of Airport Revenue Refunding Bonds, Series 2010A of \$9,570,000 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 \$635,438,000.

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	\$ 3,290,000
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
Airport Revenue Bonds, Series 2021B	2051	4% to 5.00%	3.06%	217,670,000	217,670,000
					<u>\$ 393,945,000</u>

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 \$15,154,000 and \$43,529,000 respectively. The total principal and interest remaining to be paid is \$158,755,000.

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	\$ 5,505,000
Water and Sewer Revenue Bonds, Series 2013A (Partially Refunded December 19, 2019)	2024	2.00% to 5.00%	3.48%	53,755,000	3,890,000
Water and Sewer Refunding Revenue Bonds, Series 2013B	2027	2.00% to 5.00%	4.45%	39,440,000	20,360,000
Water and Sewer Refunding Revenue Bonds, Series 2019	2043	1.69% to 3.30%	3.17%	104,835,000	101,820,000
					<u>\$ 131,575,000</u>

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 \$9,781,000 and \$35,804,000, respectively. The total principal and interest remaining to be paid is \$93,210,000.

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	\$ 72,835,000

Lee County, Florida
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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 \$8,404,000 and \$37,739,000, respectively. The total principal and interest remaining to be paid is \$42,029,000.

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	\$ 37,195,000

The annual debt service requirements for revenue bonds at September 30, 2022, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 12,825	\$ 11,982	\$ 29,620	\$ 27,490	\$ 42,445	\$ 39,472
2024	13,535	11,196	40,555	25,870	54,090	37,066
2025	14,905	10,493	42,350	24,024	57,255	34,517
2026	16,765	9,716	45,950	22,058	62,715	31,774
2027	17,700	8,869	47,995	19,966	65,695	28,835
2028-2032	26,020	39,476	166,855	75,091	192,875	114,567
2033-2037	36,190	32,679	96,185	43,989	132,375	76,668
2038-2042	47,220	24,174	51,205	30,487	98,425	54,661
2043-2047	57,240	12,475	54,085	18,641	111,325	31,116
2048-2052	19,950	1,560	60,750	6,266	80,700	7,826
Total	<u>\$ 262,350</u>	<u>\$ 162,620</u>	<u>\$ 635,550</u>	<u>\$ 293,882</u>	<u>\$ 897,900</u>	<u>\$ 456,502</u>

Fiscal Year(s)	Port Authority		Water and Wastewater		Transportation Facilities		Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 5,135	\$ 18,653	\$ 11,335	\$ 3,798	\$ 6,435	\$ 3,347	\$ 6,715	\$ 1,692
2024	14,750	18,156	11,860	3,352	6,880	3,015	7,065	1,347
2025	15,490	17,400	12,220	2,977	7,215	2,662	7,425	985
2026	17,965	16,564	12,610	2,597	7,580	2,292	7,795	605
2027	18,865	15,643	12,980	2,214	7,955	1,904	8,195	205
2028-2032	103,385	63,165	42,085	6,356	21,385	5,570	-	-
2033-2037	70,200	38,649	10,600	3,755	15,385	1,585	-	-
2038-2042	38,845	28,540	12,360	1,947	-	-	-	-
2043-2047	48,560	18,457	5,525	184	-	-	-	-
2048-2052	60,750	6,266	-	-	-	-	-	-
Total	<u>\$ 393,945</u>	<u>\$ 241,493</u>	<u>\$ 131,575</u>	<u>\$ 27,180</u>	<u>\$ 72,835</u>	<u>\$ 20,375</u>	<u>\$ 37,195</u>	<u>\$ 4,834</u>

Bond Resolutions

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

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2022

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, 2022, were maintained on all issues. The following issues are still outstanding:

Revenue Bonds

- Local Option Gas Tax Revenue Bonds, Series 2022
- 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
- Airport Revenue Bonds, Series 2021B
- 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

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, 2022, consisted of the following:

Tourist Development Tax Revenue Bonds, Series 2013	\$ 7,500,000
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 \$3,744,000 non-revolving line of credit agreement on May 5, 2022 with a final maturity on May 5, 2024 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 79 percent of Secured Overnight Financing Rate (SOFR) plus 103 basis points, but not less than 1.07 percent or greater than the maximum interest rate provisions of Section 215.84, Florida Statutes. Interest is payable monthly beginning June 1, 2022, on the unpaid balance until final maturity on May 5, 2024. Principal for all draws made against the line of credit is due on May 5, 2024. The County covenanted to budget and appropriate legally available non-ad valorem revenues. There was no outstanding balance as of September 30, 2022 and no interest was incurred during the current year. The unused line of credit as of September 30, 2022 was \$3,744,000.

Lee County, Florida
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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 maximum lawful default rate. The default rate will remain in effect until the default is cured by the County.

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, 2022, the rate was 3.725 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, 2022 was \$9,008,000 and \$40,992,000 respectively. Interest paid for the current year was \$244,000.

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 assessed 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, 2022, were as follows (dollars in thousands):

Fiscal Year(s)	Business-type Activities	
	Principal	Interest
2023	\$ -	\$ 335
2024	-	335
2025	9,008	200
	<u>\$ 9,008</u>	<u>\$ 870</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 2023 through 2036. Principal and interest paid for the current year and pledged revenues collected were \$557,000 and \$557,000 respectively. The total principal and interest remaining to be paid out on the MSBU notes payable is \$3,188,000.

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
Emily Lane	August 19, 2009	4.85%	\$ 457,000	\$ 56,000
McGregor Villages	June 23, 2010	4.06%	116,000	17,000
San Carlos	June 30, 2010	3.85%	458,000	74,000
Airport Woods Sewer	October 10, 2012	2.85%	451,000	45,000
Cherry Estates	November 4, 2014	4.16%	1,985,000	703,000
Harbor Drive	February 8, 2017	4.12%	476,000	260,000
Western Acres	February 8, 2017	4.12%	808,000	441,000
Cherry Estates Side Streets	February 28, 2019	4.86%	211,000	169,000
Oak Creek Road Repaving	October 3, 2019	4.51%	163,000	131,000
Burgundy Farm Road Paving	April 9, 2020	4.51%	286,000	229,000
Marina/Coral Circle Canal	December 17, 2020	3.52%	243,000	227,000
Sunset Cove Channel	December 17, 2020	3.04%	180,000	162,000
Telegraph Creek	November 5, 2021	3.51%	184,000	184,000
				\$ 2,698,000

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 \$2,851,000 and \$43,529,000, respectively. The total principal and interest remaining to be paid out on the Florida Department of Environmental Protection loans is \$41,795,000.

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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

Issue	Purpose	Maturity	Interest Rate	Loan Amount Issued	Outstanding Balances
Clean Water State Revolving Fund	Three Oaks Wastewater	2038	0.95%	\$ 28,002,000	\$ 23,470,000
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	15,289,000
Construction Loan Agreement DW3602A0 Executed February 28, 2017	Installation project				
					\$ 38,759,000

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 April 1st and November 1st. Principal and interest paid for the current year and pledged revenues collected were \$4,189,000 and \$43,529,000, respectively. The total principal and interest remaining to be paid is \$25,137,000.

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.

Issue	Maturity	Interest Rate	Amount Issued	Outstanding Balances
Water and Sewer Refunding Revenue Bond, Series 2021A	2028	0.99%	\$ 10,460,000	\$ 9,012,000
Water and Sewer Refunding Revenue Bond, Series 2021B	2028	1.00%	17,791,000	15,329,000
				\$ 24,341,000

The annual debt service requirements for notes payable at September 30, 2022, 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
2023	\$ 430	\$ 109	\$ 6,425	\$ 614	\$ 6,855	\$ 723
2024	380	92	6,491	550	6,871	642
2025	330	77	6,557	485	6,887	562
2026	316	63	6,621	419	6,937	482
2027	316	50	6,688	352	7,004	402
2028-2032	833	91	17,408	1,035	18,241	1,126
2033-2037	93	8	10,622	355	10,715	363
2038-2039	-	-	2,288	22	2,288	22
	\$ 2,698	\$ 490	\$ 63,100	\$ 3,832	\$ 65,798	\$ 4,322

Lee County, Florida
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Financed Purchase Obligations

Financed purchase obligations at September 30, 2022 amounted to \$7,695,000. 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 2027. As of year-end, equipment currently leased under capital leases in the governmental activities and business-type activities had a historical cost of \$10,160,000 and \$856,000 with accumulated depreciation of \$6,120,000 and \$65,000 respectively.

Future minimum financed purchase obligations as of September 30, 2022 were as follows (dollars in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities	Total
2023	\$ 1,619	\$ 180	\$ 1,799
2024	1,503	180	1,683
2025	1,503	180	1,683
2026	1,503	180	1,683
2027	1,410	-	1,410
Total	\$ 7,538	\$ 720	\$ 8,258
Less Interest:	(520)	(43)	(563)
Present Value:	<u>\$ 7,018</u>	<u>\$ 677</u>	<u>\$ 7,695</u>

Leases Payable

The County is currently committed to various non-cancellable leases of land, building, equipment and infrastructure with terms in excess of one year. The lease payables for Governmental and Business-type Activities at September 30, 2022 were as follows:

Governmental Activities

Land - During the fiscal year, the County paid \$11,000 in principal and less than \$1,000 in interest related to various land leases with interest rate of 4.4%, with term dates ending in 2025. \$31,000

Buildings - During the fiscal year, the County paid \$1,159,000 in principal and \$335,000 in interest related to various building leases with interest rates between 2.0% - 4.4%, with term dates ranging from 2023 to 2038. Variable costs associated with these building leases were \$6,000 for the year. 7,776,000

Equipment - During the fiscal year, the County paid \$399,000 in principal and \$0 in interest related to various building leases with interest rates between 2.2% - 7.4%, with term dates ranging from 2026 to 2027. 1,582,000

Infrastructure - During the fiscal year, the County paid \$143,000 in principal and \$361,000 in interest related to various infrastructure leases with interest rates between 2.2% - 4.4%, with term dates ranging from 2034 to 2050. 10,170,000

Total Governmental Activities Leases Payable \$19,559,000

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Business-Type Activities

Equipment- During the fiscal year, the County paid \$11,000 in principal and \$2,000 in interest related to an equipment lease at an interest rate of 4.4%, with a term date of 2026.

\$46,000

Total Business-Type Activities Leases Payables

\$46,000

The future principal and interest lease payments as of September 30, 2022 (in thousands) were as follows:

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,552	\$ 833	\$ 11	\$ 2	\$ 1,563	\$ 835
2024	1,411	766	11	1	1,422	767
2025	1,238	710	12	1	1,250	711
2026	1,258	657	12	-	1,270	657
2027	797	604	-	-	797	604
2028-2032	3,393	2,565	-	-	3,393	2,565
2033-2037	2,875	1,878	-	-	2,875	1,878
2038-2042	3,151	1,238	-	-	3,151	1,238
2043-2047	2,622	520	-	-	2,622	520
2048-2051	1,262	93	-	-	1,262	93
Total	<u>\$ 19,559</u>	<u>\$ 9,864</u>	<u>\$ 46</u>	<u>\$ 4</u>	<u>\$ 19,605</u>	<u>\$ 9,868</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, 2022, consisted of the following (dollars in thousands):

Self-insurance group health & dental	\$8,703
Sheriff internal service fund	2,390
Self-insurance general liability	11,590
Total self-insurance claims payable	<u>\$22,683</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Changes in Long-Term Debt

Changes in bonded and other indebtedness of the County for the year ended September 30, 2022, were as follows (dollars in thousands):

<u>Governmental Activities:</u>	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 175,795	\$ 90,480	\$ (3,925)	\$ 262,350	\$ 12,825
Less/plus deferred amounts:					
Unamort discount/premium	13,941	10,063	(2,303)	21,701	-
Total bonds payable	189,736	100,543	(6,228)	284,051	12,825
Direct borrowing and direct placement notes payable	11,127	184	(8,613)	2,698	430
Self-insurance claims payable	24,546	104,610	(106,473)	22,683	12,712
Financed purchase obligations	8,026	452	(1,460)	7,018	1,445
Leases payable	19,285 *	1,985	(1,711)	19,559	1,552
Compensated absences	29,216	28,063	(23,519)	33,760	11,604
Total governmental activity long-term liabilities	<u>\$ 281,936</u>	<u>\$ 235,837</u>	<u>\$ (148,004)</u>	<u>\$ 369,769</u>	<u>\$ 40,568</u>

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

<u>Business-Type Activities:</u>	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
<u>Port Authority</u>					
Bonds payable:					
Revenue bonds	\$ 189,425	\$ 217,670	\$ (13,150)	\$ 393,945	\$ 5,135
Less/plus deferred amounts:					
Unamort discount/premium	35,973	42,733	(7,141)	71,565	-
Total bonds payable	225,398	260,403	(20,291)	465,510	5,135
Direct borrowing - variable debt	18,850	-	(9,842)	9,008	-
Leases payable	55 *	-	(9)	46	11
Compensated absences	1,922	3,428	(3,163)	2,187	1,612
Total Port Authority long-term liabilities	<u>\$ 246,225</u>	<u>\$ 263,831</u>	<u>\$ (33,305)</u>	<u>\$ 476,751</u>	<u>\$ 6,758</u>

<u>Water and Wastewater</u>	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 142,430	\$ -	\$ (10,855)	\$ 131,575	\$ 11,335
Less/plus deferred amounts:					
Unamort discount/premium	1,533	-	(552)	981	-
Total bonds payable	143,963	-	(11,407)	132,556	11,335
Direct borrowing and direct placement notes payable	69,455	-	(6,355)	63,100	6,425
Financed purchase obligations	-	856	(179)	677	163
Leases payable	15 *	-	(15)	-	-
Compensated absences	1,275	2,160	(1,813)	1,622	100
Total Water and Wastewater long-term liabilities	<u>\$ 214,708</u>	<u>\$ 3,016</u>	<u>\$ (19,769)</u>	<u>\$ 197,955</u>	<u>\$ 18,023</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

Changes in Long-Term Debt (continued)

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
<u>Transportation Facilities</u>					
Bonds payable:					
Revenue bonds	\$ 78,955	\$ -	\$ (6,120)	\$ 72,835	\$ 6,435
Less/plus deferred amounts:					
Unamort discount/premium	6,756	-	(1,163)	5,593	-
Total bonds payable	<u>85,711</u>	<u>-</u>	<u>(7,283)</u>	<u>78,428</u>	<u>6,435</u>
Compensated absences	342	542	(495)	389	24
Total Transportation Facilities long-term liabilities	<u>\$ 86,053</u>	<u>\$ 542</u>	<u>\$ (7,778)</u>	<u>\$ 78,817</u>	<u>\$ 6,459</u>
<u>Solid Waste</u>					
Bonds payable:					
Revenue bonds	\$ 43,580	\$ -	\$ (6,385)	\$ 37,195	\$ 6,715
Less/plus deferred amounts:					
Unamort discount/premium	3,356	-	(1,067)	2,289	-
Total bonds payable	<u>46,936</u>	<u>-</u>	<u>(7,452)</u>	<u>39,484</u>	<u>6,715</u>
Landfill closure & postclosure costs	23,193	2,798	-	25,991	-
Compensated absences	430	870	(696)	604	37
Total Solid Waste long-term liabilities	<u>\$ 70,559</u>	<u>\$ 3,668</u>	<u>\$ (8,148)</u>	<u>\$ 66,079</u>	<u>\$ 6,752</u>
<u>Other Non-Major - Transit</u>					
Compensated absences	\$ 655	\$ 1,133	\$ (994)	\$ 794	\$ 49
Total Other Non-Major long-term liabilities	<u>\$ 655</u>	<u>\$ 1,133</u>	<u>\$ (994)</u>	<u>\$ 794</u>	<u>\$ 49</u>
<u>Total Business-Type Activities</u>					
Bonds payable:					
Revenue bonds	\$ 454,390	\$ 217,670	\$ (36,510)	\$ 635,550	\$ 29,620
Less/plus deferred amounts:					
Unamort discount/premium	47,618	42,733	(9,923)	80,428	-
Total bonds payable	<u>502,008</u>	<u>260,403</u>	<u>(46,433)</u>	<u>715,978</u>	<u>29,620</u>
Direct borrowing - variable debt	18,850	-	(9,842)	9,008	-
Direct borrowing and direct placement notes payable	69,455	-	(6,355)	63,100	6,425
Total variable debt and notes payable	<u>88,305</u>	<u>-</u>	<u>(16,197)</u>	<u>72,108</u>	<u>6,425</u>
Landfill closure & postclosure costs	23,193	2,798	-	25,991	-
Financed purchase obligations	-	856	(179)	677	163
Leases payable	70 *	-	(24)	46	11
Compensated absences	4,624	8,133	(7,161)	5,596	1,822
Total business-type activity long-term liabilities	<u>\$ 618,200</u>	<u>\$ 272,190</u>	<u>\$ (69,994)</u>	<u>\$ 820,396</u>	<u>\$ 38,041</u>

*See note IX Other Information for detail on change in accounting principle.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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, 2022.

	Southwest Florida International Airport
<u>Condensed Statement of Net Position</u>	
Assets	
Current assets	\$ 160,285
Restricted assets	236,253
Noncurrent assets	42,601
Capital assets (net)	798,943
Total assets	1,238,082
Deferred outflows of resources	19,967
Liabilities	
Current liabilities	38,343
Current liabilities payable from restricted assets	35,245
Noncurrent liabilities	539,480
Total liabilities	613,068
Deferred inflows of resources	75,039
Net position	
Net investment in capital assets	541,286
Restricted	14,008
Unrestricted	14,648
Total net position	\$ 569,942
<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating revenues	
User fees	\$ 44,246
Rentals	5,831
Concessions	68,297
Miscellaneous	235
Less: Rebates	(9,813)
Total operating revenues	108,796
Operating expenses	
Depreciation	21,602
Other operating expenses	74,578
Total operating expenses	96,180
Operating income	12,616

Lee County, Florida
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September 30, 2022

Segment Information- Port Authority (continued)

	Southwest Florida International Airport
Non-operating revenues (expenses)	
Investment earnings	3,467
Interest expense	(11,896)
Other non-operating	14,882
Total non-operating revenues (expenses)	6,453
Income before capital contributions and transfers	19,069
Capital contributions	39,536
Transfers	10,108
Change in net position	68,713
Beginning net position	501,229
Ending net position	\$ 569,942
<u><i>Condensed Statement of Cash Flows</i></u>	
Net cash provided (used) by:	
Operating activities	\$ 32,264
Noncapital financing activities	24,440
Capital and related financing activities	184,538
Investing activities	3,434
Net increase	244,676
Beginning cash, cash equivalents and investments	124,185
Ending cash, cash equivalents and investments	\$ 368,861

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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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 Authority 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 2022. The Plan is funded on a pay-as-you-go basis. No trust fund has been established for the plan.

Lee County, Florida
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	General Employee Retirees after subsidy		General Employee Retirees without subsidy	
	<u>Aetna</u>	<u>MAP</u>	<u>Aetna</u>	<u>MAP</u>
Medical/ Prescriptions:				
Retiree Only				
Pre 65 Years Old	\$590	N/A	\$1,180	N/A
Medicare Eligible	494	125	987	312
Retiree plus Spouse				
Pre 65 Years Old	988	N/A	1,975	N/A
Medicare Eligible	795	250	1,589	624
Retiree Plus dependent				
Pre 65 Years Old	973	N/A	1,945	N/A
Medicare Eligible	780	250	1,559	624
Retiree plus family				
Pre 65 Years Old	995	N/A	1,990	N/A
Medicare Eligible (3) (spouse + one dep)	802	374	1,604	936
Life:				
Individual Coverage	6		6	
Spouse	N/A		N/A	

Actuarial Methods and Assumptions

At September 30, 2022, the County's GHPLC total OPEB liability of \$320,501,000 was measured as of September 30, 2022, 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	4.02%
Healthcare Cost Trend Rate	7.50% pre 65 8.30% at least 65 0% 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, 2022, in the Bond Buyer GO 20-Bond Municipal Bond Index. The discount rate changed from 2.26 percent at September 30, 2021.

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.

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2021 through September 30, 2022.

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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Changes in the Total OPEB Liability

Balance at September 30, 2021	\$399,960,000
Changes for the year:	
Service Cost	22,741,000
Interest	9,498,000
Difference between Expected and Actual Experience	(4,587,000)
Changes in Assumptions	(102,227,000)
Benefit Payments	<u>(4,884,000)</u>
Net Changes	<u>(79,459,000)</u>
Balance at September 30, 2022	<u>\$320,501,000</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	\$ 373,595,000	\$ 320,501,000	\$ 277,726,000

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	\$ 268,913,000	\$ 320,501,000	\$ 387,443,000

For the year ended September 30, 2022, the County recognized OPEB expense of \$746,000. At September 30, 2022 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	\$ 976,000	\$ 26,733,000
Changes in Actuarial Assumptions	59,464,000	230,682,000
Total	<u>\$ 60,440,000</u>	<u>\$ 257,415,000</u>

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2022

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:	
2023	\$(31,493,000)
2024	(31,493,000)
2025	(31,493,000)
2026	(21,220,000)
2027	(17,702,000)
Total Thereafter	(63,574,000)

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, 2022, 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 \$839 for single and \$1,726 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. No trust fund has been established for this plan.

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%

Lee County, Florida
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Actuarial Methods and Assumptions

At September 30, 2022, the Sheriff's LCSHCP total OPEB liability of \$270,056,000 was measured as of September 30, 2021, 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	2.19%
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 discount rate was based on the 20 Year Municipal Bond Rate at September 30, 2021, of Fidelity Investments' 20-Year Municipal GO AA Index. The discount rate changed from 2.41 percent at September 30, 2020.

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, 2021 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, 2021	\$252,809,000
Changes for the year:	
Service Cost	7,477,000
Interest	6,207,000
Changes in Assumptions	9,059,000
Benefit Payments	<u>(5,496,000)</u>
Net Changes	<u>17,247,000</u>
Balance at September 30, 2022	<u>\$270,056,000</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	\$ 316,270,000	\$ 270,056,000	\$ 231,752,000

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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	\$ 217,908,000	\$ 270,056,000	\$ 338,962,000

For the year ended September 30, 2022, the County recognized OPEB expense of \$8,956,000 related to the Sheriff. At September 30, 2022 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	\$ 5,840,000	\$ -
Difference Between Expected and Actual Experience	10,409,000	-
Changes in Actuarial Assumptions	58,899,000	107,780,000
Total	<u>\$ 75,148,000</u>	<u>\$ 107,780,000</u>

Deferred outflows of resources included \$5,840,000 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, 2023. 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:	
2023	\$ (4,729,000)
2024	(4,729,000)
2025	(4,729,000)
2026	(4,729,000)
2027	(5,936,000)
Total Thereafter	(13,620,000)

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	\$ 320,501,000	\$ 270,056,000	\$ 590,557,000
Deferred outflows of resources related to OPEB	60,440,000	75,148,000	135,588,000
Deferred inflows of resources related to OPEB	257,415,000	107,780,000	365,195,000
OPEB expense	746,000	8,956,000	9,702,000

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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).

The County's pension expenses for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2022 totaled \$61,839,000.

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

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

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

Benefits Provided

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

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

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3 percent employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2021, were applied to employee salaries as follows: regular employees 9.10 percent, county elected officials 49.70 percent, senior management 27.29 percent, special risk 24.17 percent and DROP participants 16.68 percent. The County's contributions to the FRS Plan were \$47,769,000 for the year ended September 30, 2022.

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

At September 30, 2022, the County reported a liability of \$395,509,000 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the County's proportion was 1.0630 percent, which was an increase of 0.0292 percent from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized a pension expense of \$55,545,000 for its proportionate share of FRS's pension expense.

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 18,784,000	\$ -
Changes in Actuarial Assumptions	48,709,000	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	26,116,000	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	12,006,000	16,959,000
County Contributions Subsequent to the Measurement Date	13,664,000	-
Total	\$ 119,279,000	\$ 16,959,000

Deferred outflows of resources related to pensions included \$13,664,000 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, 2023. 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:		
2023	\$	21,876,000
2024		6,992,000
2025		(9,896,000)
2026		65,400,000
2027		4,284,000

Actuarial Assumptions

The total pension liability in the July 1, 2022 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	6.70 %	

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, 2022, 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:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual Geometric Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Totals	100.0%			
Assumed Inflation - Mean			2.4%	1.3%

Discount Rate

The discount rate used to measure the total pension liability changed from 6.80 to 6.70 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.

Lee County, Florida
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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	5.70%	6.70%	7.70%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 684,006,000	\$ 395,509,000	\$ 154,292,000

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, 2022, 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, 2022, 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 \$5,677,000 for the year ended September 30, 2022.

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

At September 30, 2022, the County reported a liability of \$95,656,000 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. Liabilities originally calculated as of the actuarial valuation date are recalculated as of June 30, 2022 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, 2021, through June 30, 2022, relative to the total employer contributions received from all participating employers. At June 30, 2022, the County's proportion was 0.9031 percent, which was an increase of 0.0239 percent from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$6,294,000 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	\$ 2,903,000	\$ 421,000
Changes in Actuarial Assumptions	5,483,000	14,797,000
Net Difference Between Projected and Actual Earnings on HIS Program Investments	139,000	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	4,751,000	1,496,000
County Contributions Subsequent to the Measurement Date	1,569,000	-
Total	\$ 14,845,000	\$ 16,714,000

Deferred outflows of resources related to pensions included \$1,569,000 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, 2023. 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:	
2023	\$ (576,000)
2024	81,000
2025	109,000
2026	(631,000)
2027	(1,666,000)
Total Thereafter	(755,000)

Actuarial Assumptions

The total pension liability in the July 1, 2022, 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	3.54 %

Lee County, Florida
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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, 2022, 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 2.16 to 3.54 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	2.54%	3.54%	4.54%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 109,438,000	\$ 95,656,000	\$ 84,251,000

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	\$ 395,509,000	\$ 95,656,000	\$ 491,165,000
Deferred outflows of resources related to pensions	119,279,000	14,845,000	134,124,000
Deferred inflows of resources related to pensions	16,959,000	16,714,000	33,673,000
Pension expense	55,545,000	6,294,000	61,839,000

Lee County, Florida
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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, 2022, 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 \$6,241,000 for the year ended September 30, 2022.

NOTE IX. OTHER INFORMATION

Risk Management

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

Lee County, Florida
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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, 2022, 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, 2022 and 2021, were as follows (dollars in thousands):

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year-End</u>
<i><u>Self-Insurance Group Health and Dental:</u></i>				
2022	\$10,698	\$106,353	(\$105,958)	\$11,093
2021	\$9,733	\$109,587	(\$108,622)	\$10,698
<i><u>Self-Insurance General Liability:</u></i>				
2022	\$13,848	\$147	(\$2,405)	\$11,590
2021	\$12,854	\$4,413	(\$3,419)	\$13,848

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, \$25,991,000, represents the cumulative portion of total estimated closure and postclosure care as of September 30, 2022, based

Lee County, Florida
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on the use of 62 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, 2022, was \$41,123,000. The County will recognize the remaining estimated cost of closure and postclosure care of \$15,133,000 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, 2022. 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, 2022, cash and investments of \$12,319,000 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.

Hurricane Ian, a strong Category 4 hurricane made landfall in Lee County on September 28, 2022. The Governor and the President of the United States declared Hurricane Ian a Federal disaster. The devastation to the County from this storm has been extensive, especially on the islands and along the coastline, affecting the citizens, economy, assets and tourism industry. The County entered into a Revolving Line of Credit (see Subsequent Events on page 100) for expenditures and costs related to Hurricane Ian in anticipated delays with the expected substantial reimbursement from federal and state agencies.

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:	
2023	\$ 8,298,000
2024	8,590,000

For the year ended September 30, 2022, the Sheriff paid \$12,693,000 for inmate medical services and \$2,913,000 for food services 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, 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

Lee County, Florida
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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, 2022, are as follows:

	<u>Amount</u>
General Fund	\$37,162,000
Other Governmental Funds	131,705,000

Capital Asset Impairment

As of September 30, 2022, the County reported a capital asset impairment loss of \$8,386,000 related to the Fort Myers Beach reclamation facility as a result of damage caused by Hurricane Ian. The facility incurred significant damage as a result of storm surge flood waters and is unable to operate at full capacity. The loss is reported in the County's financial statements as an operating expense in the Water and Wastewater Fund on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position and a Water and Wastewater business-type activity expense on the Statement of Activities.

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 \$14,865,000 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. The Florida Supreme Court declined to review the petition, finalizing the trial court's decision in the matter. As the prevailing party, Lee County moved to recover its attorney's fees and costs from the Plaintiff. In September 2022 the Trial Court denied Lee County's motion. Lee County appealed the denial of award of fees and costs which is currently pending before the Sixth District Court of Appeal.

Subsequent Events

On December 8, 2022, the County entered into a Revolving Line of Credit, Series 2022 in the amount not-to-exceed \$150,000,000 with Bank of America, N.A. due to the current unavailability of sufficient budgeted funds, cash flow issues and anticipated delays in the expected federal and state reimbursements for extraordinary expenditures and costs related to response, recovery, mitigation, protective and security costs and collection, disposal and general clean-up of debris, including replacement or repair of governmental property which has been damaged or destroyed by Hurricane Ian.

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On December 16, 2022, section 197.3181, *Florida Statutes* was signed into law providing for a prorated refund of ad valorem taxes for residential improvements rendered uninhabitable (for at least thirty days), by Hurricanes Ian or Nicole. At this time, the impact to the County is unknown.

Change in Accounting Principle

During the year ended September 30, 2022, the County implemented GASB Statement No. 87, "Leases". The statement requires the recognition of certain lease assets and lease liabilities that previously were classified as operating leases. It establishes a single model for lease accounting based upon the foundational principle that leases are financings of the right to use an underlying asset. Leases where the maximum possible lease term is one year or less continue to be reported as operating leases. Leases that transfer ownership and contain no cancellation provision are reported as debt by the lessee and sale of an asset by the lessor.

As a result of implementing GASB Statement 87, the County has recorded the following to adjust beginning balances (dollars in thousands):

	Governmental Activities	Business-Type Activities
County as Lessor:		
Lease receivable	\$ 61,293	\$ 110,959
Deferred inflows of resources: unamortized leases	(61,293)	(110,959)
	\$ -	\$ -

	Governmental Activities	Business-Type Activities
County as Lessee:		
Intangible right-to-use asset	\$ 19,285	\$ 70
Lease payable	(19,285)	(70)
	\$ -	\$ -

As a result of implementing GASB Statement 87, the County recovered amounts that were expensed in the prior year and reported the following changes to net position as of September 30, 2021 (dollars in thousands):

	Governmental Activities
Net Position, as previously reported	\$ 1,508,202
Cumulative effect of GASB 87 implementation	77
Net Position, as restated	\$ 1,508,279



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Southwest Florida

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REQUIRED SUPPLEMENTARY INFORMATION



Lee County, Florida
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2022

Other Postemployment Benefits Plans
(unaudited)

Group Health Program for Lee County Plan
(dollars in thousands)

<u>Total OPEB liability</u>	Measurement Date					
	2017	2018	2019	2020	2021	2022
Service cost	\$ 15,683	\$ 8,720	\$ 16,652	\$ 23,654	\$ 27,176	\$ 22,741
Interest	12,235	11,148	15,207	13,270	11,676	9,498
Difference between expected and actual experience	1,259	1,204	(824)	(3,683)	(25,281)	(4,587)
Changes in benefit terms	-	62,735	-	7,253	-	-
Changes of assumptions	(106,418)	(25,726)	103,593	(8,082)	(110,888)	(102,227)
Benefit payments	(9,678)	(9,067)	(7,883)	(5,200)	(7,736)	(4,884)
Net change in total OPEB liability	(86,919)	49,014	126,745	27,212	(105,053)	(79,459)
Total OPEB liability beginning	388,961	302,042	351,056	477,801	505,013	399,960
Total OPEB liability ending	<u>\$ 302,042</u>	<u>\$ 351,056</u>	<u>\$ 477,801</u>	<u>\$ 505,013</u>	<u>\$ 399,960</u>	<u>\$ 320,501</u>
Covered-employee payroll	\$ 173,439	\$ 198,692	\$ 224,028	\$ 227,739	\$ 236,913	\$ 222,645
OPEB liability as a percentage of covered-employee payroll	174.15%	176.68%	213.28%	221.75%	168.82%	143.95%

Notes to Schedule

For the measurement date September 30, 2022, the amount reported as changes in assumptions resulted from the following:

- The discount rate changed from 2.26% at September 30, 2021 to 4.02% at September 30, 2022.

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, 2022

Other Postemployment Benefits Plans
 (unaudited)

Lee County Sheriff Health Care Plan
 (dollars in thousands)

<u>Total OPEB liability</u>	Measurement Date					
	2016	2017	2018	2019	2020	2021
Service cost	\$ 8,466	\$ 10,834	\$ 9,900	\$ 7,313	\$ 9,816	\$ 7,477
Interest	9,205	9,024	10,023	9,373	8,527	6,207
Difference between expected and actual experience	-	-	4,211	-	9,583	-
Changes of assumptions	31,576	(22,771)	(58,471)	51,094	(72,808)	9,059
Benefit payments	(5,099)	(4,607)	(4,738)	(4,703)	(5,148)	(5,496)
Net change in total OPEB liability	44,148	(7,520)	(39,075)	63,077	(50,030)	17,247
Total OPEB liability beginning	242,209	286,357	278,837	239,762	302,839	252,809
Total OPEB liability ending	<u>\$ 286,357</u>	<u>\$ 278,837</u>	<u>\$ 239,762</u>	<u>\$ 302,839</u>	<u>\$ 252,809</u>	<u>\$ 270,056</u>
Covered-employee payroll	\$ 66,951	\$ 68,226	\$ 65,943	\$ 60,396	\$ 89,930	\$ 102,360
OPEB liability as a percentage of covered-employee payroll	427.71%	408.70%	363.59%	501.42%	281.12%	263.83%

Notes to Schedule

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

- Change in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2021.

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, 2022

Florida Retirement System Pension Plan
(unaudited)

Schedule of the County's Proportionate Share of the Net Pension Liability

(dollars in thousands)
Last 9 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
County's Proportion of the Net Pension Liability	0.9638%	0.9683%	1.0422%	1.0502%	1.0927%	1.1060%	1.1008%	1.0338%	1.0630%
County's Proportionate Share of the Net Pension Liability	\$ 58,806	\$ 125,074	\$ 263,144	\$ 310,644	\$ 329,132	\$ 380,876	\$ 477,097	\$ 78,094	\$ 395,509
County's Covered Payroll**	\$ 199,547	\$ 246,054	\$ 259,596	\$ 267,975	\$ 288,078	\$ 298,616	\$ 306,931	\$ 311,206	\$ 329,245
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%	120.13%
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%	82.89%

*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

Schedule of County Contributions

(dollars in thousands)
Last 9 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 22,247	\$ 23,938	\$ 26,777	\$ 27,667	\$ 31,629	\$ 35,070	\$ 37,780	\$ 40,356	\$ 47,769
Contributions in Relation to the Contractually Required Contribution	(22,247)	(23,938)	(26,777)	(27,667)	(31,629)	(35,070)	(37,780)	(40,356)	(47,769)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 242,110	\$ 248,447	\$ 262,679	\$ 272,610	\$ 289,589	\$ 302,411	\$ 312,965	\$ 311,795	\$ 342,128
Contributions as a percentage of covered payroll	9.19%	9.64%	10.19%	10.15%	10.92%	11.60%	12.07%	12.94%	13.96%

*The amounts presented are on a September 30 basis.

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, 2022

Retiree Health Insurance Subsidy Program
 (unaudited)

Schedule of the County's Proportionate Share of the Net Pension Liability
 (dollars in thousands)
 Last 9 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
County's Proportion of the Net Pension Liability	0.8101%	0.8103%	0.8408%	0.8409%	0.8800%	0.8932%	0.8844%	0.8792%	0.9031%
County's Proportionate Share of the Net Pension Liability	\$ 75,745	\$ 82,636	\$ 97,989	\$ 89,915	\$ 93,146	\$ 99,935	\$ 107,982	\$ 107,847	\$ 95,656
County's Covered Payroll	\$ 240,651	\$ 246,054	\$ 259,596	\$ 267,975	\$ 288,078	\$ 298,616	\$ 306,931	\$ 311,206	\$ 329,245
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%	29.05%
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%	4.81%

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

Schedule of County Contributions
 (dollars in thousands)
 Last 9 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 3,136	\$ 3,375	\$ 4,363	\$ 4,526	\$ 4,799	\$ 5,022	\$ 5,195	\$ 5,168	\$ 5,677
Contributions in Relation to the Contractually Required Contribution	(3,136)	(3,375)	(4,363)	(4,526)	(4,799)	(5,022)	(5,195)	(5,168)	(5,677)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 242,110	\$ 248,447	\$ 262,679	\$ 272,610	\$ 289,589	\$ 302,411	\$ 312,965	\$ 311,795	\$ 342,128
Contributions as a percentage of covered payroll	1.30%	1.36%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

*The amounts presented are on a September 30 basis.

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
Southwest Florida

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SUPPLEMENTAL FINANCIAL INFORMATION

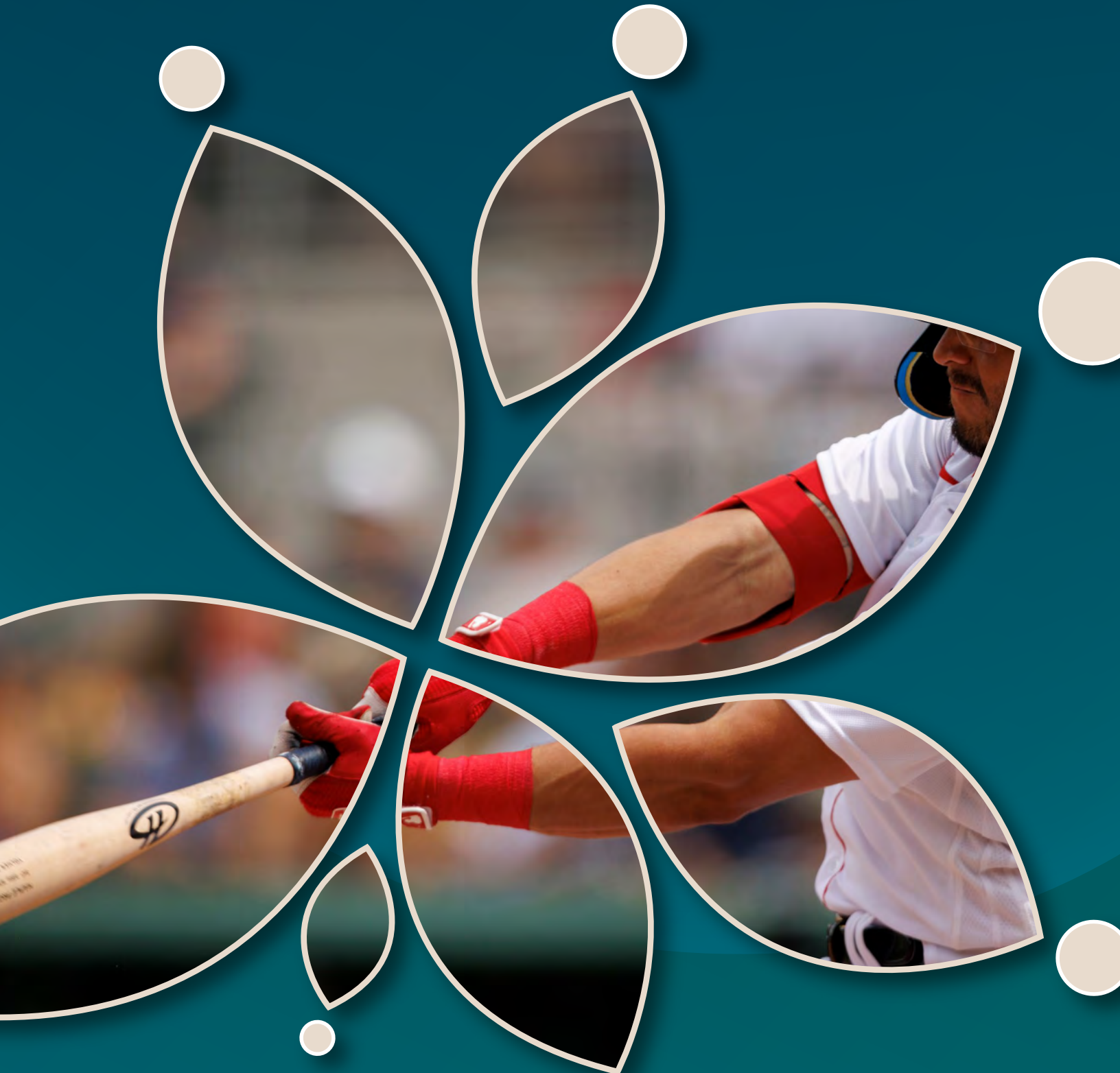




Lee County
Southwest Florida

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GENERAL FUND



Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2022
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
ASSETS				
Cash, cash equivalents and investments	\$ 300,870	\$ 4,741	\$ 1,337	\$ 18,638
Receivables				
Accounts (net)	9,894	11	-	29
Accrued interest	259	-	-	-
Leases	9,515	-	-	-
Due from other funds	14,239	102	-	867
Due from other governments	7,149	32	-	-
Inventory	384	68	-	-
Inventory held for resale	294	-	-	-
Advances	3,000	-	-	-
Total assets	<u>345,604</u>	<u>4,954</u>	<u>1,337</u>	<u>19,534</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	7,700	323	168	6,477
Accrued liabilities	3,329	355	132	7,807
Due to other funds	60	334	897	4,952
Due to other governments	6,394	450	140	-
Due to individuals	-	-	-	298
Deposits and overbids	1,585	3,430	-	-
Unearned revenues	137,384	62	-	-
Other	130	-	-	-
Total liabilities	<u>156,582</u>	<u>4,954</u>	<u>1,337</u>	<u>19,534</u>
Deferred Inflows of Resources:				
Grants receivable	819	-	-	-
Unamortized leases	9,485	-	-	-
Total deferred inflows of resources	<u>10,304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	3,384	68	-	-
Restricted	294	-	-	-
Assigned	50,184	-	-	-
Unassigned	124,856	(68)	-	-
Total fund balances	<u>178,718</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 345,604</u>	<u>\$ 4,954</u>	<u>\$ 1,337</u>	<u>\$ 19,534</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2022
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
ASSETS				
Cash, cash equivalents and investments	\$ 2,108	\$ 10,713	\$ -	\$ 338,407
Receivables				
Accounts (net)	-	43	-	9,977
Accrued interest	-	-	-	259
Leases	-	-	-	9,515
Due from other funds	-	2	(13,776)	1,434
Due from other governments	-	-	-	7,181
Inventory	-	-	-	452
Inventory held for resale	-	-	-	294
Advances	-	-	-	3,000
Total assets	<u>2,108</u>	<u>10,758</u>	<u>(13,776)</u>	<u>370,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	971	520	-	16,159
Accrued liabilities	219	671	-	12,513
Due to other funds	918	8,110	(13,776)	1,495
Due to other governments	-	1,457	-	8,441
Due to individuals	-	-	-	298
Deposits and overbids	-	-	-	5,015
Unearned revenues	-	-	-	137,446
Other	-	-	-	130
Total liabilities	<u>2,108</u>	<u>10,758</u>	<u>(13,776)</u>	<u>181,497</u>
Deferred Inflows of Resources:				
Grants receivable	-	-	-	819
Unamortized leases	-	-	-	9,485
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,304</u>
Fund Balances:				
Nonspendable	-	-	-	3,452
Restricted	-	-	-	294
Assigned	-	-	-	50,184
Unassigned	-	-	-	124,788
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,718</u>
Total liabilities and fund balances	<u>\$ 2,108</u>	<u>\$ 10,758</u>	<u>\$ (13,776)</u>	<u>\$ 370,519</u>

See accompanying independent auditor's report.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Year Ended September 30, 2022
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
REVENUES				
Taxes	\$ 379,476	\$ -	\$ -	\$ -
Licenses and permits	1,670	-	-	-
Intergovernmental	153,733	2,022	1,892	10
Charges for services	32,011	7,706	400	1,036
Fines and forfeitures	70	-	-	-
Investment earnings	(6,698)	-	-	-
Miscellaneous	7,950	447	9	1,277
Total revenues	<u>568,212</u>	<u>10,175</u>	<u>2,301</u>	<u>2,323</u>
EXPENDITURES				
Current				
General government	131,019	20,295	10,215	10,255
Public safety	69,377	-	-	208,421
Physical environment	5,540	-	-	-
Economic environment	10,189	-	-	-
Human services	18,708	-	-	-
Culture and recreation	18,722	-	-	-
Capital outlay				
General government	6,363	766	69	-
Public safety	1,239	-	-	8,540
Physical environment	159	-	-	-
Culture and recreation	613	-	-	-
Debt service				
Principal retirement	1,001	-	19	1,331
Interest and fiscal charges	226	-	-	223
Total expenditures	<u>263,156</u>	<u>21,061</u>	<u>10,303</u>	<u>228,770</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>305,056</u>	<u>(10,886)</u>	<u>(8,002)</u>	<u>(226,447)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	16,431	11,074	8,825	231,315
Transfers out	(339,034)	(188)	(892)	(4,874)
Lease proceeds	877	-	69	6
Total other financing sources and (uses)	<u>(321,726)</u>	<u>10,886</u>	<u>8,002</u>	<u>226,447</u>
Net change in fund balances	(16,670)	-	-	-
Fund balances - beginning	195,388	-	-	-
Fund balances - ending	<u>\$ 178,718</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, 2022
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 379,476
Licenses and permits	-	-	-	1,670
Intergovernmental	345	-	-	158,002
Charges for services	56	32,077	(19,006)	54,280
Fines and forfeitures	-	-	-	70
Investment earnings	-	-	-	(6,698)
Miscellaneous	17	123	-	9,823
Total revenues	<u>418</u>	<u>32,200</u>	<u>(19,006)</u>	<u>596,623</u>
EXPENDITURES				
Current				
General government	8,695	24,492	(19,006)	185,965
Public safety	-	-	-	277,798
Physical environment	-	-	-	5,540
Economic environment	-	-	-	10,189
Human services	-	-	-	18,708
Culture and recreation	-	-	-	18,722
Capital outlay				
General government	1,178	370	-	8,746
Public safety	-	-	-	9,779
Physical environment	-	-	-	159
Culture and recreation	-	-	-	613
Debt service				
Principal retirement	-	-	-	2,351
Interest and fiscal charges	-	-	-	449
Total expenditures	<u>9,873</u>	<u>24,862</u>	<u>(19,006)</u>	<u>539,019</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(9,455)</u>	<u>7,338</u>	<u>-</u>	<u>57,604</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	10,373	-	(271,934)	6,084
Transfers out	(918)	(7,338)	271,934	(81,310)
Lease proceeds	-	-	-	952
Total other financing sources and (uses)	<u>9,455</u>	<u>(7,338)</u>	<u>-</u>	<u>(74,274)</u>
Net change in fund balances	-	-	-	(16,670)
Fund balances - beginning	-	-	-	195,388
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,718</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, 2022
 (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	\$ 379,899	\$ 379,476	\$ -	\$ -	\$ -	\$ -
Licenses and permits	500	1,670	-	-	-	-
Intergovernmental	295,258	153,881	2,005	2,022	1,421	1,375
Charges for services	31,906	31,965	7,528	7,672	-	-
Fines and forfeitures	160	70	-	-	-	-
Investment earnings	1,300	2,731	-	-	-	-
Miscellaneous	2,739	7,942	454	447	-	9
Total revenues	<u>702,762</u>	<u>577,735</u>	<u>9,987</u>	<u>10,141</u>	<u>1,421</u>	<u>1,384</u>
EXPENDITURES						
Current						
General government	294,429	131,619	20,274	20,295	10,246	9,298
Public safety	63,573	69,375	-	-	-	-
Physical environment	8,132	5,540	-	-	-	-
Economic environment	17,667	10,189	-	-	-	-
Human services	23,832	18,708	-	-	-	-
Culture and recreation	22,244	18,722	-	-	-	-
Capital outlay						
General government	5,378	6,363	787	766	-	-
Public safety	320	1,239	-	-	-	-
Physical environment	128	159	-	-	-	-
Culture and recreation	231	613	-	-	-	-
Debt service						
Principal retirement	1,414	1,227	-	-	-	19
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>437,348</u>	<u>263,754</u>	<u>21,061</u>	<u>21,061</u>	<u>10,246</u>	<u>9,317</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>265,414</u>	<u>313,981</u>	<u>(11,074)</u>	<u>(10,920)</u>	<u>(8,825)</u>	<u>(7,933)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,128	16,431	11,074	11,074	8,825	8,825
Transfers out	(341,654)	(338,471)	-	(188)	-	(892)
Lease proceeds	-	877	-	-	-	-
Total other financing sources (uses)	<u>(326,526)</u>	<u>(321,163)</u>	<u>11,074</u>	<u>10,886</u>	<u>8,825</u>	<u>7,933</u>
Net change in fund balance	(61,112)	(7,182)	-	(34)	-	-
Fund balances - beginning	<u>196,127</u>	<u>208,489</u>	<u>-</u>	<u>96</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 135,015</u>	<u>\$ 201,307</u>	<u>\$ -</u>	<u>\$ 62</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, 2022
 (amounts expressed in thousands)

	Sheriff		Supervisor of Elections		Tax Collector	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	10	-	345	-	-
Charges for services	287	1,036	-	56	34,722	32,077
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Miscellaneous	844	1,277	-	17	218	123
Total revenues	<u>1,131</u>	<u>2,323</u>	<u>-</u>	<u>418</u>	<u>34,940</u>	<u>32,200</u>
EXPENDITURES						
Current						
General government	9,746	10,255	9,511	8,695	26,450	24,492
Public safety	208,732	208,421	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	42	1,178	403	370
Public safety	9,282	8,540	-	-	-	-
Physical environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service						
Principal retirement	1,409	1,331	-	-	-	-
Interest and fiscal charges	-	223	-	-	-	-
Total expenditures	<u>229,169</u>	<u>228,770</u>	<u>9,553</u>	<u>9,873</u>	<u>26,853</u>	<u>24,862</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(228,038)</u>	<u>(226,447)</u>	<u>(9,553)</u>	<u>(9,455)</u>	<u>8,087</u>	<u>7,338</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	228,038	231,315	9,553	10,373	-	-
Transfers out	-	(4,874)	-	(918)	(8,087)	(7,338)
Lease proceeds	-	6	-	-	-	-
Total other financing sources (uses)	<u>228,038</u>	<u>226,447</u>	<u>9,553</u>	<u>9,455</u>	<u>(8,087)</u>	<u>(7,338)</u>
Net change in fund balance	-	-	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

(continued)

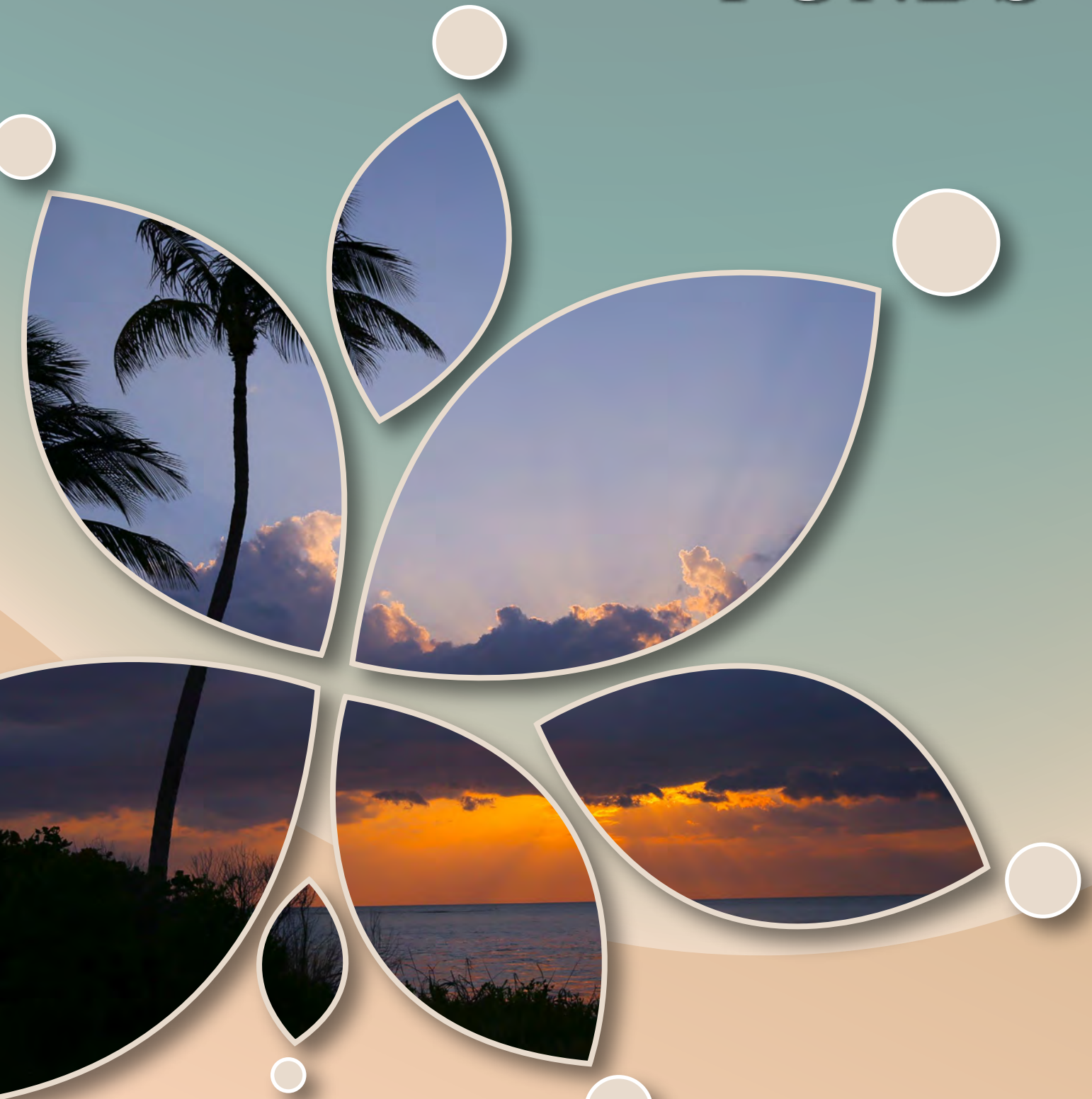
Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND

For the Year Ended September 30, 2022
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Taxes	\$ 370,899	\$ 379,476	\$ 8,577
Licenses and permits	500	1,670	1,170
Intergovernmental	298,684	157,633	(141,051)
Charges for services	74,443	72,806	(1,637)
Fines and forfeitures	160	70	(90)
Investment earnings	1,300	2,731	1,431
Miscellaneous	4,255	9,815	5,560
Total revenues	<u>750,241</u>	<u>624,201</u>	<u>(126,040)</u>
EXPENDITURES			
Current			
General government	370,656	204,654	166,002
Public safety	272,305	277,796	(5,491)
Physical environment	8,132	5,540	2,592
Economic environment	17,667	10,189	7,478
Human services	23,832	18,708	5,124
Culture and recreation	22,244	18,722	3,522
Capital outlay			
General government	6,610	8,677	(2,067)
Public safety	9,602	9,779	(177)
Physical environment	128	159	(31)
Culture and recreation	231	613	(382)
Debt service			
Principal retirement	2,823	2,577	246
Interest and fiscal charges	-	223	(223)
Total expenditures	<u>734,230</u>	<u>557,637</u>	<u>176,593</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>16,011</u>	<u>66,564</u>	<u>50,553</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	272,618	278,018	5,400
Transfers out	(349,741)	(352,681)	(2,940)
Lease proceeds	-	883	883
Total other financing sources (uses)	<u>(77,123)</u>	<u>(73,780)</u>	<u>3,343</u>
Net change in fund balance	(61,112)	(7,216)	53,896
Fund balances - beginning	<u>196,127</u>	<u>208,585</u>	<u>12,458</u>
Fund balances - ending	<u>\$ 135,015</u>	<u>\$ 201,369</u>	<u>\$ 66,354</u>

See accompanying independent auditors' report.

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, 2022
(amounts expressed in thousands)

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 22,994	\$ 23,713	\$ 719
Intergovernmental	15,285	1,682	(13,603)
Special assessments	-	478	478
Investment earnings	333	1,218	885
Miscellaneous	1,155	441	(714)
Total revenues	39,767	27,532	(12,235)
EXPENDITURES			
Current			
Transportation	26,892	10,281	16,611
Capital outlay			
Transportation	205,661	23,164	182,497
Total expenditures	236,004	33,445	202,559
Excess of revenues (deficiencies) over (under) expenditures	(196,237)	(5,913)	190,324
OTHER FINANCING SOURCES (USES)			
Transfers in	31,876	34,526	2,650
Transfers out	(1,823)	(1,637)	186
Total other financing sources (uses)	30,053	32,889	2,836
Net change in fund balance	(166,184)	26,976	193,160
Fund balances - beginning	177,253	179,393	2,140
Fund balances - ending	\$ 11,069	\$ 206,369	\$ 195,300
RECONCILIATION OF BUDGETARY BASIS TO GAAP			
Net change in fund balance (GAAP basis)		\$ 16,704	
Fair value adjustment		9,640	
Unavailable revenues		632	
Net change in fund balance non-GAAP (budgetary basis)		\$ 26,976	

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

NON-MAJOR GOVERNMENTAL FUNDS



Non-Major Governmental Fund Descriptions

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds (continued)

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

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

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

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

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

Tourist Development Tax Revenue Bonds- To account for payment of the 2010A, 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

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

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

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

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

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

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

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

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

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

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

MSBU Projects Line of Credit Construction- To account for financial resources to be used for various capital improvement projects and public facilities within the County for which funds have been drawn against the line of credit. 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, 2022
(amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Special Revenue Projects
ASSETS				
Cash, cash equivalents and investments	\$ 6,834	\$ 2,188	\$ 1,335	\$ 3,223
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	-	-	13	-
Special assessments	-	2,639	-	-
Accrued interest	10	250	2	4
Leases	-	-	-	-
Due from other funds	38	1	399	120
Due from other governments	-	-	-	392
Inventory	-	-	-	-
Total assets	<u>6,882</u>	<u>5,078</u>	<u>1,749</u>	<u>3,739</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	69	1	-	340
Accrued liabilities	-	4	-	10
Due to other funds	11	2	-	65
Due to other governments	-	2	-	27
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	17
Total liabilities	<u>80</u>	<u>9</u>	<u>-</u>	<u>459</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	2,886	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>2,886</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	6,802	2,183	1,749	3,280
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>6,802</u>	<u>2,183</u>	<u>1,749</u>	<u>3,280</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,882</u>	<u>\$ 5,078</u>	<u>\$ 1,749</u>	<u>\$ 3,739</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Special Revenue Funds			
	State Housing Incentives Partnership Program	Human Services Grants	Lee County Library	E 9-1-1
ASSETS				
Cash, cash equivalents and investments	\$ 7,422	\$ 136	\$ 24,020	\$ 4,229
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	9	-	42	6
Leases	-	-	-	-
Due from other funds	-	-	235	-
Due from other governments	-	496	-	345
Inventory	-	-	-	-
Total assets	<u>7,431</u>	<u>632</u>	<u>24,297</u>	<u>4,580</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	230	149	676	368
Accrued liabilities	-	-	345	18
Due to other funds	-	53	3	-
Due to other governments	-	39	196	163
Deposits and overbids	-	-	-	-
Unearned revenues	-	180	-	-
Total liabilities	<u>230</u>	<u>421</u>	<u>1,220</u>	<u>549</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	7,201	211	-	4,031
Committed	-	-	23,077	-
Assigned	-	-	-	-
Total fund balances	<u>7,201</u>	<u>211</u>	<u>23,077</u>	<u>4,031</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,431</u>	<u>\$ 632</u>	<u>\$ 24,297</u>	<u>\$ 4,580</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Special Revenue Funds			
	MSTU	Tourist Development Trust Fund	Transportation Trust	All Hazards Protection
ASSETS				
Cash, cash equivalents and investments	\$ 27,160	\$ 53,401	\$ 3,265	\$ 2,586
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	14	150	-	-
Special assessments	-	-	-	-
Accrued interest	33	146	7	4
Leases	-	45,415	47	-
Due from other funds	356	21	-	24
Due from other governments	650	-	1,023	189
Inventory	66	18	2,994	-
Total assets	<u>28,279</u>	<u>99,151</u>	<u>7,336</u>	<u>2,803</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	342	499	929	414
Accrued liabilities	730	73	462	62
Due to other funds	4	99	3	-
Due to other governments	553	45	266	48
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,629</u>	<u>716</u>	<u>1,660</u>	<u>524</u>
Deferred inflows of resources:				
Grants receivable	57	-	-	189
Special assessment receivable	-	-	-	-
Unamortized leases	-	45,309	47	-
Total deferred inflows of resources	<u>57</u>	<u>45,309</u>	<u>47</u>	<u>189</u>
Fund Balances:				
Nonspendable	66	18	2,994	-
Restricted	-	53,108	-	2,090
Committed	26,527	-	-	-
Assigned	-	-	2,635	-
Total fund balances	<u>26,593</u>	<u>53,126</u>	<u>5,629</u>	<u>2,090</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,279</u>	<u>\$ 99,151</u>	<u>\$ 7,336</u>	<u>\$ 2,803</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- Community Parks	Impact Fees- Regional Parks	Impact Fees- Roads	Impact Fees- EMS
ASSETS				
Cash, cash equivalents and investments	\$ 4,612	\$ 1,750	\$ 42,350	\$ 2,162
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	6	3	71	3
Leases	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>4,618</u>	<u>1,753</u>	<u>42,421</u>	<u>2,165</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	4,618	1,753	42,421	2,165
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>4,618</u>	<u>1,753</u>	<u>42,421</u>	<u>2,165</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,618</u>	<u>\$ 1,753</u>	<u>\$ 42,421</u>	<u>\$ 2,165</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees - Fire	Impact Fees - School	Animal Trust Fund	Court Administration
ASSETS				
Cash, cash equivalents and investments	\$ 1,312	\$ 7,192	\$ 940	\$ 769
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	1	7	1	2
Leases	-	-	-	-
Due from other funds	-	-	1	293
Due from other governments	-	-	-	314
Inventory	-	-	-	-
Total assets	<u>1,313</u>	<u>7,199</u>	<u>942</u>	<u>1,378</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	-	-	9	375
Accrued liabilities	-	-	-	262
Due to other funds	-	-	-	7
Due to other governments	1,313	7,181	-	291
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,313</u>	<u>7,181</u>	<u>9</u>	<u>935</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	18	-	-
Committed	-	-	933	443
Assigned	-	-	-	-
Total fund balances	<u>-</u>	<u>18</u>	<u>933</u>	<u>443</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,313</u>	<u>\$ 7,199</u>	<u>\$ 942</u>	<u>\$ 1,378</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(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>
ASSETS				
Cash, cash equivalents and investments	\$ 24,616	\$ 365	\$ 1,806	\$ 5,032
Cash and cash equivalents with fiscal agent	-	-	-	3,769
Receivables				
Accounts (net)	13	-	525	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other funds	5	-	41	4
Due from other governments	163	-	729	-
Inventory	-	-	-	-
Total assets	<u>24,797</u>	<u>365</u>	<u>3,101</u>	<u>8,805</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	132	7	91	-
Accrued liabilities	332	18	76	-
Due to other funds	221	340	1,257	21
Due to other governments	1,536	-	5	-
Deposits and overbids	6,610	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>8,831</u>	<u>365</u>	<u>1,429</u>	<u>21</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	11,906	-	1,672	8,784
Committed	4,060	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>15,966</u>	<u>-</u>	<u>1,672</u>	<u>8,784</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,797</u>	<u>\$ 365</u>	<u>\$ 3,101</u>	<u>\$ 8,805</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Debt Service Funds			
	Non-Ad Valorem Revenue Bonds	MSBU Projects Commercial Loan	Non-Ad Valorem Loan	Local Option Gas Tax Revenue Bonds
ASSETS				
Cash, cash equivalents and investments	\$ 15	\$ 3	\$ -	\$ 885
Cash and cash equivalents with fiscal agent	12,829	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>12,844</u>	<u>3</u>	<u>-</u>	<u>885</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	12,844	3	-	885
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>12,844</u>	<u>3</u>	<u>-</u>	<u>885</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,844</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 885</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Capital Projects Funds			
	Capital Improvement	Special Assessment Districts Construction	Local Option Gax Tax Construction	Human Services Grant Construction
ASSETS				
Cash, cash equivalents and investments	\$ 131,552	\$ 919	\$ 100,481	\$ 42
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	11	-	-	-
Special assessments	-	-	-	-
Accrued interest	174	1	-	-
Leases	-	-	-	-
Due from other funds	3	-	-	-
Due from other governments	483	-	-	-
Inventory	-	-	-	-
Total assets	132,223	920	100,481	42
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	3,027	26	-	-
Accrued liabilities	65	-	-	-
Due to other funds	-	-	-	-
Due to other governments	5,679	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	8,771	26	-	-
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	894	100,481	42
Committed	123,452	-	-	-
Assigned	-	-	-	-
Total fund balances	123,452	894	100,481	42
Total liabilities, deferred inflows of resources, and fund balances	\$ 132,223	\$ 920	\$ 100,481	\$ 42

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Capital Projects Funds			
	Library Construction Projects	All Hazards Protection Construction Projects	Impact Fees Community Parks Construction	Impact Fees Regional Parks Construction
ASSETS				
Cash, cash equivalents and investments	\$ 6,726	\$ 290	\$ 5,561	\$ 5,966
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	8	-	8	7
Leases	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>6,734</u>	<u>290</u>	<u>5,569</u>	<u>5,973</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	1,315	-	615	2
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits and overbids	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,315</u>	<u>-</u>	<u>615</u>	<u>2</u>
Deferred inflows of resources:				
Grants receivable	-	-	-	-
Special assessment receivable	-	-	-	-
Unamortized leases	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	290	4,502	5,971
Committed	5,419	-	-	-
Assigned	-	-	452	-
Total fund balances	<u>5,419</u>	<u>290</u>	<u>4,954</u>	<u>5,971</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,734</u>	<u>\$ 290</u>	<u>\$ 5,569</u>	<u>\$ 5,973</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Capital Projects Funds		Total Non-Major Governmental Funds
	Impact Fees Road Construction	Impact Fees EMS Construction	
ASSETS			
Cash, cash equivalents and investments	\$ 48,335	\$ 67	\$ 529,547
Cash and cash equivalents with fiscal agent	-	-	16,598
Receivables			
Accounts (net)	-	-	726
Special assessments	-	-	2,639
Accrued interest	47	-	852
Leases	-	-	45,462
Due from other funds	-	-	1,541
Due from other governments	-	-	4,784
Inventory	-	-	3,078
Total assets	48,382	67	605,227
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	880	-	10,496
Accrued liabilities	-	-	2,457
Due to other funds	-	-	2,086
Due to other governments	-	-	17,344
Deposits and overbids	-	-	6,610
Unearned revenues	-	-	197
Total liabilities	880	-	39,190
Deferred inflows of resources:			
Grants receivable	-	-	246
Special assessment receivable	-	-	2,886
Unamortized leases	-	-	45,356
Total deferred inflows of resources	-	-	48,488
Fund Balances:			
Nonspendable	-	-	3,078
Restricted	47,502	67	327,473
Committed	-	-	183,911
Assigned	-	-	3,087
Total fund balances	47,502	67	517,549
Total liabilities, deferred inflows of resources, and fund balances	\$ 48,382	\$ 67	\$ 605,227

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, 2022
(amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Special Revenue Projects
REVENUES				
Taxes	\$ 6,131	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	1,762
Charges for services	-	114	-	602
Fines and forfeitures	-	-	1,908	153
Impact fees	-	-	-	-
Special assessments	-	800	-	-
Investment earnings	(368)	(117)	(72)	(118)
Miscellaneous	48	68	-	1,260
Total revenues	<u>5,811</u>	<u>865</u>	<u>1,836</u>	<u>3,659</u>
EXPENDITURES				
Current				
General government	161	444	-	1,863
Public safety	1,423	-	-	54
Physical environment	-	-	-	826
Transportation	2,949	116	-	-
Economic environment	-	-	-	-
Human services	-	-	-	1,686
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	22
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	20	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>4,533</u>	<u>580</u>	<u>-</u>	<u>4,451</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>1,278</u>	<u>285</u>	<u>1,836</u>	<u>(792)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	36	4	-	-
Transfer out	(9)	(652)	(1,585)	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>27</u>	<u>(648)</u>	<u>(1,585)</u>	<u>-</u>
Net change in fund balances	1,305	(363)	251	(792)
Fund balances - beginning	5,497	2,546	1,498	4,072
Fund balances - ending	<u>\$ 6,802</u>	<u>\$ 2,183</u>	<u>\$ 1,749</u>	<u>\$ 3,280</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, 2022
 (amounts expressed in thousands)

	Special Revenue Funds			
	State Housing Incentives Partnership Program	Human Services Grants	Lee County Library	E 9-1-1
REVENUES				
Taxes	\$ -	\$ -	\$ 38,948	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,268	4,398	572	4,070
Charges for services	-	-	95	-
Fines and forfeitures	-	-	184	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	(424)	(21)	(1,204)	(227)
Miscellaneous	146	-	125	-
Total revenues	<u>6,990</u>	<u>4,377</u>	<u>38,720</u>	<u>3,843</u>
EXPENDITURES				
Current				
General government	-	-	1,445	50
Public safety	-	-	-	2,769
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	1,315	4,255	-	-
Human services	-	-	-	-
Culture and recreation	-	-	32,995	-
Capital outlay				
General government	-	-	-	33
Public safety	-	-	-	1,719
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	143	-	-
Human services	-	-	-	-
Culture and recreation	-	-	1,418	-
Debt service				
Principal retirement	-	-	70	-
Interest and fiscal charges	-	-	69	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,315</u>	<u>4,398</u>	<u>35,997</u>	<u>4,571</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>5,675</u>	<u>(21)</u>	<u>2,723</u>	<u>(728)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	230	-
Transfer out	-	-	(5,480)	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5,250)</u>	<u>-</u>
Net change in fund balances	5,675	(21)	(2,527)	(728)
Fund balances - beginning	1,526	232	25,604	4,759
Fund balances - ending	<u>\$ 7,201</u>	<u>\$ 211</u>	<u>\$ 23,077</u>	<u>\$ 4,031</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, 2022
 (amounts expressed in thousands)

	Special Revenue Funds			
	MSTU	Tourist Development Trust	Transportation Trust	All Hazards Protection
REVENUES				
Taxes	\$ 39,800	\$ 66,843	\$ -	\$ 3,888
Licenses and permits	12,095	-	391	-
Intergovernmental	1,006	550	10,357	228
Charges for services	9,958	1,097	726	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	110
Investment earnings	(1,465)	(2,798)	(107)	(136)
Miscellaneous	58	165	2,194	-
Total revenues	<u>61,452</u>	<u>65,857</u>	<u>13,561</u>	<u>4,090</u>
EXPENDITURES				
Current				
General government	9,233	2,048	1,709	1,579
Public safety	14,200	-	-	2,963
Physical environment	5,412	-	-	-
Transportation	-	-	34,207	-
Economic environment	-	21,558	-	-
Human services	6,317	-	-	-
Culture and recreation	14,984	50	-	-
Capital outlay				
General government	57	-	-	-
Public safety	327	-	-	-
Physical environment	13	-	-	-
Transportation	-	-	693	-
Economic environment	-	80	-	-
Human services	8	-	-	-
Culture and recreation	11	-	-	-
Debt service				
Principal retirement	-	-	341	-
Interest and fiscal charges	-	-	24	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>50,562</u>	<u>23,736</u>	<u>36,974</u>	<u>4,542</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>10,890</u>	<u>42,121</u>	<u>(23,413)</u>	<u>(452)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	17,191	8,806	23,500	23
Transfer out	(26,760)	(38,033)	-	-
Debt issuance	-	-	452	-
Total other financing sources (uses)	<u>(9,569)</u>	<u>(29,227)</u>	<u>23,952</u>	<u>23</u>
Net change in fund balances	1,321	12,894	539	(429)
Fund balances - beginning	25,272	40,232	5,090	2,519
Fund balances - ending	<u>\$ 26,593</u>	<u>\$ 53,126</u>	<u>\$ 5,629</u>	<u>\$ 2,090</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, 2022
 (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	2,908	2,524	32,792	323
Special assessments	-	-	-	-
Investment earnings	(247)	(71)	(2,174)	(119)
Miscellaneous	-	-	1	-
Total revenues	<u>2,661</u>	<u>2,453</u>	<u>30,619</u>	<u>204</u>
EXPENDITURES				
Current				
General government	1	1	248	6
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>1</u>	<u>1</u>	<u>248</u>	<u>6</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>2,660</u>	<u>2,452</u>	<u>30,371</u>	<u>198</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	-	-
Transfer out	(2,640)	(6,490)	(36,450)	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>(2,640)</u>	<u>(6,490)</u>	<u>(36,450)</u>	<u>-</u>
Net change in fund balances	20	(4,038)	(6,079)	198
Fund balances - beginning	4,598	5,791	48,500	1,967
Fund balances - ending	<u>\$ 4,618</u>	<u>\$ 1,753</u>	<u>\$ 42,421</u>	<u>\$ 2,165</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, 2022
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- Fire	Impact Fees- School	Animal Trust Fund	Court Administration
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	40	-
Charges for services	-	-	9	4,831
Fines and forfeitures	-	-	-	1
Impact fees	4,540	30,788	-	-
Special assessments	-	-	-	-
Investment earnings	7	62	(52)	(34)
Miscellaneous	-	-	638	331
Total revenues	<u>4,547</u>	<u>30,850</u>	<u>635</u>	<u>5,129</u>
EXPENDITURES				
Current				
General government	-	30,856	-	14,920
Public safety	4,547	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	131	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	43
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	54	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>4,547</u>	<u>30,856</u>	<u>185</u>	<u>14,963</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>-</u>	<u>(6)</u>	<u>450</u>	<u>(9,834)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	-	-	9,625
Transfer out	-	-	-	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,625</u>
Net change in fund balances	<u>-</u>	<u>(6)</u>	<u>450</u>	<u>(209)</u>
Fund balances - beginning	<u>-</u>	<u>24</u>	<u>483</u>	<u>652</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 933</u>	<u>\$ 443</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, 2022
 (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	1,464	-	7,792	-
Charges for services	14,359	-	6,711	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	-	-	-	63
Miscellaneous	249	-	246	-
Total revenues	<u>16,072</u>	<u>-</u>	<u>14,749</u>	<u>63</u>
EXPENDITURES				
Current				
General government	14,951	1,626	-	-
Public safety	-	-	15,413	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	1,640	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	-	-	-	1,395
Interest and fiscal charges	-	-	-	4,362
Bond issuance costs	-	-	-	-
Total expenditures	<u>14,951</u>	<u>1,626</u>	<u>17,053</u>	<u>5,757</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>1,121</u>	<u>(1,626)</u>	<u>(2,304)</u>	<u>(5,694)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	-	1,966	1,435	14,473
Transfer out	-	(340)	-	(8,595)
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,626</u>	<u>1,435</u>	<u>5,878</u>
Net change in fund balances	1,121	-	(869)	184
Fund balances - beginning	14,845	-	2,541	8,600
Fund balances - ending	<u>\$ 15,966</u>	<u>\$ -</u>	<u>\$ 1,672</u>	<u>\$ 8,784</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, 2022
 (amounts expressed in thousands)

	Debt Service Funds			
	Non-Ad	MSBU	Non-Ad	Local Option
	Valorem	Projects	Valorem	Gas Tax
	Revenue Bonds	Commercial Loan	Valorem Loan	Revenue Bonds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	70	-	-	3
Miscellaneous	-	-	-	-
Total revenues	<u>70</u>	<u>-</u>	<u>-</u>	<u>3</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				
Principal retirement	2,530	433	8,180	-
Interest and fiscal charges	3,270	124	86	-
Bond issuance costs	-	15	-	475
Total expenditures	<u>5,800</u>	<u>572</u>	<u>8,266</u>	<u>475</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(5,730)</u>	<u>(572)</u>	<u>(8,266)</u>	<u>(472)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	14,377	547	-	1,357
Transfer out	-	(163)	-	-
Debt issuance	-	184	-	-
Total other financing sources (uses)	<u>14,377</u>	<u>568</u>	<u>-</u>	<u>1,357</u>
Net change in fund balances	8,647	(4)	(8,266)	885
Fund balances - beginning	4,197	7	8,266	-
Fund balances - ending	<u>\$ 12,844</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 885</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, 2022
(amounts expressed in thousands)

	Capital Projects Funds			
	Capital Improvement	Special Assessment Districts Construction	Local Option Gax Tax Construction	Human Services Grant Construction
REVENUES				
Taxes	\$ 6	\$ -	\$ -	\$ -
Licenses and permits	312	-	-	-
Intergovernmental	6,719	-	-	928
Charges for services	249	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	(7,215)	(50)	481	(3)
Miscellaneous	1,819	-	-	-
Total revenues	<u>1,890</u>	<u>(50)</u>	<u>481</u>	<u>925</u>
EXPENDITURES				
Current				
General government	592	-	-	-
Public safety	-	-	-	-
Physical environment	6,174	43	-	-
Transportation	1,371	30	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	13,917	-	-	-
Capital outlay				
General government	4,779	-	-	-
Public safety	-	-	-	-
Physical environment	5,776	-	-	-
Transportation	2,739	-	-	-
Economic environment	-	-	-	919
Human services	-	-	-	-
Culture and recreation	2,756	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>38,104</u>	<u>73</u>	<u>-</u>	<u>919</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(36,214)</u>	<u>(123)</u>	<u>481</u>	<u>6</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	41,557	268	-	-
Transfer out	(2,567)	-	(543)	-
Debt issuance	-	-	100,543	-
Total other financing sources (uses)	<u>38,990</u>	<u>268</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	2,776	145	100,481	6
Fund balances - beginning	120,676	749	-	36
Fund balances - ending	<u>\$ 123,452</u>	<u>\$ 894</u>	<u>\$ 100,481</u>	<u>\$ 42</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, 2022
 (amounts expressed in thousands)

	Capital Projects Funds			
	Library Construction Projects	All Hazards Protection Construction Projects	Impact Fees Community Parks Construction	Impact Fees Regional Parks Construction
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Special assessments	-	-	-	-
Investment earnings	(385)	(16)	(307)	(351)
Miscellaneous	-	-	-	-
Total revenues	<u>(385)</u>	<u>(16)</u>	<u>(307)</u>	<u>(351)</u>
EXPENDITURES				
Current				
General government	-	-	2	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	1,590	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	173
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	1,775	-	1,921	701
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>3,365</u>	<u>-</u>	<u>1,923</u>	<u>874</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(3,750)</u>	<u>(16)</u>	<u>(2,230)</u>	<u>(1,225)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	5,480	-	2,640	6,490
Transfer out	-	-	-	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>5,480</u>	<u>-</u>	<u>2,640</u>	<u>6,490</u>
Net change in fund balances	1,730	(16)	410	5,265
Fund balances - beginning	3,689	306	4,544	706
Fund balances - ending	<u>\$ 5,419</u>	<u>\$ 290</u>	<u>\$ 4,954</u>	<u>\$ 5,971</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, 2022
(amounts expressed in thousands)

	Capital Projects Funds		Total Non-Major Governmental Funds
	Impact Fees Road Construction	Impact Fees EMS Construction	
REVENUES			
Taxes	\$ -	\$ -	\$ 155,616
Licenses and permits	-	-	12,798
Intergovernmental	-	-	47,154
Charges for services	-	-	38,751
Fines and forfeitures	-	-	2,246
Impact fees	-	-	73,875
Special assessments	-	-	910
Investment earnings	(2,837)	(4)	(20,236)
Miscellaneous	-	1	7,349
Total revenues	<u>(2,837)</u>	<u>(3)</u>	<u>318,463</u>
EXPENDITURES			
Current			
General government	-	-	81,735
Public safety	-	-	41,369
Physical environment	-	-	12,455
Transportation	5	-	38,678
Economic environment	-	-	27,128
Human services	-	-	8,134
Culture and recreation	-	-	63,536
Capital outlay			
General government	-	-	4,912
Public safety	-	-	3,708
Physical environment	-	-	5,962
Transportation	4,955	-	8,387
Economic environment	-	-	1,142
Human services	-	-	62
Culture and recreation	-	-	8,582
Debt service			
Principal retirement	-	-	12,949
Interest and fiscal charges	-	-	7,955
Bond issuance costs	-	-	490
Total expenditures	<u>4,960</u>	<u>-</u>	<u>327,184</u>
Excess (deficiencies) of revenue over (under) expenditures	<u>(7,797)</u>	<u>(3)</u>	<u>(8,721)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	36,450	-	186,455
Transfer out	-	-	(130,307)
Debt issuance	-	-	101,179
Total other financing sources (uses)	<u>36,450</u>	<u>-</u>	<u>157,327</u>
Net change in fund balances	28,653	(3)	148,606
Fund balances - beginning	18,849	70	368,943
Fund balances - ending	<u>\$ 47,502</u>	<u>\$ 67</u>	<u>\$ 517,549</u>

See accompanying independent auditor's report.

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2022
 (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	\$ 6,033	\$ 6,131	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	114	114	-	-
Fines and forfeitures	-	-	-	-	1,751	1,908
Impact fees	-	-	-	-	-	-
Special assessments	-	-	832	803	-	-
Investment earnings	63	60	13	20	3	11
Miscellaneous	-	49	-	69	-	-
Total revenues	<u>6,096</u>	<u>6,240</u>	<u>959</u>	<u>1,006</u>	<u>1,754</u>	<u>1,919</u>
EXPENDITURES						
Current						
General government	140	161	693	444	8	-
Public safety	1,423	1,423	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	4,790	2,949	153	116	-	-
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	-	-	1	-	-	-
Interest and fiscal charges	-	-	-	20	-	-
Total expenditures	<u>6,353</u>	<u>4,533</u>	<u>847</u>	<u>580</u>	<u>8</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(257)</u>	<u>1,707</u>	<u>112</u>	<u>426</u>	<u>1,746</u>	<u>1,919</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10	36	322	251	-	-
Transfers out	(9)	(9)	(1,271)	(899)	(1,585)	(1,585)
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>1</u>	<u>27</u>	<u>(949)</u>	<u>(648)</u>	<u>(1,585)</u>	<u>(1,585)</u>
Net change in fund balances	(256)	1,734	(837)	(222)	161	334
Fund balances - beginning	5,516	6,415	2,545	3,625	1,501	1,499
Fund balances - ending	<u>\$ 5,260</u>	<u>\$ 8,149</u>	<u>\$ 1,708</u>	<u>\$ 3,403</u>	<u>\$ 1,662</u>	<u>\$ 1,833</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, 2022
(amounts expressed in thousands)

	Non - GAAP Special Revenue Projects		Non - GAAP State Housing Incentives Partnership Program		Non - GAAP Human Services Grants	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,202	1,762	1,900	7,268	16,639	4,398
Charges for services	654	602	-	-	-	-
Fines and forfeitures	324	153	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment earnings	8	27	7	44	1	3
Miscellaneous	1,500	1,261	4,164	146	-	-
Total revenues	<u>6,688</u>	<u>3,805</u>	<u>6,071</u>	<u>7,458</u>	<u>16,640</u>	<u>4,401</u>
EXPENDITURES						
Current						
General government	1,943	1,863	-	-	-	-
Public safety	92	54	-	-	-	-
Physical environment	847	826	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	5,309	1,315	16,639	4,255
Human services	4,142	1,686	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	20	-	-	-	-	-
Public safety	-	22	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	143
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>7,044</u>	<u>4,451</u>	<u>5,309</u>	<u>1,315</u>	<u>16,639</u>	<u>4,398</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(356)</u>	<u>(646)</u>	<u>762</u>	<u>6,143</u>	<u>1</u>	<u>3</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(356)</u>	<u>(646)</u>	<u>762</u>	<u>6,143</u>	<u>1</u>	<u>3</u>
Fund balances - beginning	4,114	12,244	1,534	3,674	335	232
Fund balances - ending	<u>\$ 3,758</u>	<u>\$ 11,598</u>	<u>\$ 2,296</u>	<u>\$ 9,817</u>	<u>\$ 336</u>	<u>\$ 235</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, 2022
(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	\$ 38,541	\$ 38,948	\$ -	\$ -	\$ 39,171	\$ 39,800
Licenses and permits	-	-	-	-	10,570	12,095
Intergovernmental	572	572	3,550	4,070	762	748
Charges for services	83	95	-	-	7,489	9,958
Fines and forfeitures	160	184	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment earnings	130	295	35	37	117	207
Miscellaneous	56	126	-	-	13	57
Total revenues	<u>39,542</u>	<u>40,220</u>	<u>3,585</u>	<u>4,107</u>	<u>58,122</u>	<u>62,865</u>
EXPENDITURES						
Current						
General government	1,600	1,445	105	50	9,100	9,233
Public safety	-	-	3,263	2,769	15,887	14,200
Physical environment	-	-	-	-	7,307	5,408
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	6,344	6,317
Culture and recreation	38,469	32,995	-	-	15,025	14,983
Capital outlay						
General government	-	-	-	33	2	57
Public safety	-	-	2,428	1,719	656	327
Physical environment	-	-	-	-	40	13
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	26	8
Culture and recreation	1,789	1,418	-	-	-	11
Debt Service						
Principal retirement	225	139	2	-	19	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>42,083</u>	<u>35,997</u>	<u>5,798</u>	<u>4,571</u>	<u>54,406</u>	<u>50,557</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(2,541)</u>	<u>4,223</u>	<u>(2,213)</u>	<u>(464)</u>	<u>3,716</u>	<u>12,308</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	265	229	872	872	22,655	22,640
Transfers out	(5,480)	(5,480)	(872)	(872)	(32,210)	(32,210)
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>(5,215)</u>	<u>(5,251)</u>	<u>-</u>	<u>-</u>	<u>(9,555)</u>	<u>(9,570)</u>
Net change in fund balances	<u>(7,756)</u>	<u>(1,028)</u>	<u>(2,213)</u>	<u>(464)</u>	<u>(5,839)</u>	<u>2,738</u>
Fund balances - beginning	25,677	25,757	4,792	4,770	25,594	25,797
Fund balances - ending	<u>\$ 17,921</u>	<u>\$ 24,729</u>	<u>\$ 2,579</u>	<u>\$ 4,306</u>	<u>\$ 19,755</u>	<u>\$ 28,535</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, 2022
(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	\$ 63,000	\$ 66,843	\$ -	\$ -	\$ 3,841	\$ 3,888
Licenses and permits	-	-	180	391	-	-
Intergovernmental	550	550	10,440	10,357	6,388	323
Charges for services	1,045	1,045	668	726	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	85	110
Investment earnings	75	418	9	32	20	27
Miscellaneous	150	165	1,935	2,194	-	-
Total revenues	<u>64,820</u>	<u>69,021</u>	<u>13,232</u>	<u>13,700</u>	<u>10,334</u>	<u>4,348</u>
EXPENDITURES						
Current						
General government	1,245	2,048	1,722	1,709	1,303	1,579
Public safety	-	-	-	-	3,095	2,963
Physical environment	-	-	-	-	-	-
Transportation	-	-	34,510	34,249	-	-
Economic environment	22,834	21,560	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	50	50	-	-	-	-
Capital outlay						
General government	-	-	4	-	-	-
Public safety	-	-	-	-	6,393	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	773	693	1,415	-
Economic environment	30	80	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	1	-	159	341	5	-
Interest and fiscal charges	-	-	8	24	-	-
Total expenditures	<u>24,160</u>	<u>23,738</u>	<u>37,176</u>	<u>37,016</u>	<u>12,211</u>	<u>4,542</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>40,660</u>	<u>45,283</u>	<u>(23,944)</u>	<u>(23,316)</u>	<u>(1,877)</u>	<u>(194)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	9,991	8,806	23,500	23,500	22	23
Transfers out	(38,963)	(38,033)	-	-	-	-
Debt issuance	-	-	-	452	-	-
Total other financing sources (uses)	<u>(28,972)</u>	<u>(29,227)</u>	<u>23,500</u>	<u>23,952</u>	<u>22</u>	<u>23</u>
Net change in fund balances	11,688	16,056	(444)	636	(1,855)	(171)
Fund balances - beginning	40,307	40,444	1,162	3,521	2,624	2,624
Fund balances - ending	<u>\$ 51,995</u>	<u>\$ 56,500</u>	<u>\$ 718</u>	<u>\$ 4,157</u>	<u>\$ 769</u>	<u>\$ 2,453</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, 2022
 (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	2,230	2,908	2,000	2,524	26,001	32,792
Special assessments	-	-	-	-	-	-
Investment earnings	7	40	13	34	35	456
Miscellaneous	-	1	-	-	-	2
Total revenues	<u>2,237</u>	<u>2,949</u>	<u>2,013</u>	<u>2,558</u>	<u>26,036</u>	<u>33,250</u>
EXPENDITURES						
Current						
General government	20	1	5	1	317	248
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>20</u>	<u>1</u>	<u>5</u>	<u>1</u>	<u>317</u>	<u>248</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>2,217</u>	<u>2,948</u>	<u>2,008</u>	<u>2,557</u>	<u>25,719</u>	<u>33,002</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(2,640)	(2,640)	(6,490)	(6,490)	(36,450)	(36,450)
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2,640)</u>	<u>(2,640)</u>	<u>(6,490)</u>	<u>(6,490)</u>	<u>(36,450)</u>	<u>(36,450)</u>
Net change in fund balances	(423)	308	(4,482)	(3,933)	(10,731)	(3,448)
Fund balances - beginning	4,611	7,009	5,805	5,732	48,616	45,149
Fund balances - ending	<u>\$ 4,188</u>	<u>\$ 7,317</u>	<u>\$ 1,323</u>	<u>\$ 1,799</u>	<u>\$ 37,885</u>	<u>\$ 41,701</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, 2022
 (amounts expressed in thousands)

	Non - GAAP Impact Fees - EMS		Impact Fees - Fire		Non - GAAP Impact Fees - School	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	170	323	4,992	4,540	32,449	30,788
Special assessments	-	-	-	-	-	-
Investment earnings	3	17	3	7	17	62
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>173</u>	<u>340</u>	<u>4,995</u>	<u>4,547</u>	<u>32,466</u>	<u>30,850</u>
EXPENDITURES						
Current						
General government	12	6	-	-	32,490	30,856
Public safety	-	-	4,995	4,547	-	-
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>12</u>	<u>6</u>	<u>4,995</u>	<u>4,547</u>	<u>32,490</u>	<u>30,856</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>161</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>(24)</u>	<u>(6)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	161	334	-	-	(24)	(6)
Fund balances - beginning	1,972	1,970	-	-	24	23
Fund balances - ending	<u>\$ 2,133</u>	<u>\$ 2,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</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, 2022
(amounts expressed in thousands)

	Non - GAAP Animal Trust Fund		Non - GAAP Court Administration		Clerk of Circuit Court's Special Revenue	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	40	-	-	1,779	1,464
Charges for services	5	9	5,807	4,831	14,760	14,359
Fines and forfeitures	-	-	-	1	-	-
Impact fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment earnings	2	7	4	14	-	-
Miscellaneous	149	638	381	331	24	249
Total revenues	<u>156</u>	<u>694</u>	<u>6,192</u>	<u>5,177</u>	<u>16,563</u>	<u>16,072</u>
EXPENDITURES						
Current						
General government	-	-	17,720	14,920	18,904	14,951
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	281	131	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	177	43	1,644	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	54	54	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	7	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>335</u>	<u>185</u>	<u>17,904</u>	<u>14,963</u>	<u>20,548</u>	<u>14,951</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(179)</u>	<u>509</u>	<u>(11,712)</u>	<u>(9,786)</u>	<u>(3,985)</u>	<u>1,121</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	12,205	9,650	-	-
Transfers out	-	-	(150)	(25)	-	-
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,055</u>	<u>9,625</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(179)</u>	<u>509</u>	<u>343</u>	<u>(161)</u>	<u>(3,985)</u>	<u>1,121</u>
Fund balances - beginning	484	483	656	786	3,986	14,845
Fund balances - ending	<u>\$ 305</u>	<u>\$ 992</u>	<u>\$ 999</u>	<u>\$ 625</u>	<u>\$ 1</u>	<u>\$ 15,966</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, 2022
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Taxes	\$ 150,586	\$ 155,610	\$ 5,024
Licenses and permits	10,750	12,486	1,736
Intergovernmental	46,782	31,552	(15,230)
Charges for services	30,625	31,739	1,114
Fines and forfeitures	2,235	2,246	11
Impact fees	67,842	73,875	6,033
Special assessments	917	913	(4)
Investment earnings	565	1,818	1,253
Miscellaneous	8,372	5,288	(3,084)
Total revenues	318,674	315,527	(3,147)
EXPENDITURES			
Current			
General government	87,327	79,515	7,812
Public safety	28,755	25,956	2,799
Physical environment	8,154	6,234	1,920
Transportation	39,453	37,314	2,139
Economic environment	44,782	27,130	17,652
Human services	10,767	8,134	2,633
Culture and recreation	53,544	48,028	5,516
Capital outlay			
General government	1,847	133	1,714
Public safety	9,477	2,068	7,409
Physical environment	40	13	27
Transportation	2,188	693	1,495
Economic environment	30	223	(193)
Human services	80	62	18
Culture and recreation	1,789	1,429	360
Debt Service			
Principal retirement	419	480	(61)
Interest and fiscal charges	8	44	(36)
Total expenditures	288,660	237,456	51,204
Excess (deficiencies) of revenues over (under) expenditures	30,014	78,071	48,057
OTHER FINANCING SOURCES (USES)			
Transfers in	69,842	66,007	(3,835)
Transfers out	(126,120)	(124,693)	1,427
Debt issuance	-	452	452
Total other financing sources (uses)	(56,278)	(58,234)	(1,956)
Net change in fund balances	(26,264)	19,837	46,101
Fund balances - beginning	181,855	206,599	24,744
Fund balances - ending	\$ 155,591	\$ 226,436	\$ 70,845

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, 2022
 (amounts expressed in thousands)

	Tourist		Non - Ad Valorem		MSBU Projects	
	Development Tax		Revenue Bonds		Commercial Loan	
	Final		Final		Final	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Investment earnings	\$ 49	\$ 63	\$ 2	\$ 70	\$ -	\$ -
Total revenues	<u>49</u>	<u>63</u>	<u>2</u>	<u>70</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Debt Service						
Principal retirement	1,395	1,395	2,530	2,530	433	433
Interest and fiscal charges	4,362	4,362	3,270	3,270	121	124
Bond issuance costs	-	-	-	-	25	15
Total expenditures	<u>5,757</u>	<u>5,757</u>	<u>5,800</u>	<u>5,800</u>	<u>579</u>	<u>572</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(5,708)</u>	<u>(5,694)</u>	<u>(5,798)</u>	<u>(5,730)</u>	<u>(579)</u>	<u>(572)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,878	14,518	14,389	14,377	547	547
Transfers out	(9,824)	(8,640)	-	-	(165)	(163)
Debt issuance	-	-	-	-	197	184
Total other financing sources (uses)	<u>6,054</u>	<u>5,878</u>	<u>14,389</u>	<u>14,377</u>	<u>579</u>	<u>568</u>
Net change in fund balances	346	184	8,591	8,647	-	(4)
Fund balances - beginning	8,600	8,600	4,197	4,197	7	70
Fund balances - ending	<u>\$ 8,946</u>	<u>\$ 8,784</u>	<u>\$ 12,788</u>	<u>\$ 12,844</u>	<u>\$ 7</u>	<u>\$ 66</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, 2022
 (amounts expressed in thousands)

	Non - Ad Valorem Loan		Local Option Gas Tax Revenue Bonds	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ 3
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
EXPENDITURES				
Debt Service				
Principal retirement	8,180	8,180	-	-
Interest and fiscal charges	85	86	-	-
Bond issuance costs	-	-	900	475
Total expenditures	<u>8,265</u>	<u>8,266</u>	<u>900</u>	<u>475</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(8,265)</u>	<u>(8,266)</u>	<u>(900)</u>	<u>(472)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,900	1,357
Transfers out	-	-	-	-
Debt issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>1,357</u>
Net change in fund balances	<u>(8,265)</u>	<u>(8,266)</u>	<u>1,000</u>	<u>885</u>
Fund balances - beginning	<u>8,265</u>	<u>8,266</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 885</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, 2022
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Investment earnings	\$ 51	\$ 136	\$ 85
Total revenues	<u>51</u>	<u>136</u>	<u>85</u>
EXPENDITURES			
Debt Service			
Principal retirement	12,538	12,538	-
Interest and fiscal charges	7,838	7,842	(4)
Bond issuance costs	925	490	435
Total expenditures	<u>21,301</u>	<u>20,870</u>	<u>431</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(21,250)</u>	<u>(20,734)</u>	<u>516</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	32,714	30,799	(1,915)
Transfers out	(9,989)	(8,803)	1,186
Debt issuance	197	184	(13)
Total other financing sources (uses)	<u>22,922</u>	<u>22,180</u>	<u>(742)</u>
Net change in fund balances	1,672	1,446	(226)
Fund balances - beginning	21,069	21,133	64
Fund balances - ending	<u>\$ 22,741</u>	<u>\$ 22,579</u>	<u>\$ (162)</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, 2022
(amounts expressed in thousands)

	Non-GAAP Capital Improvement		Non-GAAP Special Assessment Districts Construction		Local Option Gas Tax Construction	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	REVENUES					
Taxes	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -
Licenses and permits	462	312	-	-	-	-
Intergovernmental	16,846	5,671	-	-	-	-
Charges for services	260	250	-	-	-	-
Investment earnings	191	1,011	-	7	-	481
Miscellaneous	1,559	1,819	-	-	-	-
Total revenues	<u>19,318</u>	<u>9,069</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>481</u>
EXPENDITURES						
Current						
General government	787	592	-	-	-	-
Physical environment	18,365	6,174	-	43	-	-
Transportation	3,979	1,371	-	30	-	-
Culture and recreation	31,384	13,917	-	-	-	-
Capital Outlay						
General government	21,989	4,779	304	-	-	-
Physical environment	21,019	5,776	-	-	-	-
Transportation	3,797	2,739	-	-	38,562	-
Economic environment	-	-	-	-	-	-
Culture and recreation	14,285	2,756	-	-	-	-
Debt Service						
Interest and fiscal charges	2	-	-	-	-	-
Total expenditures	<u>115,607</u>	<u>38,104</u>	<u>304</u>	<u>73</u>	<u>38,562</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(96,289)</u>	<u>(29,035)</u>	<u>(304)</u>	<u>(66)</u>	<u>(38,562)</u>	<u>481</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	41,360	41,791	570	268	-	-
Transfers out	(2,802)	(2,802)	-	-	(900)	(543)
Debt issuance	-	-	-	-	105,000	100,543
Total other financing sources (uses)	<u>38,558</u>	<u>38,989</u>	<u>570</u>	<u>268</u>	<u>104,100</u>	<u>100,000</u>
Net change in fund balances	<u>(57,731)</u>	<u>9,954</u>	<u>266</u>	<u>202</u>	<u>65,538</u>	<u>100,481</u>
Fund balances - beginning	<u>122,101</u>	<u>122,059</u>	<u>750</u>	<u>750</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 64,370</u>	<u>\$ 132,013</u>	<u>\$ 1,016</u>	<u>\$ 952</u>	<u>\$ 65,538</u>	<u>\$ 100,481</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, 2022
 (amounts expressed in thousands)

	Non - GAAP Human Services Grant Construction		Non-GAAP Library Construction Projects		Non-GAAP All Hazards Construction Projects	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	984	928	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	-	-	2	37	1	2
Miscellaneous	-	1	-	-	-	-
Total revenues	<u>984</u>	<u>929</u>	<u>2</u>	<u>37</u>	<u>1</u>	<u>2</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	1,590	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	984	919	-	-	-	-
Culture and recreation	-	-	8,964	1,775	-	-
Debt Service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>984</u>	<u>919</u>	<u>8,964</u>	<u>3,365</u>	<u>-</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>-</u>	<u>10</u>	<u>(8,962)</u>	<u>(3,328)</u>	<u>1</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	5,480	5,480	-	-
Transfers out	-	-	-	-	-	-
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,480</u>	<u>5,480</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	10	(3,482)	2,152	1	2
Fund balances - beginning	35	35	3,695	3,691	306	306
Fund balances - ending	<u>\$ 35</u>	<u>\$ 45</u>	<u>\$ 213</u>	<u>\$ 5,843</u>	<u>\$ 307</u>	<u>\$ 308</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, 2022
 (amounts expressed in thousands)

	Non-GAAP Impact Fees Community Parks Construction		Non-GAAP Impact Fees Regional Parks Construction		Non-GAAP Impact Fees Road Construction	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	1	42	1	25	19	204
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1</u>	<u>42</u>	<u>1</u>	<u>25</u>	<u>19</u>	<u>204</u>
EXPENDITURES						
Current						
General government	-	2	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	5
Culture and recreation	-	-	-	-	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	180	173	-	-
Transportation	-	-	-	-	54,920	4,955
Economic environment	-	-	-	-	-	-
Culture and recreation	7,074	1,921	6,975	701	-	-
Debt Service						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>7,074</u>	<u>1,923</u>	<u>7,155</u>	<u>874</u>	<u>54,920</u>	<u>4,960</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(7,073)</u>	<u>(1,881)</u>	<u>(7,154)</u>	<u>(849)</u>	<u>(54,901)</u>	<u>(4,756)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,640	2,640	6,490	6,490	36,450	36,450
Transfers out	-	-	-	-	-	-
Debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,640</u>	<u>2,640</u>	<u>6,490</u>	<u>6,490</u>	<u>36,450</u>	<u>36,450</u>
Net change in fund balances	<u>(4,433)</u>	<u>759</u>	<u>(664)</u>	<u>5,641</u>	<u>(18,451)</u>	<u>31,694</u>
Fund balances - beginning	<u>4,548</u>	<u>4,546</u>	<u>710</u>	<u>706</u>	<u>19,054</u>	<u>18,860</u>
Fund balances - ending	<u>\$ 115</u>	<u>\$ 5,305</u>	<u>\$ 46</u>	<u>\$ 6,347</u>	<u>\$ 603</u>	<u>\$ 50,554</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, 2022
 (amounts expressed in thousands)

	Non-GAAP Impact Fees EMS Construction		Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	Final Budget	Actual	
	Final Budget	Actual	Final Budget	Actual	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 6	\$ 6
Licenses and permits	-	-	462	312	(150)
Intergovernmental	-	-	17,830	6,599	(11,231)
Charges for services	-	-	260	250	(10)
Investment earnings	-	1	215	1,810	1,595
Miscellaneous	-	-	1,559	1,820	261
Total revenues	<u>-</u>	<u>1</u>	<u>20,326</u>	<u>10,797</u>	<u>(9,529)</u>
EXPENDITURES					
Current					
General government	-	-	787	594	193
Physical environment	-	-	18,365	6,217	12,148
Transportation	-	-	3,979	1,406	2,573
Culture and recreation	-	-	31,384	15,507	15,877
Capital Outlay					
General government	-	-	22,293	4,779	17,514
Physical environment	-	-	21,199	5,949	15,250
Transportation	-	-	97,279	7,694	89,585
Economic environment	-	-	984	919	65
Culture and recreation	-	-	37,298	7,153	30,145
Debt Service					
Interest and fiscal charges	-	-	2	-	2
Total expenditures	<u>-</u>	<u>-</u>	<u>233,570</u>	<u>50,218</u>	<u>183,352</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>(213,244)</u>	<u>(39,421)</u>	<u>173,823</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	92,990	93,119	129
Transfers out	-	-	(3,702)	(3,345)	357
Debt issuance	-	-	105,000	100,543	(4,457)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>194,288</u>	<u>190,317</u>	<u>(3,971)</u>
Net change in fund balances	-	1	(18,956)	150,896	169,852
Fund balances - beginning	-	70	151,199	151,023	(176)
Fund balances - ending	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 132,243</u>	<u>\$ 301,919</u>	<u>\$ 169,676</u>

See accompanying independent auditors' report.



Lee County
Southwest Florida

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ENTERPRISE FUNDS



Enterprise Fund Descriptions

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

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

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

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

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

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

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)
 AND ACTUAL WITH RECONCILIATION TO GAAP
 ENTERPRISE FUNDS
 For the Year Ended September 30, 2022
 (amounts expressed in thousands)

	Port Authority		Water and Wastewater		Transportation Facilities	
	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES						
User fees	\$ 61,547	\$ 58,901	\$ 114,740	\$ 115,741	\$ -	\$ -
Tolls	-	-	-	-	49,979	55,189
Rentals and franchise fees	8,740	9,567	218	180	-	-
Concessions	47,421	68,403	-	-	-	-
Miscellaneous	200	280	1,771	1,990	70	36
Total operating revenues	117,908	137,151	116,729	117,911	50,049	55,225
Less: Rebates	(4,948)	(9,813)	-	-	-	-
Net operating revenues	112,960	127,338	116,729	117,911	50,049	55,225
OPERATING EXPENSES						
Salaries and wages	28,175	28,653	19,018	19,302	3,646	3,622
Employee benefits	10,209	9,269	7,296	7,027	1,712	1,560
Pension and OPEB expense	5,173	5,538	2,192	2,541	502	521
Contractual services, materials, and supplies	35,239	34,140	38,589	27,887	7,245	4,132
Utilities	5,684	5,533	6,098	7,132	247	263
Repairs and maintenance	3,507	3,146	3,673	7,479	249	158
Insurance	2,506	2,357	1,135	1,135	1,301	1,380
Other	3,784	2,381	3,969	3,865	2,651	1,771
Total operating expenses	94,277	91,017	81,970	76,368	17,553	13,407
Operating income (loss)	18,683	36,321	34,759	41,543	32,496	41,818
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	2,876	3,853	734	2,153	99	270
Taxes	-	-	-	-	-	-
Special assessment collections	-	-	40	47	-	-
Grants	17,092	14,689	2,300	(60)	-	-
Bond proceeds	303,000	260,403	-	-	-	-
Other debt proceeds	-	-	856	856	-	-
Interest expense	(19,960)	(18,363)	(4,784)	(4,725)	(3,508)	(3,508)
Excess fees - City of Sanibel	-	-	-	-	(1,926)	(1,630)
Capital outlay	(220,051)	(100,076)	(180,367)	(64,137)	(835)	(54)
Principal retirement	(38,059)	(23,002)	(17,453)	(17,405)	(6,120)	(6,120)
Proceeds from disposal of capital assets	-	2,088	60	32	-	-
Passenger facility charges	17,914	21,265	-	-	-	-
Other revenues	1	227	477	768	1,508	429
Other expenses	(1,800)	(1,646)	(3)	(2)	(1)	(1)
Total non - operating revenues (expenses)	61,013	159,438	(198,140)	(82,473)	(10,783)	(10,614)
Income (loss) before contributions and transfers	79,696	195,759	(163,381)	(40,930)	21,713	31,204
Capital grants and contributions	46,016	40,047	13,000	20,211	-	-
Transfers in	160,272	107,244	48,724	48,364	51,138	35,529
Transfers out	(156,322)	(107,244)	(48,724)	(48,364)	(71,138)	(58,178)
Total contributions and transfers	49,966	40,047	13,000	20,211	(20,000)	(22,649)
Change in net position	129,662	235,806	(150,381)	(20,719)	1,713	8,555
Total net position - beginning	175,859	181,173	279,429	305,681	19,247	21,413
Total net position - ending	\$ 305,521	\$ 416,979	\$ 129,048	\$ 284,962	\$ 20,960	\$ 29,968
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net position, budgetary basis		\$ 235,806		\$ (20,719)		\$ 8,555
Add(less):						
Accounts receivable adjustments		-		(173)		(4,503)
Bond amortization		6,470		(292)		960
Bond proceeds		(260,403)		-		-
Capital contributions		-		14,349		-
Capital outlay		100,076		64,137		54
Compensated absences		(265)		(346)		(46)
Depreciation and amortization		(25,218)		(51,970)		(7,568)
Fair market value adjustment		-		(12,733)		(1,997)
Fixed asset adjustments		21		(8,386)		-
Inventory adjustments		78		225		(220)
Lessor amortization		81		(23)		-
Lease interest adjustments		637		1		-
Loss on discontinued projects		-		(1,008)		-
Net book value of capital assets disposed		(198)		(134)		-
Other debt proceeds		-		(856)		-
Other postemployment benefits plan adjustments		555		(908)		663
Pension expense adjustments		(887)		(809)		15
Prepaid adjustment		-		(68)		23
Principal retirement		23,002		17,405		6,120
Special assessment adjustments		-		(47)		-
Change in net position		\$ 79,755		\$ (2,355)		\$ 2,056

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, 2022
 (amounts expressed in thousands)

	Solid Waste		Other Non-Major Transit		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	Budget	Actual	
OPERATING REVENUES							
User fees	\$ 95,499	\$ 102,416	\$ 3,795	\$ 3,311	\$ 275,581	\$ 280,369	\$ 4,788
Tolls	-	-	-	-	49,979	55,189	5,210
Rentals and franchise fees	2,411	2,680	160	176	11,529	12,603	1,074
Concessions	-	-	-	-	47,421	68,403	20,982
Miscellaneous	6,753	23,145	-	2	8,794	25,453	16,659
Total operating revenues	104,663	128,241	3,955	3,489	393,304	442,017	48,713
Less: Rebates	-	-	-	-	(4,948)	(9,813)	(4,865)
Net operating revenues	104,663	128,241	3,955	3,489	388,356	432,204	43,848
OPERATING EXPENSES							
Salaries and wages	8,017	8,187	17,723	13,183	76,579	72,947	3,632
Employee benefits	3,094	3,001	6,356	6,203	28,667	27,060	1,607
Pension and OPEB expense	862	1,003	1,587	1,811	10,316	11,414	(1,098)
Contractual services, materials, and supplies	76,336	79,185	6,463	5,124	163,872	150,468	13,404
Utilities	1,281	1,267	483	513	13,793	14,708	(915)
Repairs and maintenance	2,071	2,579	2,714	1,689	12,214	15,051	(2,837)
Insurance	575	569	644	644	6,161	6,085	76
Other	1,809	1,640	1,048	1,171	13,261	10,828	2,433
Total operating expenses	94,045	97,431	37,018	30,338	324,863	308,561	16,302
Operating income (loss)	10,618	30,810	(33,063)	(26,849)	63,493	123,643	60,150
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	390	1,185	11	33	4,110	7,494	3,384
Taxes	3,128	3,169	-	-	3,128	3,169	41
Special assessment collections	-	-	-	-	40	47	7
Grants	2,144	(1,275)	23,771	19,567	45,307	32,921	(12,386)
Bond proceeds	-	-	-	-	303,000	260,403	(42,597)
Other debt proceeds	-	-	-	-	856	856	-
Interest expense	(2,019)	(1,860)	-	-	(30,271)	(28,456)	1,815
Excess fees - City of Sanibel	-	-	-	-	(1,926)	(1,630)	296
Capital outlay	(22,948)	(4,021)	(31,380)	(11,649)	(455,581)	(179,937)	275,644
Principal retirement	(6,394)	(6,385)	(121)	-	(68,147)	(52,912)	15,235
Proceeds from disposal of capital assets	183	526	70	258	313	2,904	2,591
Passenger facility charges	-	-	-	-	17,914	21,265	3,351
Other revenues	-	34	10	27	1,996	1,485	(511)
Other expenses	-	-	-	-	(1,804)	(1,649)	155
Total non - operating revenues (expenses)	(25,516)	(8,627)	(7,639)	8,236	(181,065)	65,960	247,025
Income (loss) before contributions and transfers	(14,898)	22,183	(40,702)	(18,613)	(117,572)	189,603	307,175
Capital grants and contributions	-	-	33,861	11,176	92,877	71,434	(21,443)
Transfers in	37,463	34,035	5,710	5,714	303,307	230,886	(72,421)
Transfers out	(37,446)	(33,910)	(588)	(107)	(314,218)	(247,803)	66,415
Total contributions and transfers	17	125	38,983	16,783	81,966	54,517	(27,449)
Change in net position	(14,881)	22,308	(1,719)	(1,830)	(35,606)	244,120	279,726
Total net position - beginning	128,029	119,716	3,080	(8,433)	605,644	619,550	13,906
Total net position - ending	\$ 113,148	\$ 142,024	\$ 1,361	\$ (10,263)	\$ 570,038	\$ 863,670	\$ 293,632
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net position, budgetary basis	\$	22,308		\$ (1,830)		\$ 244,120	
Accounts receivable adjustments		-		-		(4,676)	
Bond amortization		1,030		-		8,168	
Bond proceeds		-		-		(260,403)	
Capital contributions		-		-		14,349	
Capital outlay		4,021		11,649		179,937	
Compensated absences		(174)		(138)		(969)	
Depreciation and amortization		(15,180)		(4,632)		(104,568)	
Fair market value adjustment		(7,387)		(164)		(22,281)	
Fixed asset adjustments		-		-		(8,365)	
Inventory adjustments		-		-		83	
Lessor amortization		1		-		59	
Lease interest adjustments		-		-		638	
Loss on discontinued projects		-		-		(1,008)	
Net book value of capital assets disposed		(302)		(3)		(637)	
Other debt proceeds		-		-		(856)	
Other postemployment benefits plan adjustments		(702)		2,304		1,912	
Pension expense adjustments		(213)		(82)		(1,976)	
Prepaid adjustment		(76)		26		(95)	
Principal retirement		6,385		-		52,912	
Special assessment adjustments		-		-		(47)	
Change in net position	\$	9,711	\$	7,130	\$	96,297	

INTERNAL SERVICE FUNDS



Internal Service Fund Descriptions

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

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

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

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

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

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

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

Lee County, Florida
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Information Technology	Governmental Communications		Self-Insurance		Fleet Management	Sheriff's Internal Service	Total
		Network	General Liability	Group Health and Dental	General Liability			
ASSETS								
Current Assets:								
Cash, cash equivalents and investments	\$ 7,221	\$ 454	\$ 11,029	\$ 24,759	\$ 4,694	\$ 27,308	\$ 75,465	
Receivables	-	46	-	451	12	-	509	
Accounts (net)	-	367	-	-	-	-	367	
Leases	9	9	14	33	7	-	72	
Accrued interest	13	23	-	429	4	-	469	
Due from other funds	-	44	-	130	-	-	174	
Due from other governments	-	-	-	-	-	-	729	
Inventories	-	-	-	-	-	-	729	
Other	379	826	379	-	3	-	1,587	
Total current assets	<u>7,622</u>	<u>1,769</u>	<u>11,422</u>	<u>25,802</u>	<u>5,449</u>	<u>27,308</u>	<u>79,372</u>	
Noncurrent Assets:								
Receivables	-	4,878	-	-	-	-	4,878	
Leases	-	-	-	-	510	-	510	
Capital assets:								
Non-depreciable								
Land, easements, and rights of way	-	-	-	-	-	-	-	
Depreciable/amortizable								
Buildings	625	311	-	-	3,227	-	4,163	
Improvements	-	2	-	-	27	-	29	
Equipment	10,475	19,608	-	-	39,978	-	70,061	
Software	-	817	-	-	-	-	817	
Infrastructure	-	283	-	-	-	-	283	
Intangible right-to-use building	-	-	-	-	-	812	812	
Intangible right-to-use machinery and equipment	1,033	-	-	-	-	-	1,033	
Intangible right-to-use infrastructure	-	10,314	-	-	-	-	10,314	
Less accumulated depreciation and amortization	(7,652)	(11,813)	-	-	(27,448)	(68)	(46,981)	
Total noncurrent assets	<u>4,481</u>	<u>24,400</u>	<u>-</u>	<u>-</u>	<u>16,294</u>	<u>744</u>	<u>45,919</u>	
Total assets	<u>12,103</u>	<u>26,169</u>	<u>11,422</u>	<u>25,802</u>	<u>21,743</u>	<u>28,052</u>	<u>125,291</u>	
DEFERRED OUTFLOWS OF RESOURCES								
Unamortized pension costs and subsequent contributions	534	69	106	107	581	-	1,397	
Unamortized other postemployment benefits costs	378	51	78	82	494	-	1,083	
Total deferred outflows of resources	<u>912</u>	<u>120</u>	<u>184</u>	<u>189</u>	<u>1,075</u>	<u>0</u>	<u>2,480</u>	

(continued)

Lee County, Florida
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of September 30, 2022
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
LIABILITIES							
Current liabilities:							
Contracts and accounts payable	725	119	1,860	98	699	142	3,643
Accrued liabilities	91	98	12	12	89	-	302
Due to other governments	52	67	7	7	97	-	230
Leases payable	200	73	-	-	-	55	328
Unearned revenue	-	5	-	-	-	-	5
Self-insurance claims payable	-	-	8,703	1,619	-	2,390	12,712
Compensated absences	7	1	2	3	14	-	27
Net pension liability	-	-	-	-	1	-	1
Total current liabilities	1,075	363	10,584	1,739	900	2,587	17,248
Noncurrent liabilities:							
Self-insurance claims payable	-	-	-	9,971	-	-	9,971
Compensated absences	112	22	31	39	215	-	419
Leases payable	644	10,097	-	-	-	705	11,446
Net pension liability	2,065	267	418	412	2,295	-	5,457
Total other postemployment benefits liability	2,012	271	437	418	2,631	-	5,769
Total noncurrent liabilities	4,833	10,657	886	10,840	5,141	705	33,062
Total liabilities	5,908	11,020	11,470	12,579	6,041	3,292	50,310
DEFERRED INFLOWS OF RESOURCES							
Unamortized pension costs	74	10	16	15	97	-	212
Unamortized other postemployment benefits costs	1,624	219	353	337	2,123	-	4,656
Unamortized leases	-	5,200	-	-	-	-	5,200
Total deferred inflows of resources	1,698	5,429	369	352	2,220	-	10,068
NET POSITION							
Net investment in capital assets	3,637	9,328	-	-	15,886	-	28,851
Unrestricted (deficit)	1,772	512	14,152	(1,325)	(1,329)	24,760	38,542
Total net position	\$ 5,409	\$ 9,840	\$ 14,152	\$ (1,325)	\$ 14,557	\$ 24,760	\$ 67,393

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, 2022
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self - Insurance Group Health and Dental	General Liability	Fleet Management	Sheriff's Internal Service	Total
OPERATING REVENUES							
User fees	\$ 15,991	\$ 3,248	\$ 88,348	\$ 10,071	\$ 8,959	\$ 37,936	\$ 164,553
Rentals and franchise fees	-	472	-	-	-	-	472
Total operating revenues	<u>15,991</u>	<u>3,720</u>	<u>88,348</u>	<u>10,071</u>	<u>8,959</u>	<u>37,936</u>	<u>165,025</u>
OPERATING EXPENSES							
Salaries and wages	2,123	287	426	434	2,338	-	5,608
Employee benefits	546	104	155	150	842	-	1,797
Pension and OPEB expense	1,464	(3)	(19)	(125)	327	-	1,644
Contractual services, materials and supplies	7,692	225	4,453	487	3,777	3,128	19,762
Utilities	1,802	434	5	8	93	-	2,342
Repairs and maintenance	605	65	-	-	2,864	-	3,534
Insurance	6	4	-	5,085	33	3,129	8,257
Insurance claims	-	-	76,964	147	-	29,362	106,473
Other	189	132	228	53	408	-	1,010
Depreciation and amortization	531	904	-	-	2,344	68	3,847
Total operating expenses	<u>14,958</u>	<u>2,152</u>	<u>82,212</u>	<u>6,239</u>	<u>13,026</u>	<u>35,687</u>	<u>154,274</u>
Operating income (loss)	<u>1,033</u>	<u>1,568</u>	<u>6,136</u>	<u>3,832</u>	<u>(4,067)</u>	<u>2,249</u>	<u>10,751</u>
NON-OPERATING REVENUES (EXPENSES)							
Investment earnings	(401)	(4)	(1,278)	(620)	(247)	5	(2,545)
Grants	-	(141)	-	-	-	-	(141)
Interest expense	(14)	(449)	-	-	-	(32)	(495)
Gain (loss) on disposal of capital assets	-	-	-	-	382	-	382
Other revenues	-	12	2	-	5	-	19
Total non-operating revenues (expenses)	<u>(415)</u>	<u>(582)</u>	<u>(1,276)</u>	<u>(620)</u>	<u>140</u>	<u>(27)</u>	<u>(2,780)</u>
Income (loss) before transfers	618	986	4,860	3,212	(3,927)	2,222	7,971
Transfers in	-	107	-	-	4,000	-	4,107
Transfers out	-	(1,000)	-	-	-	-	(1,000)
Total transfers	<u>0</u>	<u>(893)</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>3,107</u>
Change in net position	618	93	4,860	3,212	73	2,222	11,078
Total net position - beginning	4,791	9,747	9,292	(4,537)	14,484	22,538	56,315
Total net position - ending	<u>\$ 5,409</u>	<u>\$ 9,840</u>	<u>\$ 14,152</u>	<u>\$ (1,325)</u>	<u>\$ 14,557</u>	<u>\$ 24,760</u>	<u>\$ 67,393</u>

See accompanying independent auditors' report.

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2022
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff's Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 527	\$ 1,861	\$ 15,440	\$ 15	\$ 141	\$ -	\$ 17,984
Receipts from interfund services provided	15,987	1,719	72,861	10,061	8,862	37,936	147,426
Payments to suppliers	(10,419)	(1,389)	(80,348)	(7,911)	(7,274)	(35,593)	(142,934)
Payments to employees	(2,646)	(278)	(517)	(517)	(2,727)	-	(6,685)
Payments for interfund services used	(167)	(226)	(142)	(158)	(843)	-	(1,536)
Net cash provided by (used in) operating activities	3,282	1,687	7,294	1,490	(1,841)	2,343	14,255
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grant issued	-	(141)	-	-	-	-	(141)
Transfer in	-	107	-	-	4,000	-	4,107
Transfer out	-	(1,000)	-	-	-	-	(1,000)
Net cash provided by (used in) noncapital financing activities	-	(1,034)	-	-	4,000	-	2,966
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital asset purchases	(134)	(936)	-	-	(1,966)	-	(3,036)
Principal paid on bonds, loans, leases, and interfund loans	(190)	(144)	-	-	-	(52)	(386)
Interest paid on bonds, loans, leases, and interfund loans	(14)	(449)	-	-	-	(32)	(495)
Proceeds from sale of capital assets	-	-	-	-	395	-	395
Net cash (used in) capital and related financing activities	(338)	(1,529)	-	-	(1,571)	(84)	(3,522)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	(408)	(12)	(1,303)	(630)	(253)	5	(2,601)
Net cash provided by investing activities	(408)	(12)	(1,303)	(630)	(253)	5	(2,601)
Net increase (decrease) in cash and equity in pooled cash and investments	2,536	(888)	5,991	860	335	2,264	11,098
Cash and cash equivalents at beginning of year	4,685	1,342	18,768	10,169	4,359	25,044	64,367
Cash and cash equivalents at end of year	\$ 7,221	\$ 454	\$ 24,759	\$ 11,029	\$ 4,694	\$ 27,308	\$ 75,465
Classified as:							
Current assets	\$ 7,221	\$ 454	\$ 24,759	\$ 11,029	\$ 4,694	\$ 27,308	\$ 75,465

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2022
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff's Internal Service Fund	Total
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Purchase of capital assets on account	\$ -	\$ 24	\$ -	\$ -	\$ 407	\$ -	\$ 431
Loss on disposal of capital assets					(13)		(13)
Capital assets acquired through lease	1,033	-	-	-	-	-	1,033
	<u>\$ 1,033</u>	<u>\$ 1,568</u>	<u>\$ 6,136</u>	<u>\$ 3,832</u>	<u>\$ (4,067)</u>	<u>\$ 2,249</u>	<u>\$ 10,751</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 1,033	\$ 1,568	\$ 6,136	\$ 3,832	\$ (4,067)	\$ 2,249	\$ 10,751
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	531	904	-	-	2,344	68	3,847
Other revenues	-	12	2	-	5	-	19
(Increase) decrease in accounts receivable	-	(46)	(53)	5	4	-	(90)
Decrease in due from other funds	517	-	58	1	34	-	610
(Increase) decrease in due from other governments	7	(44)	(55)	-	-	-	(92)
(Increase) in inventories	-	-	-	-	(200)	-	(200)
(Increase) decrease in other assets	175	(766)	-	39	(2)	-	(554)
Increase (decrease) in contracts and accounts payable	(372)	92	907	50	(128)	(1)	548
Increase in accrued liabilities	61	93	5	4	49	-	212
Increase (decrease) in due to other governments	35	(4)	4	3	52	-	90
(Decrease) in unearned revenues	-	(15)	-	-	-	-	(15)
Increase in compensated absences	101	4	2	2	52	-	161
(Increase) decrease in lease receivable	-	(72)	-	-	-	-	(72)
Increase in deferred inflows related to leases	-	27	-	-	-	-	27
Increase in net pension liability	1,484	142	221	214	1,272	-	3,333
(Increase) decrease in deferred outflows related to pensions	(290)	5	-	11	(59)	-	(333)
(Decrease) in deferred inflows related to pensions	(503)	(192)	(268)	(250)	(1,260)	-	(2,473)
(Decrease) in total other postemployment benefits liability	(34)	(70)	(113)	(206)	(487)	-	(910)
(Increase) decrease in deferred outflows related to other postemployment benefits	(2)	12	19	36	79	-	144
Increase in deferred inflows related to other postemployment benefits	539	37	61	7	471	-	1,115
Increase (decrease) in other liabilities	-	-	368	(2,258)	-	27	(1,863)
Total adjustments	2,249	119	1,158	(2,342)	2,226	94	3,504
Net cash provided by (used in) operating activities	<u>\$ 3,282</u>	<u>\$ 1,687</u>	<u>\$ 7,294</u>	<u>\$ 1,490</u>	<u>\$ (1,841)</u>	<u>\$ 2,343</u>	<u>\$ 14,255</u>

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL WITH RECONCILIATION TO GAAP
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2022
(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	\$ 15,987	\$ 15,991	\$ 3,376	\$ 3,248	\$ 87,444	\$ 88,348
Rentals and franchise fees	-	-	419	433	-	-
Total operating revenues	<u>15,987</u>	<u>15,991</u>	<u>3,795</u>	<u>3,681</u>	<u>87,444</u>	<u>88,348</u>
OPERATING EXPENSES						
Salaries and wages	2,318	2,022	340	283	430	424
Employee benefits	687	546	120	104	154	155
Pension and OPEB expense	296	269	70	63	63	61
Contractual services, materials, and supplies	9,051	7,638	225	206	5,107	4,453
Utilities	1,726	1,801	1,117	1,247	5	5
Repairs and maintenance	985	485	72	61	-	-
Insurance	6	6	4	4	-	-
Insurance claims	-	-	-	-	84,007	76,596
Other	203	189	121	116	238	228
Total operating expenses	<u>15,272</u>	<u>12,956</u>	<u>2,069</u>	<u>2,084</u>	<u>90,004</u>	<u>81,922</u>
Operating income (loss)	<u>715</u>	<u>3,035</u>	<u>1,726</u>	<u>1,597</u>	<u>(2,560)</u>	<u>6,426</u>
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	5	51	4	9	35	191
Grants	-	-	(142)	(133)	-	-
Other debt proceeds	-	1,033	-	-	-	-
Interest expense	-	-	-	(361)	-	-
Capital outlay	(1,509)	(1,091)	(1,264)	(960)	-	-
Principal retirement	-	(190)	(506)	(143)	-	-
Proceeds from capital asset disposal	-	-	-	-	-	-
Other revenues	-	-	-	12	254	2
Total non - operating revenues (expenses)	<u>(1,504)</u>	<u>(197)</u>	<u>(1,908)</u>	<u>(1,576)</u>	<u>289</u>	<u>193</u>
Income (loss) before transfers	<u>(789)</u>	<u>2,838</u>	<u>(182)</u>	<u>21</u>	<u>(2,271)</u>	<u>6,619</u>
Transfers in	-	-	588	107	-	-
Transfers out	-	-	(1,000)	(1,000)	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>(412)</u>	<u>(893)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(789)</u>	<u>2,838</u>	<u>(594)</u>	<u>(872)</u>	<u>(2,271)</u>	<u>6,619</u>
Total net position - beginning	<u>5,231</u>	<u>6,496</u>	<u>1,327</u>	<u>89</u>	<u>18,786</u>	<u>19,673</u>
Total net position - ending	<u>\$ 4,442</u>	<u>\$ 9,334</u>	<u>\$ 733</u>	<u>\$ (783)</u>	<u>\$ 16,515</u>	<u>\$ 26,292</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net position, budgetary basis		\$ 2,838		\$ (872)		\$ 6,619
Add(less):						
Capital outlay		1,091		960		-
Claims payable adjustment		-		-		(368)
Compensated absences		(101)		(4)		(2)
Depreciation and amortization		(531)		(904)		-
Fair market value adjustment		(452)		(26)		(1,469)
Inventory adjustment		-		-		-
Lessor amortization		-		38		-
Lease interest adjustments		(14)		(74)		-
Net book value of capital assets disposed		-		-		-
Other debt proceeds		(1,033)		-		-
Other postemployment benefits plan adjustments		(503)		21		33
Pension expense adjustments		(691)		45		47
Prepaid adjustments		(176)		766		-
Principal retirement		190		143		-
Change in net position		<u>\$ 618</u>		<u>\$ 93</u>		<u>\$ 4,860</u>

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, 2022
 (amounts expressed in thousands)

	Self-Insurance General				Total		Variance Positive (Negative)
	Liability		Fleet Management		Budget	Actual	
	Budget	Actual	Budget	Actual			
OPERATING REVENUES							
User fees	\$ 10,071	\$ 10,071	\$ 8,925	\$ 8,960	\$ 125,803	\$ 126,618	\$ 815
Rentals and franchise fees	-	-	-	-	419	433	(14)
Total operating revenues	<u>10,071</u>	<u>10,071</u>	<u>8,925</u>	<u>8,960</u>	<u>126,222</u>	<u>127,051</u>	<u>801</u>
OPERATING EXPENSES							
Salaries and wages	456	432	2,317	2,286	5,861	5,447	414
Employee benefits	174	150	863	842	1,998	1,797	201
Pension and OPEB expense	64	63	308	312	801	768	33
Contractual services, materials, and supplies	404	487	4,004	3,979	18,791	16,763	2,028
Utilities	8	8	99	93	2,955	3,154	(199)
Repairs and maintenance	1	-	2,731	2,864	3,789	3,410	379
Insurance	6,151	5,046	33	33	6,194	5,089	1,105
Insurance claims	6,000	2,405	-	-	90,007	79,001	11,006
Other	61	53	434	408	1,057	994	63
Total operating expenses	<u>13,319</u>	<u>8,644</u>	<u>10,789</u>	<u>10,817</u>	<u>131,453</u>	<u>116,423</u>	<u>15,030</u>
Operating income (loss)	<u>(3,248)</u>	<u>1,427</u>	<u>(1,864)</u>	<u>(1,857)</u>	<u>(5,231)</u>	<u>10,628</u>	<u>15,831</u>
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	25	74	15	46	84	371	287
Grants	-	-	-	-	(142)	(133)	9
Other debt proceeds	-	-	-	-	-	1,033	1,033
Interest expense	-	-	-	-	-	(361)	(361)
Capital outlay	-	-	(6,345)	(2,251)	(9,118)	(4,302)	4,816
Principal retirement	(2)	-	-	-	(508)	(333)	175
Proceeds from capital asset disposal	-	-	300	395	300	395	95
Other revenues	-	-	4	5	258	19	(239)
Total non - operating revenues (expenses)	<u>23</u>	<u>74</u>	<u>(6,026)</u>	<u>(1,805)</u>	<u>(9,126)</u>	<u>(3,311)</u>	<u>5,815</u>
Income (loss) before transfers	<u>(3,225)</u>	<u>1,501</u>	<u>(7,890)</u>	<u>(3,662)</u>	<u>(14,357)</u>	<u>7,317</u>	<u>21,646</u>
Transfers in	-	-	4,102	4,000	4,690	4,107	(583)
Transfers out	-	-	(102)	-	(1,102)	(1,000)	102
Total transfers	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>3,588</u>	<u>3,107</u>	<u>(481)</u>
Change in net position	<u>(3,225)</u>	<u>1,501</u>	<u>(3,890)</u>	<u>338</u>	<u>(10,769)</u>	<u>10,424</u>	<u>21,193</u>
Total net position - beginning	<u>8,548</u>	<u>8,004</u>	<u>3,789</u>	<u>2,617</u>	<u>37,681</u>	<u>36,879</u>	<u>(802)</u>
Total net position - ending	<u>\$ 5,323</u>	<u>\$ 9,505</u>	<u>\$ (101)</u>	<u>\$ 2,955</u>	<u>\$ 26,912</u>	<u>\$ 47,303</u>	<u>\$ 20,391</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net position, budgetary basis		\$ 1,501		\$ 338		\$ 10,424	
Add(less):							
Capital outlay		-		2,251		4,302	
Claims payable adjustment		2,258		-		1,890	
Compensated absences		(2)		(52)		(161)	
Depreciation and amortization		-		(2,344)		(3,779)	
Fair market value adjustment		(694)		(293)		(2,934)	
Inventory adjustment		-		200		200	
Net book value of capital assets disposed		-		-		38	
Net book value of capital assets disposed		-		-		(88)	
Net book value of capital assets disposed		-		(13)		(13)	
Other debt proceeds		-		-		(1,033)	
Other postemployment benefits plan adjustments		163		(63)		(349)	
Pension expense adjustments		25		47		(527)	
Prepaid adjustments		(39)		2		553	
Principal retirement		-		-		333	
Change in net position		<u>\$ 3,212</u>		<u>\$ 73</u>		<u>\$ 8,856</u>	



Lee County
Southwest Florida

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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, 2022
 (amounts expressed in thousands)

	Clerk of Circuit Court	Tax Collector	Total
ASSETS			
Cash, cash equivalents and investments	\$ 34,427	\$ 13,231	\$ 47,658
Accounts receivable	-	19	19
Due from other governments	-	5	5
Total Assets	34,427	13,255	47,682
LIABILITIES AND NET POSITION			
Contracts and accounts payable	34	-	34
Due to individuals		1,313	1,313
Due to other governments	5,332	11,942	17,274
Total Liabilities	5,366	13,255	18,621
Fiduciary Net Position Restricted for			
Individuals, organizations, and other governments	29,061	-	29,061
Total fiduciary net position	29,061	-	29,061
Total liabilities and fiduciary net position	\$ 34,427	\$ 13,255	\$ 47,682

See accompanying independent auditors' report.

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

For the Year Ended September 30, 2022
(amounts expressed in thousands)

	Clerk of Circuit Court	Tax Collector	Total
ADDITIONS			
Fees/Fines collected for other governments	\$ 271,178	\$ 1,374,963	\$ 1,646,141
Registry and other deposits collected	68,471	-	68,471
Total additions	<u>339,649</u>	<u>1,374,963</u>	<u>1,714,612</u>
DEDUCTIONS			
Fees/Fines disbursed to other governments	271,178	1,374,963	1,646,141
Registry and other deposits disbursed	63,149	-	63,149
Total deductions	<u>334,327</u>	<u>1,374,963</u>	<u>1,709,290</u>
Change in fiduciary net position	5,321	-	5,321
Fiduciary net position - beginning	23,740		23,740
Fiduciary net position - ending	<u>\$ 29,061</u>	<u>\$ -</u>	<u>\$ 29,061</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>2013⁽¹⁾</u>	<u>2014⁽²⁾</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽³⁾</u>	<u>2019</u>	<u>2020</u>	<u>2021⁽⁴⁾</u>	<u>2022</u>
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 1,730,632
Restricted for:										
Capital projects	66,647	75,847	105,692	127,648	152,764	167,027	167,230	198,001	203,337	255,645
Debt service	11,998	12,969	8,012	10,011	10,110	22,154	11,609	11,777	11,873	12,626
Inventory for resale	1,853	2,370	2,301	1,562	414	410	404	416	294	294
Special revenue funds	61,394	63,580	77,274	80,192	84,934	92,651	105,135	123,973	139,896	148,283
Unrestricted	232,952	205,038	(2,694)	(47,729)	(336,609)	(471,805)	(558,635)	(636,341)	(552,416)	(571,973)
Governmental activities net position	<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>	<u>1,575,507</u>
Business-type Activities										
Net investment in capital assets	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	1,365,024
Restricted for:										
Capital projects	56,200	51,124	67,931	84,864	98,620	123,244	141,619	134,613	123,254	123,937
Debt service	24,971	30,908	32,265	28,204	33,955	30,937	32,846	36,201	29,291	40,289
Renewal and replacement	8,520	17,481	20,632	24,135	26,120	28,154	23,728	25,710	50,851	42,920
Unrestricted	272,561	304,102	250,618	259,403	187,005	169,639	166,077	123,986	151,022	171,943
Business-type activities net position	<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>	<u>1,744,113</u>
Primary Government										
Net investment in capital assets	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	3,095,656
Restricted for:										
Capital projects	122,847	126,971	173,623	212,512	251,384	290,271	308,849	332,614	326,591	379,582
Debt service	36,969	43,877	40,277	38,215	44,065	53,091	44,455	47,978	41,164	52,915
Inventory for resale	1,853	2,370	2,301	1,562	414	410	404	416	294	294
Special revenue funds	61,394	63,580	77,274	80,192	84,934	92,651	105,135	123,973	139,896	148,283
Renewal and replacement	8,520	17,481	20,632	24,135	26,120	28,154	23,728	25,710	50,851	42,920
Unrestricted	505,513	509,140	247,924	211,674	(149,604)	(302,166)	(392,558)	(512,355)	(401,394)	(400,030)
Total primary government net position	<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>	<u>\$ 3,319,620</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)

	2013 ⁽²⁾	2014 ⁽³⁾	2015	2016	2017	2018 ⁽⁴⁾	2019	2020	2021 ⁽⁵⁾	2022
Expenses										
Governmental Activities:										
General government	\$ 207,265	\$ 200,741	\$ 208,748	\$ 228,779	\$ 216,689	\$ 259,143	\$ 256,680	\$ 326,768	\$ 327,543	\$ 324,127
Public safety	204,534	210,796	209,156	234,012	261,812	281,579	296,367	295,003	270,408	330,695
Physical environment	16,907	21,512	13,919	13,251	13,961	15,393	21,293	16,617	16,160	20,561
Transportation	64,484	57,101	57,719	56,614	66,170	66,161	75,011	76,784	73,550	74,652
Economic environment	24,337	25,048	27,276	28,571	30,898	34,395	34,064	28,478	31,403	37,738
Human services	20,474	20,481	20,273	21,528	22,379	27,512	23,532	24,628	33,767	27,658
Culture and recreation	70,437	71,816	78,393	79,514	81,038	94,304	94,958	86,737	83,611	93,904
Interest on long-term debt	12,557	12,136	11,189	10,494	10,125	9,682	9,387	6,771	6,389	7,554
Total governmental activities expenses	620,995	619,631	626,673	672,763	703,072	788,169	811,292	861,786	842,831	916,889
Business-type Activities:										
Airport	103,994	105,761	104,830	118,403	118,706	117,411	119,464	123,601	114,349	127,838
Water and wastewater	105,921	105,469	104,153	107,311	112,498	122,288	137,374	136,499	130,186	144,753
Transit	26,932	23,944	27,171	28,713	30,816	34,879	35,914	32,767	33,415	31,736
Transportation facilities	25,816	27,113	24,064	23,191	23,457	21,118	26,177	23,238	25,408	29,043
Solid waste	82,683	79,264	84,348	90,159	96,222	130,399	105,596	103,896	104,506	115,314
Total business-type activities expenses	345,346	341,551	344,566	367,777	381,699	426,095	424,525	420,001	407,864	448,684
Total primary government expenses	\$ 966,341	\$ 961,182	\$ 971,239	\$ 1,040,540	\$ 1,084,771	\$ 1,214,264	\$ 1,235,817	\$ 1,281,787	\$ 1,250,695	\$ 1,365,573
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 59,365	\$ 65,673	\$ 68,019	\$ 73,047	\$ 70,823	\$ 72,749	\$ 74,266	\$ 74,626	\$ 83,955	\$ 83,996
Public safety	38,992	39,925	41,707	43,416	41,992	47,012	47,215	44,933	46,608	48,703
Physical environment	2,004	2,184	2,134	2,039	2,088	2,336	2,588	2,529	2,602	2,910
Transportation	939	920	905	1,024	1,225	1,107	1,471	1,700	5,167	1,618
Economic environment	795	592	550	440	495	633	170	211	88	56
Human services	2,579	2,099	2,236	2,542	2,643	2,717	2,807	2,620	2,677	2,976
Culture and recreation	5,882	6,396	6,626	6,276	6,343	6,306	6,463	5,339	6,156	7,128
Operating grants and contributions	43,615	32,799	35,056	35,317	35,515	36,129	36,030	103,754	137,039	100,373
Capital grants and contributions	10,943	3,327	6,537	13,870	16,327	14,871	28,071	21,755	66,888	79,660
Governmental activities program revenues	165,114	153,915	163,770	177,971	177,451	183,860	199,081	257,467	351,180	327,420
Business-type Activities:										
Charges for services:										
Airport	104,009	107,250	109,705	111,544	115,401	119,945	123,102	99,562	119,741	148,684
Water and wastewater	97,760	102,740	106,787	108,034	112,021	112,614	115,469	116,654	117,183	117,888
Transit	3,846	3,703	4,000	4,052	4,015	4,063	4,129	2,923	3,262	3,489
Transportation facilities	38,725	41,179	43,083	44,792	44,365	45,678	46,806	42,461	43,399	55,225
Solid waste	70,094	73,264	72,407	76,078	81,541	91,426	93,966	90,415	105,539	125,579
Operating grants and contributions	5,657	6,381	6,493	8,012	6,876	7,206	10,784	50,781	29,258	34,264
Capital grants and contributions	42,245	47,612	40,757	57,482	55,114	45,668	59,398	44,475	72,549	85,783
Business-type activities program revenues	362,336	382,129	383,232	409,994	419,333	426,600	453,654	447,271	490,931	570,912
Total primary government program revenues	\$ 527,450	\$ 536,044	\$ 547,002	\$ 587,965	\$ 596,784	\$ 610,460	\$ 652,735	\$ 704,738	\$ 842,111	\$ 898,332

(continued)

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

	2013 ⁽²⁾	2014 ⁽³⁾	2015	2016	2017	2018 ⁽⁴⁾	2019	2020	2021 ⁽⁵⁾	2022
Net (Expense) Revenue ⁽¹⁾										
Governmental Activities	\$ (455,881)	\$ (465,716)	\$ (462,903)	\$ (494,792)	\$ (525,621)	\$ (604,309)	\$ (612,211)	\$ (604,319)	\$ (491,651)	\$ (589,469)
Business-type Activities	16,990	40,578	38,666	42,217	37,634	505	29,129	27,270	83,067	122,228
Total primary government net expense	\$ (438,891)	\$ (425,138)	\$ (424,237)	\$ (452,575)	\$ (487,987)	\$ (603,804)	\$ (583,082)	\$ (577,049)	\$ (408,584)	\$ (467,241)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 254,662	\$ 274,203	\$ 292,170	\$ 308,241	\$ 328,696	\$ 356,849	\$ 372,865	\$ 397,610	\$ 425,375	\$ 437,992
Gas taxes	17,992	18,616	20,157	20,404	20,860	21,244	21,440	20,364	22,530	23,713
Tourist taxes	28,535	33,197	37,560	39,638	39,651	42,346	42,584	37,990	52,822	66,843
Communication taxes	9,559	9,606	9,268	8,705	9,470	7,426	7,299	6,894	6,540	6,721
Franchise fees	8,355	16,330	19,476	17,369	17,209	17,494	18,362	18,176	18,775	22,705
Local Business taxes	-	-	-	-	888	972	985	933	929	831
Unrestricted grants and contributions	52,668	57,258	61,140	63,286	65,326	75,186	73,969	70,123	84,359	104,269
Investment earnings	1,826	866	2,860	4,728	6,109	10,223	20,172	11,113	1,030	(37,478)
Miscellaneous	12,965	16,443	13,698	10,292	9,163	17,791	10,900	15,085	8,964	14,183
Transfers	(6,045)	(8,396)	12,323	(1,083)	(139)	5,972	2,419	44,558	13,977	16,918
Total governmental activities general revenues and transfers	380,517	418,123	468,652	471,580	497,233	555,503	570,995	622,846	635,301	656,697
Business-type Activities:										
Property taxes	561	568	584	1,257	1,864	2,142	2,103	2,266	2,803	3,169
Franchise fees	1,677	1,654	1,778	1,984	2,464	2,328	2,366	2,383	2,652	2,664
Investment earnings	1,034	605	1,580	3,129	5,210	9,557	17,156	9,465	704	(14,145)
Miscellaneous	1,300	1,139	1,762	1,559	1,921	2,361	2,105	1,883	2,143	1,506
Transfers	6,045	8,396	(12,323)	1,083	139	(5,972)	(2,419)	(44,558)	(13,977)	(16,918)
Total Business-type activities general revenues, special item, and transfers	10,617	12,362	(6,619)	9,012	11,598	10,416	21,311	(28,561)	(5,675)	(23,724)
Total primary government general revenues, special item, and transfers	\$ 391,134	\$ 430,485	\$ 462,033	\$ 480,592	\$ 508,831	\$ 565,919	\$ 592,306	\$ 594,285	\$ 629,626	\$ 632,973
Change in Net Position										
Governmental activities	\$ (75,364)	\$ (47,593)	\$ 5,749	\$ (23,212)	\$ (28,388)	\$ (48,806)	\$ (41,216)	\$ 18,527	\$ 143,650	\$ 67,228
Business-type activities	27,607	52,940	32,047	51,229	49,232	10,921	50,440	(1,291)	77,392	98,504
Total primary government	\$ (47,757)	\$ 5,347	\$ 37,796	\$ 28,017	\$ 20,844	\$ (37,885)	\$ 9,224	\$ 17,236	\$ 221,042	\$ 165,732

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

5) 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 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 429	\$ 409	\$ 330	\$ 292	\$ 321	\$ 346	\$ 375	\$ 363	\$ 391	\$ 3,452
Restricted	1,853	2,370	2,301	1,562	414	410	404	416	294	294
Committed	10	6	6	6	6	-	-	-	-	-
Assigned	14,900	12,565	8,370	7,069	5,309	18,824	17,613	20,314	32,760	50,184
Unassigned	94,308	108,428	126,889	123,980	115,198	124,485	115,390	125,317	161,943	124,788
Total General Fund	\$ 111,500	\$ 123,778	\$ 137,896	\$ 132,909	\$ 121,248	\$ 144,065	\$ 133,782	\$ 146,410	\$ 195,388	\$ 178,718
All Other Governmental Funds										
Nonspendable	\$ 2,385	\$ 2,936	\$ 2,652	\$ 2,532	\$ 2,654	\$ 2,123	\$ 2,247	\$ 2,788	\$ 3,037	\$ 3,078
Restricted	183,519	160,719	196,343	223,656	254,943	277,259	286,342	338,500	361,106	522,706
Committed	211,770	201,066	197,322	210,498	211,145	166,648	165,135	175,495	180,739	183,911
Assigned	3,209	3,300	3,487	4,161	2,319	1,432	-	549	2,590	3,087
Unassigned	(11)	-	-	-	(1,298)	-	(263)	-	-	-
Total All Other Governmental Funds	\$ 400,872	\$ 368,021	\$ 399,804	\$ 440,847	\$ 469,763	\$ 447,462	\$ 453,461	\$ 517,332	\$ 547,472	\$ 712,782

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 319,103	\$ 351,952	\$ 378,631	\$ 394,357	\$ 416,774	\$ 446,331	\$ 463,535	\$ 481,967	\$ 526,971	\$ 558,805
Licenses and permits	7,822	9,271	11,148	9,233	9,295	12,071	11,722	12,859	13,450	14,468
Intergovernmental	97,298	89,852	95,530	101,013	102,020	112,060	115,583	177,696	225,644	206,207
Charges for services	74,847	79,844	81,194	88,982	84,535	86,357	88,438	83,698	93,008	93,031
Fines and forfeitures	1,374	1,561	1,529	1,545	1,373	2,784	1,955	751	1,184	2,316
Impact fees	2,587	2,743	3,759	5,262	6,455	10,266	13,538	19,756	59,249	73,875
Special assessments	1,651	1,360	2,261	1,241	1,174	1,053	1,113	1,178	5,093	1,388
Miscellaneous	14,135	15,985	16,531	14,199	16,437	22,591	30,827	26,293	12,625	(17,744)
Total revenues	518,817	552,568	590,583	615,832	638,063	693,513	726,711	804,198	937,224	932,346
Expenditures										
Current										
General government	132,932	130,328	137,077	143,421	148,668	158,679	167,210	223,367	292,222	267,699
Public safety	193,533	199,492	205,645	218,168	233,305	241,734	260,869	254,514	261,375	319,167
Physical environment	14,321	18,913	12,184	10,770	10,858	13,747	18,340	12,645	12,571	17,995
Transportation	34,509	32,644	33,609	33,938	35,953	44,160	48,203	49,177	48,554	48,959
Economic environment	24,433	25,095	26,619	27,672	30,432	31,580	32,513	27,109	34,397	37,317
Human services	20,355	20,144	20,052	21,055	21,200	21,908	22,809	22,982	25,126	26,842
Culture and recreation	56,050	59,350	64,098	63,220	63,539	65,701	71,225	70,718	74,661	82,258
Capital outlay	60,314	55,748	31,064	41,222	47,375	105,447	88,537	93,160	94,139	75,216
Debt service										
Principal retirement	15,432	9,741	15,766	10,823	19,680	11,211	12,726	13,119	16,986	15,300
Interest and fiscal charges	20,037	13,068	13,223	11,573	11,822	11,229	10,849	9,593	8,640	8,405
Bond issuance costs	774	49	364	-	-	-	13	651	30	490
Total expenditures	572,690	564,572	559,701	581,862	622,832	705,396	733,294	777,035	868,701	899,648
Excess (deficiencies) of revenues over (under) expenditures	(53,873)	(12,004)	30,882	33,970	15,231	(11,883)	(6,583)	27,163	68,523	32,698
Other Financing Sources (Uses)										
Transfers in	221,138	90,650	165,590	113,737	158,782	123,017	145,520	179,133	168,199	227,065
Transfers out	(221,171)	(99,030)	(153,267)	(116,820)	(156,758)	(117,174)	(144,063)	(139,575)	(158,420)	(213,254)
Insurance recoveries	-	-	-	-	-	5,580	-	-	-	-
Lease proceeds	-	-	383	5,169	-	543	225	8,939	-	952
Bond premium	-	-	8,399	-	-	-	-	10,791	424	-
Proceeds from long-term debt	134,399	14,483	50,625	0	1,284	433	617	75,655	-	101,179
Payments to refunding escrow agent	(92,303)	(12,518)	(56,711)	-	(1,284)	-	-	(85,607)	-	-
Total other financing sources (uses)	42,063	(6,415)	15,019	2,086	2,024	12,399	2,299	49,336	10,203	115,942
Net change in fund balances	\$ (11,810)	\$ (18,419)	\$ 45,901	\$ 36,056	\$ 17,255	\$ 516	\$ (4,284)	\$ 76,499	\$ 78,726	\$ 148,640
Debt service as a percentage of noncapital expenditures ¹	6.9%	4.5%	5.5%	4.1%	5.5%	3.7%	3.7%	3.3%	3.3%	2.9%

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

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

Fiscal Year	Real Property			Other	Personal Property	Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ¹
	Residential Property	Commercial Property	Other							
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%	
2022	78,144,197	11,912,661	983,748	4,960,228	36,140,528	59,860,306	4.4030	133,025,841	72.17%	

Source: Lee County Property Appraiser

¹ Includes tax-exempt property

Lee County, Florida
SCHEDULE 6

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)

Last Ten Fiscal Years

Fiscal Year	Direct Rates					Overlapping Rates									
	General	Library	Hazards	All	Total	Special Districts ¹	Lee County School Board	City of Cape Coral ²	City of Sanibel ²	City of Fort Myers	City of Myers Beach	Town of Bonita Springs	Village of Estero ³	Other Special Districts ⁴	
2013	4.9904	0.3541	0.0693	0.0693	5.4138	0.7281	7.5840	7.9570	2.5570	8.7760	0.7687	0.8173		.0088 - 4.7000	
2014	4.9904	0.5956	0.0693	0.0693	5.6553	0.5908	7.5980	7.7070	2.5307	8.7760	0.7530	0.8173		.0076 - 4.5000	
2015	4.9904	0.5956	0.0693	0.0693	5.6553	0.6910	7.4160	7.7070	2.4145	8.7760	0.7530	0.8173		.0585 - 4.5000	
2016	4.9904	0.5956	0.0693	0.0693	5.6553	0.6605	7.2850	6.9570	2.3105	8.7760	0.8000	0.8173	0.8398	.0549 - 4.0000	
2017	4.8904	0.5956	0.0693	0.0693	5.5553	0.6361	6.9890	6.7500	2.3013	8.7500	0.8000	0.8173	0.7998	.0650 - 4.0000	
2018	4.8904	0.5956	0.0693	0.0693	5.5553	0.6542	6.6790	6.7500	2.2797	8.6500	0.8700	0.8173	0.7798	.0572 - 3.9000	
2019	4.8904	0.4956	0.0693	0.0693	5.4553	0.6205	6.4010	6.7500	2.2186	8.4500	0.8700	0.8173	0.7750	.0555 - 3.7500	
2020	4.8904	0.4956	0.0693	0.0693	5.4553	0.5958	6.1470	6.5503	2.1855	8.2500	0.9500	0.8173	0.7726	.0661 - 3.8000	
2021	4.8904	0.4956	0.0693	0.0693	5.4553	0.5729	6.0580	6.6750	2.1818	7.9643	0.9500	0.8173	0.7726	0.0471-3.6000	
2022	3.8623	0.4714	0.0693	0.0693	4.4030	0.5640	5.8910	6.2971	2.1584	7.5875	0.9500	0.8173	0.7700	0.0471-3.7500	

Source: Lee County Property Appraiser

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

² Millages include levies for operating and debt service costs.

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

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

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Christian & Missionary Alliance, Inc.	\$ 351,357	1	0.276%	\$ 103,773	2	0.208%
Coconut Point Developers LLC	115,917	2	0.091%	137,986	1	0.277%
Miromar Outlet West LLC	111,289	3	0.088%	86,923	4	0.175%
GCTC Holdings LLC	108,966	4	0.086%			
Lurin Real Estate Holdings XVI	96,249	5	0.076%			
Quadrum Lakes Park LLC	86,935	6	0.068%			
Dasag Retreat Vista Lake LLC	80,770	7	0.064%			
Mall Ground Portfolio LLC	80,754	8	0.064%			
Legacy Gateway 60 LLC +	75,166	9	0.059%			
Six Mile Apartments LLC	69,475	10	0.055%			
Bell Tower Shops LLC				52,624	6	0.106%
Gulf Coast Town Center CMBS				103,138	3	0.207%
Target Corporation				47,426	7	0.095%
Edison Mall Business Trust				78,774	5	0.158%
Federal National Mortgage Assoc				45,881	8	0.092%
Lofton Island Holdings LLLP				44,938	9	0.090%
Jamaica Bay Associates Ltd				42,847	10	0.086%
Total	\$ 1,176,878		0.927%	\$ 744,310		1.494%

Source: Lee County Property Appraiser

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year ¹	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount ²	Percentage of Levy			
2013	260,982	250,828	96.11%	285	\$ 251,113	96.22%
2014	280,806	270,156	96.21%	203	270,359	96.28%
2015	299,665	288,114	96.15%	156	288,270	96.20%
2016	316,672	304,630	96.20%	(85)	304,545	96.17%
2017	336,533	323,892	96.24%	(353)	323,539	96.14%
2018	367,004	352,046	95.92%	8	352,054	95.93%
2019	382,202	367,536	96.16%	26	367,562	96.17%
2020	407,406	391,718	96.15%	(185)	391,533	96.10%
2021	436,447	419,287	96.07%	(13)	419,274	96.07%
2022	449,067	431,313	96.05%		431,313	96.05%

Source: Lee County Tax Collector

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

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

Lee County, Florida
SCHEDULE 9

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	General Bonded Debt							Percentage of Estimated Actual Taxable Property Value ¹	Per Capita ²	Line of Credit	Notes	Financed Purchase Obligations ³
	Capital Revenue Bonds	Gas Tax Bonds	Tourist Development Tax Bonds	Certificates of Participation	Non Advalorem	Total						
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	
2022	-	100,564	116,290	-	67,197	284,051	0.21%	0.35	-	2,698	7,018	

Business-Type Activities Debt

Fiscal Year	Port Authority Revenue Bonds						Transportation Facilities Revenue Bonds			Solid Waste Revenue Bonds			Water and Wastewater Revenue Bonds			Port Authority LOC	Financed Purchase Obligations ³	Total Primary Government ⁴	Percentage of Personal Income ⁴	Per Capita ⁴
	Authority Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds					
2013	319,686	86,379	134,254	207,878	-	92,600	-	-	-	-	-	-	-	-	92,600	1,145,012	4.05%	1.79		
2014	310,772	86,251	129,907	203,100	-	83,913	-	-	-	-	-	-	-	-	83,913	1,109,718	4.00%	1.72		
2015	300,598	81,393	123,632	195,813	-	64,419	-	-	-	-	-	-	-	-	64,419	1,050,179	3.59%	1.58		
2016	290,836	76,994	118,159	187,482	-	54,633	-	-	-	-	-	-	-	-	54,633	1,006,590	3.22%	1.48		
2017	280,656	75,358	112,439	178,850	-	61,956	-	-	-	-	-	-	-	-	61,956	965,725	2.92%	1.38		
2018	270,080	68,451	106,681	169,873	-	79,216	-	-	-	-	-	-	-	-	79,216	938,335	2.55%	1.31		
2019	258,920	61,417	99,839	160,544	-	79,821	-	-	-	-	-	-	-	-	79,821	890,488	2.30%	1.21		
2020	238,487	54,248	92,848	155,063	-	74,903	-	-	-	-	-	-	-	-	74,903	854,327	2.13%	1.14		
2021	225,398	46,936	85,711	143,963	-	69,455	-	-	-	-	-	-	-	-	69,455	799,202	1.85%	1.02		
2022	465,510	39,484	78,428	132,556	9,008	63,100	46	-	-	-	-	-	-	-	63,100	1,081,899	2.18%	1.35		

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

¹ See Schedule 5 for property value data.

² See Schedule 11 for personal income and population data.

³ The County implemented GASB Statement 87 in fiscal year 2022. Amount listed for 2013 to 2021 qualified as capital leases under prior guidance.

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

Source: Lee County Clerk of Courts Finance and Records Department

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

Fiscal Year	Water and Wastewater Revenue Bonds					Transportation Facilities Revenue Bonds								
	Water and Wastewater Revenues ¹	Less:		Net Available Revenues	Debt Service Principal	Interest	Coverage	Transportation Facilities Revenues ³	Less:		Net Available Revenue	Debt Service Principal	Interest	Coverage
		Operating Expenses ^{2,4}	Operating Expenses ^{2,4}						Operating Expenses ^{2,4}	Operating Expenses ^{2,4}				
2013	\$ 98,054	\$ 55,286	\$ 42,768	\$ 7,603	\$ 7,874	2.76	\$ 39,162	\$ 9,698	\$ 29,464	\$ 8,145	\$ 6,908	1.96		
2014	103,263	54,637	48,626	3,890	7,536	4.26	41,966	10,158	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		
2022	120,262	85,119	35,143	10,855	4,299	2.32	53,957	18,153	35,804	6,120	3,661	3.66		

Fiscal Year	Florida Department of Environmental Protection Loans					Solid Waste System Revenue Bonds								
	Water and Wastewater Revenues ¹	Less:		Net Available Revenues	Debt Service Principal	Interest	Coverage	Solid Waste System Revenues ⁶	Less:		Net Available Revenue	Debt Service ⁷ Principal	Interest	Coverage
		Operating Expenses ^{2,4}	Operating Expenses ^{2,4}						Operating Expenses ^{2,4}	Operating Expenses ^{2,4}				
2013	\$ 98,054	\$ 55,286	\$ 42,768	\$ 3,650	\$ 1,496	8.31	\$ 70,409	\$ 62,541	\$ 7,868	\$ 100	\$ 4,288	1.79		
2014	103,263	54,637	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	5.76		
2017	114,504	59,098	55,406	3,065	12,687	3.52	86,894	70,643	16,251	5,235	3,300	1.90		
2018	116,742	69,792	46,950	2,918	1,055	11.82	97,785	75,887	21,898	5,495	3,046	2.56		
2019	121,648	74,626	47,022	3,640	1,103	9.91	100,446	81,664	18,782	5,775	2,772	2.20		
2020	120,973	73,427	47,546	4,918	1,250	7.71	96,887	83,105	13,782	6,075	2,483	1.61		
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		
2022	120,262	85,119	35,143	6,355	685	4.99	132,666	95,065	37,601	6,715	1,860	4.39		

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Water and Wastewater System. The pledge of these revenues to the FDEP loan is subordinate to the revenue bonds pledge.

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

³ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Transportation Facilities, including but not limited to toll revenues and investment earnings.

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

⁵ Fiscal years 2013 and 2014 - Operating expenses listed include the annual OPEB expenses and is not adjusted for funding.

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

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

⁸ Debt service only includes the April 2016 interest payment as the Solid Waste System Revenue Bonds, Series 2006A were refunded before September 30, 2016 and no longer outstanding under the bond resolutions. No debt service was due for fiscal year 2016 on the Solid Waste System Revenue Refunding Bonds, Series 2016.

⁹ Operating expenses excludes non-recurring Hurricane Irma related expenses. Revenues in 2019 and 2020 exclude FEMA reimbursements for Hurricane Irma. Adjusted for Hurricane Irma expenses, Operating Expenses for 2017, 2018, and 2019 were \$73,721, \$109,159, and \$83,770 respectively. Adjusted for FEMA, Revenues in 2019 and 2020 were \$102,655 and \$126,990 respectively. Coverage for 2017, 2018, 2019, and 2020 were 1.54, (1.33), 2.21, and 5.13 respectively.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SCHEDULE 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					General Aviation Airport Revenues					Less: Operating Expenses ¹			Net Available Revenue			Debt Service			Coverage
	Revenues	Less: Operating Expenses ¹	Net Available Revenues	Principal	Interest	Coverage	Revenues	Less: Operating Expenses ¹	Net Available Revenue	Principal	Interest	Principal	Interest	Principal	Interest	Coverage				
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 ⁵	21	2.48	11,605 ⁶	8,875	2,730	3,042 ⁶	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								
2022	-	n/a	-	-	-	0.00	-	-	-	-	-	0.00								

Fiscal Year	Port Authority Revenue Bonds										Port Authority Subordinate Revolving Credit						
	Airport Revenues ³					Less: Operating Expenses ²					Net Available Revenues			Debt Service			Coverage
	Revenues ³	Less: Operating Expenses ²	Net Available Revenues	Principal	Interest	Coverage	Revenues ³	Less: Operating Expenses ²	Net Available Revenue	Principal	Interest	Principal	Interest	Principal	Interest	Coverage	
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 ⁷	12,694	1.38	81,728	59,559	22,169	-	7	3,167.00	-	-	-		
2021	99,617	62,004	37,613	3,580 ⁷	11,177	2.55	99,617	62,004	37,613	-	102	368.75	-	-	-		
2022	134,020	69,467	64,553	5,135	14,288	3.32	134,020	69,467	64,553	-	244	264.56	-	-	-		

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

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

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

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

⁴ Debt service is based on bond year of Oct 2 to Oct 1

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

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

⁷ Principal reduced by 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 11
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Year	Population ¹	Total Personal Income ² (in thousands)	Per Capita Personal Income ²	Median Age ²	School Enrollment ³	Unemployment Rates (Percentage) ²		
						County	State	National
2013	638,029	28,292,424 ⁵	40,248 ⁶	45.7	87,215	7.2 ⁴	7.1 ⁴	7.6 ⁴
2014	643,367	27,773,510	43,169 ⁶	45.7	90,887	6.1	6.1	5.7
2015	665,845	29,245,506	48,453 ⁸	46.2 ⁷	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
2022	802,178	49,552,254	62,885	48.8	97,360	2.6	2.5	3.5

Sources: ¹ Bureau of Economic and Business Research (estimate)

² Florida Research and Economic Database (FRED), except as otherwise noted

³ School District of Lee County

⁴ Regional Economic Research Institute, Lutzert College of Business, Florida Gulf Coast University

⁵ US Bureau of Economic Analysis (BEA) estimate as of April 2012 (IPI updated 2015)

⁶ Governing.com

⁷ edr.state.fl.us

⁸ bestplaces.net

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

Employer	2022			2013		
	Employees*	Rank*	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	14,028	1	4.04%	10,425	1	3.95%
Lee County School District	11,003	2	3.17%	10,333	2	3.91%
Publix Super Market	4,624	3	1.33%	4,404	3	1.67%
Walmart	3,467	4	1.00%	1,967	5	0.74%
Lee County Administration	2,696	5	0.78%	2,358	4	0.89%
City of Cape Coral	1,858	6	0.54%	1,197	9	0.45%
Gartner, Inc.	1,819	7	0.52%			
Lee County Sheriff's Office	1,564	8	0.45%	1,535	7	0.58%
Chico's FAS Inc.	1,532	9	0.44%	1,703	6	0.64%
McDonald's	1,522	10	0.44%			
Target				1,100	10	0.42%
U.S.Postal Service				1,477	8	0.56%
Total	<u>44,113</u>		<u>12.72%</u>	<u>36,499</u>		<u>13.82%</u>

Source: Lee County Office of Economic Development, SW Florida Economic Development Alliance, Florida Research and Economic Database, and U.S.
*The employer ranking and employee total remain the same as reported for FY 2021 due to the FY 2022 information not being available until a later date

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

Function/Program	<u>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>	<u>2022</u>
Governmental activities:										
General government	1,281	1,282	1,288	1,281	1,270	1,304	1,303	1,310	1,276	1,378
Public safety	1,866	1,875	1,914	1,979	1,997	2,071	2,057	2,065	2,064	2,084
Physical environment	73	69	70	69	68	68	68	69	68	70
Transportation	220	212	205	204	204	209	209	209	208	214
Economic environment	65	66	66	67	66	66	66	68	52	46
Human services	75	76	81	81	83	91	91	95	126	134
Culture and recreation	518	523	504	506	507	529	529	529	529	529
Business-type activities:										
Airport	346	351	352	360	357	352	359	359	361	383
Water and wastewater	275	274	274	275	279	281	281	283	282	296
Transit	251	263	267	267	267	268	268	268	268	268
Transportation facilities	95	95	95	94	96	96	96	96	95	78
Solid waste	92	94	98	105	112	119	119	119	119	128
Total	5,157	5,180	5,214	5,288	5,306	5,454	5,446	5,470	5,448	5,608

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>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>	<u>2022</u>
Community Development										
Building permits issued	36,442	41,023	45,421	34,329	32,126	47,143	38,619	40,318	58,225	48,784
Inspections	63,709	74,358	84,505	82,004	80,532	114,483	133,232	119,126	156,844	199,713
Public Safety/EMS										
E-911 calls processed	179,412	182,859	198,072	208,238	220,799	220,159	222,236	227,274	252,261	264,520
Sheriff Department										
Physical arrests	15,018	14,196	10,543	12,006	10,173	15,877	10,235	6,971	5,626	7,397
Traffic tickets	37,859	36,512	31,977	36,251	33,680	37,960	37,650	21,184	15,879	14,193
Natural Resources										
Environmental lab tests performed	117,670	114,744	109,420	115,625	136,044	154,281	156,115	157,545	161,452	149,985
Pollutant storage tanks inspections	642	546	495	514	520	1,009	902	896	397	462
Solid Waste										
Number of business and residential customers ¹	249,480	244,817	253,888	258,891	258,530	260,307	263,662	267,754	271,243	275,825
Volume of solid waste collection (tons per year) ²	484,255	481,658	507,527	552,818	571,194	586,383	579,041	582,477	631,785	655,461
Volume of recycling collection (tons per year) ³	84,270	71,788	76,109	79,117	78,249	84,126	83,394	86,379	88,045	85,805
Megawatt hours of electricity sold	289,583	328,479	329,285	333,549	320,919	346,086	343,088	320,397	286,350	315,897
Water and Wastewater										
Water customers	82,411	83,146	83,989	85,020	86,176	87,675	89,110	90,869	93,546	96,018
Wastewater customers	59,789	60,562	61,410	62,294	63,197	64,583	65,867	67,606	69,992	71,897
Meter installations	720	1,176	807	1,031	1,156	1,499	1,619	1,758	2,678	2,472
Department of Transportation										
Number of signal and flasher locations maintained	497	509	523	530	540	581	616	626	704	723
Number of streetlights maintained	4,986	5,013	5,104	5,090	5,142	5,202	5,429	5,429	5,871	6,297
Number of driveway and ROW permits issued	702	810	1,031	1,147	1,353	1,569	1,996	2,249	2,842	4,116
Asphalt road resurfacing (in thousands of tons)	43	37	34	41	33	86	52	117	146	56
Bridges										
Toll paying traffic per year										
Sanibel	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	3,505,154
Midpoint Memorial	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	8,865,800
Cape Coral	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	8,500,765
Transit										
Number of bus passenger trips	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	2,057,592
Number of bus route miles	550	551	551	538	542	542	543	543	544	545
Port Authority										
Number of enplanements	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	5,571,537
Number of deplanements	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	5,506,926
Human Services										
Number of emergency services provided with General Fund County Service dollars (mortgage, rent, utilities, etc.)	484	460	390	327	660	642	691	626	301	446
Animal Services										
Officer responses	16,970	15,600	15,029	15,409	15,406	15,186	15,406	11,735	11,648	12,697
Animal placement	4,220	4,286	5,089	5,379	5,012	4,642	5,012	5,057	5,949	6,713
Library										
Cardholders	291,692	294,953	289,398	285,300	283,326	275,705	276,106	263,799	246,058	263,309
Items available for circulation	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	2,439,388
Total circulation	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	4,714,162
Parks and Recreation										
Number of public parks maintained	66	67	67	68	69	69	69	70	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

¹ 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.

² Total municipal solid waste tons processed and landfilled including incorporated and unincorporated Lee County and Hendry County.

³ 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>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>	<u>2022</u>
Governmental Activities										
General government	10,862	10,957	10,739	11,087	11,262	11,622	11,863	10,545	11,485	11,711
Public safety	10,299	10,089	10,072	10,783	10,633	10,912	11,133	13,041	11,554	4,433
Physical environment	552	574	538	519	517	524	538	502	867	936
Transportation	3,805	3,837	3,903	3,939	3,954	3,977	4,034	3,864	5,111	5,569
Economic environment	247	261	252	270	276	280	288	243	269	279
Human services	639	602	589	568	532	557	553	588	643	717
Culture and recreation	4,680	4,865	4,890	4,965	5,056	5,115	5,358	4,966	5,016	5,085
	<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>	<u>28,730</u>
Business-type Activities										
Port Authority	2,549	2,552	2,961	3,184	3,338	3,494	3,623	4,212	3,505	3,555
Water and Wastewater	17,285	18,084	19,013	19,993	20,673	21,887	22,459	23,280	23,907	24,314
Transportation Facilities	1,176	1,176	1,235	1,251	1,315	1,380	1,334	1,321	1,308	1,314
Solid Waste	646	665	697	709	729	765	806	822	822	823
Transit	948	963	1,018	1,046	1,039	1,062	1,050	1,167	965	991
	<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>	<u>30,997</u>

Source: Lee County Clerk of Courts Finance and Records Department and the Lee County Sheriff's Office



Lee County
Southwest Florida

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Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 TOURIST DEVELOPMENT TAX REVENUE BONDS
 September 30, 2022
 (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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tourist Development Tax Revenues (debt portion)	\$ 42,346	\$ 42,584	\$ 37,990	\$ 52,822	\$ 66,843
Gross Revenues ⁽¹⁾	1,165	1,165	1,180	1,180	1,195
State Funds	500	500	500	500	500
Total Pledged Funds ⁽²⁾⁽³⁾	<u>\$ 44,011</u>	<u>\$ 44,249</u>	<u>\$ 39,670</u>	<u>\$ 54,502</u>	<u>\$ 68,538</u>
Maximum Annual Debt Service ⁽⁴⁾⁽⁵⁾ Payable from Pledged Funds	8,480	8,480	8,480	8,480	8,480
Debt Service Coverage	5.19x	5.22x	4.68x	6.43x	8.08x

⁽¹⁾ Includes stadium rental revenue and payments received by the County from JetBlue Airways in connection with the naming rights for JetBlue Park, a part of the 2010 Project.

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

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

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

⁽⁵⁾ Maximum Annual Debt Service reflects updated amounts published in the 2019 Tourist Development Tax Official Statement.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
TOURIST DEVELOPMENT TAX REVENUE BONDS
September 30, 2022
(unaudited)

Statement of Historical Collections and Distributions of the General Sales and Use Tax
Fiscal Years Ended June 30, 2014 through June 30, 2023⁽²⁾⁽⁴⁾

Fiscal Year	Collections	General Revenue	Local Governments ⁽³⁾	Unemployment Compensation		State Transportation Trust Fund	Sports Facilities Transfer		Emergency Distribution	Public Employees Relations Commission Trust Fund
				Trust Fund Distribution	Trust Fund		Trust Fund	Distribution		
2022-23 ⁽¹⁾	\$ 36,622,100,000	\$ 31,743,600,000	\$ 3,736,600,000	\$ 1,080,000,000	\$ 183,996	\$ 28,000,000	\$ 31,200,000	\$ 2,500,000		
2021-22	38,581,579,589	34,567,100,321	3,950,361,297	527,417,205	183,996	28,500,048	32,735,321	2,698,606		
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		

(1) Estimate.

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

(3) Local Government distributions include the half-cent, county and municipal revenue sharing, and the shift of \$29,915,500 to counties previously funded from pari-mutual tax revenues.

(4) In addition to sales tax, these figures include state communications services taxes imposed under Chapter 202, Florida Statutes, on the sale of communications services as described in Section 202.12, Florida Statutes.

SOURCE: State of Florida, Office of Economic & Demographic Research, *Florida Tax Handbook*

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 NON-AD VALOREM REVENUE BONDS
 September 30, 2022
 (unaudited)

Historical Major Sources of Non-Ad Valorem Revenues ⁽¹⁾
 (dollars in thousands)

Fiscal Year Ended September 30	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Taxes:					
Local communications services tax	\$ 7,426	\$ 7,299	\$ 6,894	\$ 6,540	\$ 6,721
FPL electrical franchise fees	11,673	12,147	11,834	12,456	14,957
LCEC electrical franchise fees	5,821	6,215	6,342	6,318	7,748
Intergovernmental Revenues:					
State revenue sharing	13,244	18,220	17,203	20,096	26,056
Local half cent sales tax	50,741	51,568	50,011	60,302	71,262
Mobile home/insurance/alcohol beverage licenses	832	891	894	877	900
Racing tax	223	223	223	223	223
Charges for Services:					
Ambulance service receipts	21,686	21,618	20,478	23,108	22,994
Excess county officer fees	10,927	9,981	9,537	10,607	7,526
Licenses and Permits:					
Occupational licenses	769	774	722	714	790
Miscellaneous:					
Investment earnings ⁽²⁾	2,507	4,014	2,733	824	2,696
Total	<u>\$ 125,849</u>	<u>\$ 132,950</u>	<u>\$ 126,871</u>	<u>\$ 142,065</u>	<u>\$ 161,873</u>

⁽¹⁾ The table above includes a general description of Non-Ad Valorem Revenues and does not include sources that are not considered major when viewed independently. Certain other Non-Ad Valorem Revenues may be received by the County that are not reflected in the table above as such revenues are considered restricted for certain purposes, and would not be available for payment of debt service on the Series 2012 or 2015 Bonds.

⁽²⁾ To the extent Investment Earnings are earnings on investments held to the credit of funds that are not legally available to pay debt service on the Series 2012 or 2015 Bonds, such investment earnings will not constitute legally available Non-Ad Valorem Revenues.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
NON-AD VALOREM REVENUE BONDS
September 30, 2022
(unaudited)

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

	2018	2019	2020	2021	2022
REVENUES					
Taxes	\$ 446,331	\$ 463,535	\$ 481,967	\$ 526,971	\$ 558,805
Licenses and permits	12,071	11,722	12,859	13,450	14,468
Intergovernmental	112,060	115,583	177,696	225,644	206,207
Charges for services	86,357	88,438	83,698	93,008	93,031
Fines and forfeitures	2,784	1,955	751	1,184	2,316
Impact fees	10,266	13,538	19,756	59,249	73,875
Special assessments	1,053	1,113	1,178	5,093	1,388
Miscellaneous	22,591	30,827	26,293	12,625	(17,744)
Total revenues	<u>693,513</u>	<u>726,711</u>	<u>804,198</u>	<u>937,224</u>	<u>932,346</u>
EXPENDITURES					
Current					
General government	158,679	167,210	223,367	292,222	267,700
Public safety	241,734	260,869	254,514	261,375	319,167
Physical environment	13,747	18,340	12,645	12,571	17,995
Transportation	44,160	48,203	49,177	48,554	48,959
Economic environment	31,580	32,513	27,109	34,397	37,317
Human services	21,908	22,809	22,982	25,126	26,842
Culture and recreation	65,701	71,225	70,718	74,661	82,258
Capital outlay					
General government	49,529	12,065	19,872	18,470	13,658
Public safety	5,531	8,307	23,362	13,422	13,487
Physical environment	3,205	3,359	2,269	2,945	6,121
Transportation	29,947	43,628	44,151	54,270	31,551
Economic environment	262	247	63	296	1,142
Human services	65	73	74	27	62
Culture and recreation	16,908	20,858	3,369	4,709	9,195
Debt service					
Principal retirement	11,211	12,726	13,119	16,986	15,300
Interest and fiscal charges	11,229	10,849	9,593	8,640	8,404
Bond issuance costs	-	13	651	30	490
Total expenditures	<u>705,396</u>	<u>733,294</u>	<u>777,035</u>	<u>868,701</u>	<u>899,648</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(11,883)</u>	<u>(6,583)</u>	<u>27,163</u>	<u>68,523</u>	<u>32,698</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers in	123,017	145,520	179,133	168,199	227,065
Transfers out	(117,174)	(144,063)	(139,575)	(158,420)	(213,254)
Insurance recoveries	5,580	-	-	-	-
Lease proceeds	543	225	8,939	-	952
Bond premium	-	-	10,791	-	-
Debt issuance	433	617	450	424	101,179
Issuance of refunding debt	-	-	75,205	-	-
Payments to refunded bonds escrow agent	-	-	(85,607)	-	-
Total other financing sources and (uses)	<u>12,399</u>	<u>2,299</u>	<u>49,336</u>	<u>10,203</u>	<u>115,942</u>
Net change in fund balances	516	(4,284)	76,499	78,726	148,640
Fund balances - beginning	591,011	591,527	587,243	664,134 *	742,860
Fund balances - ending	<u>\$ 591,527</u>	<u>\$ 587,243</u>	<u>\$ 663,742</u>	<u>\$ 742,860</u>	<u>\$ 891,500</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
 LOCAL OPTION GAS TAX BONDS
 September 30, 2022
 (unaudited)

Five Cent and Six Cent Local Option Gas Tax Revenues
 (dollars in thousands)

County Fiscal Year ¹	Five Cent Local Option Gas Tax Revenues		Percentage Change	Six Cent Local Option Gas Tax Revenues		Percentage Change
	2013	\$		6,356	5.5%	
2014		6,616	4.1%		8,838	3.1%
2015		7,096	7.3%		9,622	8.9%
2016		7,116	0.3%		9,654	0.3%
2017		7,275	2.2%		9,871	2.2%
2018		7,368	1.3%		10,082	2.1%
2019		7,433	0.9%		10,175	0.9%
2020 ²		7,089	-4.6%		9,732	-4.4%
2021		7,872	11.0%		10,803	11.0%
2022		8,231	4.6%		11,454	6.0%

Share of Proceeds of Five Cent Local Option
 Gas Tax and Six Cent Local Option Gas Tax³

City of Cape Coral	27.29%
City of Fort Myers	10.67%
Sanibel	3.50%
Town of Ft. Myers Beach	1.00%
City of Bonita Springs	4.53%
Village of Estero	2.52%
Lee County	50.49%
	100.00%

Local Option Gas Tax Debt Service Coverage
 (dollars in thousands)

County Fiscal Year ¹	Local Option Gas Tax Revenues	Maximum Annual Debt Service	Debt Service Coverage Ratio
2022	\$ 19,685	\$ 10,757	1.83

¹ County fiscal year end is September 30th

² Decline is a result of measures takes as result of COVID-19 which resulted in decreased travel, remote work and stay-at-home orders.

³ The current formula, as provided in the Interlocal Agreement, applies from January 1, 2020 to December 31, 2022.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
 LEE COUNTY WATER AND WASTEWATER SYSTEMS
 September 30, 2022
 (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 wellfield 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, 2022
 (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/lot
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, 2022
(unaudited)

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

	2018	2019	2020	2021	2022
Gross Revenues ⁽¹⁾					
Water User Fees	\$ 51,380	\$ 52,674	\$ 53,485	\$ 53,283	\$ 53,859
Wastewater User Fees	58,938	60,598	61,208	61,641	61,882
Rentals and Franchise Fees	200	206	212	228	157
Miscellaneous Revenues ⁽²⁾	2,097	1,991	1,749	2,031	1,990
Investment Earnings ⁽³⁾	3,895	5,931	4,097	976	2,155
Other Revenue Adjustments:					
Gateway Debt Service Contribution ⁽⁴⁾	172	172	172	172	172
Total Gross Revenues	<u>\$ 116,682</u>	<u>\$ 121,572</u>	<u>\$ 120,923</u>	<u>\$ 118,331</u>	<u>\$ 120,215</u>
Operating expenses ⁽⁵⁾					
Salaries and Wages	\$ 15,063	\$ 15,757	\$ 16,684	\$ 16,958	\$ 19,648
Employee Benefits	6,765	7,337	7,954	8,726	9,568
Contract services, materials and supplies	33,146	35,570	31,755	25,220	27,654
Utilities	5,600	5,750	6,061	6,040	7,132
Repairs and maintenance	4,357	5,675	5,930	5,984	7,479
Insurance	676	854	831	831	1,135
Other	2,575	2,015	2,102	1,736	10,392
Indirect Cost	1,574	1,630	2,067	2,139	2,071
Administrative Fees	36	38	43	39	40
Total Operating Expenses	<u>\$ 69,792</u>	<u>\$ 74,626</u>	<u>\$ 73,427</u>	<u>\$ 67,673</u>	<u>\$ 85,119</u>
Pledged Funds					
Net Revenues	\$ 46,890	\$ 46,946	\$ 47,496	\$ 50,658	\$ 35,096
Special Assessment Proceeds	60	76	50	69	47
Connection Fees ⁽⁶⁾	13,127	14,105	13,687	16,836	20,211
Total	<u>\$ 60,077</u>	<u>\$ 61,127</u>	<u>\$ 61,233</u>	<u>\$ 67,563</u>	<u>\$ 55,354</u>
Annual Debt Service - Outstanding Bonds ⁽⁷⁾					
Series 2011 Bonds	\$ 7,003	\$ 6,997	\$ 6,633	\$ 5,754	\$ 5,672
Series 2012A Bonds	1,000	1,000	719	-	-
Series 2012B Bonds	374	374	269	-	-
Series 2013A Bonds	3,441	3,441	2,864	1,401	1,399
Series 2013B Bonds	3,952	3,947	3,940	3,943	3,934
Series 2019 Bonds	-	-	742	4,050	4,149
Annual Debt Service	<u>\$ 15,770</u>	<u>\$ 15,759</u>	<u>\$ 15,167</u>	<u>\$ 15,148</u>	<u>\$ 15,154</u>
Rate Covenant Compliance					
Test A - Net Revenues and Special Assessments Proceeds	\$ 46,950	\$ 47,022	\$ 47,546	\$ 50,727	\$ 35,143
Annual Debt Service	15,770	15,759	15,167	15,148	15,154
Calculated Coverage	297.72%	298.38%	313.48%	334.88%	231.91%
Required Coverage	100.00%	100.00%	100.00%	100.00%	100.00%
Test B - Net Revenues, Special Assessments Proceeds and Connection Fees	\$ 60,077	\$ 61,127	\$ 61,233	\$ 67,563	\$ 55,354
Annual Debt Service	15,770	15,759	15,167	15,148	15,154
Calculated Coverage	380.96%	387.89%	403.73%	446.02%	365.28%
Required Coverage	120.00%	120.00%	120.00%	120.00%	120.00%
State Revolving Fund Loan Compliance					
Pledged Revenues:					
Gross Revenues	\$ 116,682	\$ 121,572	\$ 120,923	\$ 118,331	\$ 120,215
Less Operating Expenses	(69,792)	(74,626)	(73,427)	(67,673)	(85,119)
Less Senior Revenue Obligations Debt Service	(15,770)	(15,759)	(15,167)	(15,148)	(15,154)
Net Amount Available for SRF Debt Coverage	<u>\$ 31,120</u>	<u>\$ 31,187</u>	<u>\$ 32,329</u>	<u>\$ 35,510</u>	<u>\$ 19,942</u>

(continued)

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEMS
September 30, 2022
(unaudited)

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

	2018	2019	2020	2021	2022
Outstanding SRF Loan Debt Service					
SRF Loan 2005 DW3610010	\$ 1,717	\$ 1,717	\$ 1,717	\$ 935	\$ -
SRF Loan 2009 WW392330	2,256	2,256	2,256	2,265	-
SRF Loan 2015 WW360200	-	770	1,540	1,540	1,540
SRF Loan 2017 DW3602A0	-	-	655	1,311	1,311
Key Bank Loan Series 2021A&B	-	-	-	-	4,189
Total	\$ 3,973	\$ 4,743	\$ 6,168	\$ 6,051	\$ 7,040
Calculated Coverage	783.29%	657.54%	524.14%	586.85%	283.27%
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: ⁽⁸⁾					
Renewal and Replacement Fund ⁽⁹⁾	\$ 5,688	\$ 5,781	\$ 5,992	\$ 5,975	\$ 5,891
Subordinated Indebtedness Debt Service	3,973	4,743	6,168	6,051	7,040
Amounts Available for Other System Purposes	<u>\$ 21,459</u>	<u>\$ 20,663</u>	<u>\$ 20,169</u>	<u>\$ 23,484</u>	<u>\$ 7,011</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) Amounts shown reflect other required deposits to funds and accounts as referenced in Section 4.05 of the Bond Resolution.

(8) For purposes of determining compliance with the Bond Resolution, amounts shown reflect an annual deposit to the R&R fund (regardless of the amount on deposit in such fund) equal to 5% of prior year's Gross Revenues.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2022
(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)				
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
2022	92,832	7,499,120	6,732	956,719	8,455,839	10,279,769	28.18

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)				
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
2022	66,062	5,695,704	7,185	295,982	5,991,686	6,087,388	16.68

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
 LEE COUNTY WATER AND WASTEWATER SYSTEM
 September 30, 2022
 (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	\$ 703,363	0.60%
Landings Env. Wrm. Assoc. Inc.	Multifamily	6"	Water/Sewer	632,919	0.54%
Gulf Coast Town Center	Commercial	10"	Water/Sewer	541,513	0.46%
Health Park Medical Center	Commercial	6"	Water/Sewer	453,330	0.38%
Jamaica Bay Assoc. LDT	Commercial	8"	Water/Sewer	430,757	0.37%
Kraft Heinz Company	Commercial	3"	Water/Sewer	379,140	0.32%
Shell Point Village	Multifamily	10"	Water/Sewer	319,664	0.27%
Indian Creek Park	Multifamily	6"	Water/Sewer	298,803	0.25%
Bayside Estates	Multifamily	3"	Water/Sewer	284,320	0.24%
Island Club Homewoners Association	Multifamily	6"	Water/Sewer	258,808	0.22%
				\$ 4,302,617	3.65%

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2022
(Unaudited)

Rate Comparison with Other Florida Utilities ⁽¹⁾
Residential Service Assuming 5,000 Gallons of Monthly Utility Service

	Water	Wastewater	Total
Lee County Existing Rates ⁽²⁾	\$ 28.94	\$ 49.70	\$ 78.64
Other Neighboring and Florida Utilities:			
Bonita Springs Utilities, Inc.	\$ 31.54	\$ 48.62	\$ 80.16
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)	45.64	73.65	119.29
FGUA - Lake Fairway/Pine Lakes Service Area (Lee County)	62.64	63.88	126.52
FGUA - North Fort Myers Service Area ⁽³⁾	40.07	69.01	109.08
City of Fort Myers	32.84	83.60	116.44
Hillsborough County	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	\$ 39.88	\$ 57.75	\$ 97.63

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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 ⁽¹⁾
(Rates per Equivalent Residential Unit (ERU))

	Water	Wastewater	Total
Lee County Existing Rates	\$ 2,440	\$ 2,660	\$ 5,100
Other Neighboring and Florida Utilities:			
Pinellas County	\$ 352	\$ 2,060	\$ 2,412
City of Bradenton	1,183	1,545	2,728
City of Sarasota	900	2,577	3,477
City of Naples	1,416	2,324	3,740
City of Fort Myers	2,023	1,966	3,989
City of North Port	1,872	2,213	4,085
Englewood Water District	1,751	2,754	4,505
Charlotte County	2,940	2,910	5,850
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	2,646	2,677	5,323
Sarasota County	2,950	3,190	6,140
Hillsborough County - Northwest Service Area	1,750	1,800	3,550
FGUA - Lehigh Acres System (Lee County)	3,070	3,057	6,127
FGUA - Lake Fairway/Pine Lakes Service Area (Lee County)	2,960	2,804	5,764
FGUA - North Fort Myers Service Area ⁽³⁾	2,960	2,804	5,764
Bonita Springs Utilities, Inc.	3,040	3,295	6,335
City of Marco Island	3,740	4,610	8,350
City of Boca Raton	5,195	4,168	9,363
Other Florida Utilities Average	\$ 2,399	\$ 2,820	\$ 5,219

⁽¹⁾ 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, 2022
(Unaudited)

System Historical Operating Results and Indenture Rate Covenant Compliance

Description	Fiscal Year 2018 ⁽⁷⁾		Fiscal Year 2019 ⁽⁷⁾		Fiscal Year 2020 ⁽⁷⁾		Fiscal Year 2021	Fiscal Year 2022
	Excludes Hurricane Irma Related Expenses	Includes Hurricane Irma Expenses	Excludes Hurricane Irma Related Expenses	Includes Hurricane Irma Expenses	Excludes Hurricane Irma Related Expenses	Includes Hurricane Irma Expenses		
Collection Assessment Revenues	\$24,862,667	\$24,862,667	\$25,446,588	\$25,446,588	\$25,912,110	\$25,912,110	\$26,420,303	\$26,976,762
Assessment, MSTU, and Tip Fee Revenues	52,712,502	52,712,502	55,901,892	55,901,892	56,415,882	56,415,882	65,289,466	70,578,998
WTE Facility - Gross Electric Sales ⁽¹⁾	9,324,700	9,324,700	9,489,326	9,489,326	6,092,684	6,092,684	9,000,401	21,999,858
Recycling Revenues	781,656	781,656	973,987	973,987	894,594	894,594	1,542,869	2,736,385
Other Miscellaneous Revenue ⁽²⁾	10,103,634	10,103,634	8,633,868	10,842,283	7,571,966	37,674,989	9,317,841	10,373,958
Rate Stabilization Fund Transfers	-	-	-	-	-	-	-	-
Gross Revenues	97,785,159	97,785,159	100,445,661	102,654,076	96,887,236	126,990,259	111,570,880	132,665,961
Less Operating Expenses ⁽³⁾	75,887,249	109,159,350	81,664,475	83,770,033	83,104,525	83,104,525	84,883,473	95,064,834
Net Revenues	21,897,910	(11,374,191)	18,781,186	18,884,043	13,782,711	43,885,734	26,687,407	37,601,127
Net Position ⁽⁴⁾	42,848,308	42,848,308	13,182,804	13,182,804	16,937,243	16,937,243	37,295,296	21,051,042
Net Revenues and Net Position	\$64,746,218	\$31,474,117	\$31,963,990	\$32,066,847	\$30,719,954	\$60,822,977	\$63,982,703	\$58,652,169
Annual Debt Service ⁽⁶⁾	\$8,541,250	\$8,541,250	\$8,546,500	\$8,546,500	\$8,557,750	\$8,557,750	\$8,564,000	\$8,574,750
Series 2016 Bonds	\$8,541,250	\$8,541,250	\$8,546,500	\$8,546,500	\$8,557,750	\$8,557,750	\$8,564,000	\$8,574,750
Total Annual Debt Service	\$8,541,250	\$8,541,250	\$8,546,500	\$8,546,500	\$8,557,750	\$8,557,750	\$8,564,000	\$8,574,750
Rate Covenant Test								
Test A:								
Net Revenues and Net Position	\$64,746,218	\$31,474,117	\$31,963,990	\$32,066,847	\$30,719,954	\$60,822,977	\$63,982,703	\$58,652,169
Annual Debt Service	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750	8,564,000	8,574,750
Annual Debt Service Coverage	7.58	3.68	3.74	3.75	3.59	7.11	7.47	6.84
Minimum Required Debt Service Coverage	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
AND								
Test B:								
Part 1								
Net Revenues	\$21,897,910	(\$11,374,191)	\$18,781,186	\$18,884,043	\$13,782,711	\$43,885,734	\$26,687,407	\$37,601,127
Annual Debt Service	8,541,250	8,541,250	8,546,500	8,546,500	8,557,750	8,557,750	8,564,000	8,574,750
Annual Debt Service Coverage	2.56	(1.33)	2.20	2.21	1.61	5.13	3.12	4.39
Minimum Required Coverage	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Part 2								
Net Revenues Less Debt Service	\$13,356,660	(\$19,915,441)	\$10,234,686	\$10,337,543	\$5,224,961	\$35,327,984	\$18,123,407	\$29,026,377
Required Deposits ⁽⁶⁾	-	-	-	-	-	-	-	-
Net After Required Deposits	\$13,356,660	(\$19,915,441)	\$10,234,686	\$10,337,543	\$5,224,961	\$35,327,984	\$18,123,407	\$29,026,377

[1] Amounts show reflect gross electric sales revenues; pursuant to agreement the County is required to remit 10% of gross electric revenues to the Operator.
[2] Amounts shown reflect other operating revenues including franchise fee revenues retained by the County, interest income of cash balances, sale of recovered materials from operation of the C&D recycling facility, advanced disposal fees, electric 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.
[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 \$7.7 million 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 services, 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 years 2018, 2019, and 2020 and FEMA reimbursements for years 2019 and 2020 for comparison.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2022
(Unaudited)

Summary of Historical Charges

Description	Fiscal Year 2021	Fiscal Year 2022	Adopted Fiscal Year 2023 ^[5]
<u>Assessments:</u>			
Collection (Avg. Areas 1-5) ^[1]	\$145.62	\$145.62	\$185.79
Residential Credit	-		-
Disposal MSW	45.18	50.20	59.96
Disposal Yard Waste	6.62	6.62	6.62
Disposal Facility Assessment Charge	15.53	17.25	18.61
Recycling Assessment	11.05	11.05	11.05
Billing Fee	2.45	2.45	2.45
Early Prepayment Gross Up (4%) (Avg. Areas 1-5) ^[1]	9.44	9.72	11.85
Gross Assessment Average for Areas 1-5 ^[2]	\$235.89	\$242.91	\$296.33
Assessment Paid in February = 1% Discount	\$233.53	\$240.48	\$293.37
Assessment Paid in January = 2% Discount	231.17	238.05	290.40
Assessment Paid in December = 3% Discount	228.81	235.62	287.44
Assessment Paid in November = 4% Discount	226.45	233.19	284.48
<u>Tip Fees per Ton by Waste Type:</u>			
MSW w/o Surcharges	\$50.20	\$50.20	\$59.96
MSW w/ Surcharges ^[3]	50.20	50.20	59.96
Horticulture / Yard Waste	31.00	37.50	38.58
C&DD	48.40	60.00	61.72
Class III	48.40	60.00	61.72
Tires	110.00	160.00	160.00
Disposal Facility Assessment per Ton ^[4]	\$17.25	\$17.25	\$18.61

[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 2023 charges for services on August 2, 2022 pursuant to Resolution 21-08-07.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2022
(Unaudited)

Summary of Historical Inbound Waste Deliveries (Tons) by Type of Waste ^[1]

Description	Historical Period				
	2018	2019	2020	2021	2022
MSW / Residue ^[2]	586,383	579,041	582,477	631,785	655,395
C&D / Class III	184,960	152,206	164,875	141,710	148,040
Yard Waste	128,639	103,196	121,563	127,725	120,394
Sludge (Wet Tons)	62,966	70,369	65,627	72,715	68,391
Tires	6,034	5,968	6,268	8,794	8,689
Other ^[3]	1,646	288	6,894	4,930	14,548
Recycling ^[4]	84,126	83,394	86,379	88,045	85,783
Total	<u>1,054,754</u>	<u>994,462</u>	<u>1,034,083</u>	<u>1,075,704</u>	<u>1,101,240</u>

- [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, 2022
(Unaudited)

Summary of Historical Waste-to-Energy (WTE) Processing Statistics ^[1]

Description	Historical Period				
	2018	2019	2020	2021	2022
Annualized Design Capacity (Tons) ^[1]	670,140	670,140	670,140	670,140	670,140
Guaranteed Tonnage (Tons) ^[2]	569,619	569,619	569,619	569,619	569,619
Processed Waste (Tons)	620,677	620,028	599,559	587,031	580,064
Received MSW/Residue (Tons) ^[3]	527,515	534,965	548,088	576,969	574,509
MSW as % of Processed	85.0%	86.3%	91.4%	98.3%	99.0%
WTE Production Statistics:					
Generated Ash Residue (Tons)	163,877	164,159	153,382	139,213	128,581
Ash as % of Waste Processed	26.4%	26.5%	25.6%	23.7%	22.2%
Gross Electricity (MW-hr)	406,733	401,031	380,622	348,053	377,879
Net Electricity (MW-hr) ^[4]	348,660	343,894	322,681	288,914	318,634
Ferrous Recovery (Tons) ^[5]	19,311	17,048	20,755	20,366	18,986
Non-Ferrous Recovery (Tons) ^[5]	3,084	2,738	2,601	2,126	2,079

[1] 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.

[2] Amounts shown reflect the minimum commitment of processable waste deliveries by the County pursuant to contractual agreement.

[3] Includes residues from recycling processed at the WTE Facility and considered comparable to MSW.

[4] Reflects gross production of electricity net of in-plant use.

[5] 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, 2022
 (unaudited)

Toll Rates - Sanibel Bridge

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2022</u>
2 axles	6.00
3 axles	9.00
4 axles	12.00
5 axles	15.00
6 or more axles, per axle	3.00

Commuters can choose between annual or semi-annual electronic toll collection (“ETC”) discount programs that, depending on the cost of the program, require no additional toll (“Unlimited ETC”) or a \$2.00 toll for each westbound crossing. Purchasers of Unlimited ETC’s at least one month after the beginning of the validity period (May 1 or November 1) are entitled to a prorated discount on the purchase price. In addition, further discounts on the cost of the ETC are offered for non-commercial vehicles registered or leased to the same natural person (the “Second Vehicle”) who has purchased a discount program for a first vehicle (the “Initial Vehicle”).

The following table sets forth the toll rates for two axle vehicles that carry an ETC transponder:

<u>Type of Discount Program</u>	<u>Vehicle</u>	<u>Cost of Discount Program</u>	<u>Additional Toll</u>
Annual ⁽¹⁾	Initial Vehicle	\$ 67.00	\$ 2.00
	Second Vehicle	33.50	2.00
	Initial Vehicle	400.00	-0-
	Second Vehicle	200.00	-0-
Semiannual ⁽²⁾	Initial Vehicle	50.00	2.00
	Second Vehicle	25.00	2.00
	Initial Vehicle	300.00	-0-
	Second Vehicle	150.00	-0-

Source: June 2007 Toll Resolution

⁽¹⁾ Valid for 12 months commencing November 1 of each year.

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

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2022
 (unaudited)

In addition to discount programs valid only on the Sanibel Causeway, commuters can also choose to purchase unlimited discount programs that are valid on all three facilities. The costs of combination unlimited discount programs are also subject to proration as described above in the case of ETC's for the Sanibel Causeway. The costs are as follows:

COMBINATION TOLLS
 (Sanibel Causeway, Cape Coral Bridge and Midpoint Memorial Bridge)

<u>Type of Discount Program</u>	<u>Vehicle</u>	<u>Cost of Discount Program</u>	<u>Additional Toll</u>	
Annual ⁽¹⁾	Initial Vehicle	\$ 107.00	\$1.00 for Cape Coral or Midpoint; \$ 2.00 for Sanibel	
	Second Vehicle	53.50		
	Initial Vehicle	730.00	-0-	
	Second Vehicle	365.00	-0-	
	Semiannual ⁽²⁾	Initial Vehicle	74.00	\$1.00 for Cape Coral or Midpoint; \$2.00 for Sanibel
		Second Vehicle	37.00	
Initial Vehicle		500.00	-0-	
Second Vehicle		250.00	-0-	

Source: June 2007 Toll Resolution

⁽¹⁾ Valid for 12 months commencing November 1 of each year.

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

Toll Rates - Cape Coral Bridge and Midpoint Memorial Bridge

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2022</u>
2 axles	2.00
3 axles	4.00
4 axles	6.00
5 axles	8.00
6 or more axles, per axle	2.00
Commuter Discounts	(see next page)

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2022
 (unaudited)

The Cape Coral Bridge and Midpoint Memorial Bridge toll structure also offers commuter toll discounts similar to those offered on the Sanibel Causeway. The annual or semi-annual ETC, depending on its cost, requires either (i) no additional toll or (ii) one dollar (\$1.00) toll for each westbound crossing. Second Vehicle discounts are available. Combination ETC's which are valid on both the Sanibel Causeway and the Cape Coral Bridge are also available. See the above Combination Tolls table for a list of toll rates for combination ETC's.

The following table sets forth the toll rates for two axle vehicles that carry an ETC transponder:

<u>Type of Discount Program</u>	<u>Vehicle</u>	<u>Cost of Discount Program</u>	<u>Additional Toll</u>
Annual ⁽¹⁾	Initial Vehicle	\$ 40.00	\$ 1.00
	Second Vehicle	20.00	1.00
	Initial Vehicle	330.00	-0-
	Second Vehicle	165.00	-0-
Semiannual ⁽²⁾	Initial Vehicle	24.00	1.00
	Second Vehicle	12.00	1.00
	Initial Vehicle	200.00	-0-
	Second Vehicle	100.00	-0-

Source: June 2007 Toll Resolution

⁽¹⁾ Valid for 12 months commencing November 1 of each year.

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

Variable Pricing Program

During the term of the variable pricing program, a toll for each westbound trip on the Cape Coral and Midpoint Memorial Bridges the toll rates for off-peak usage with and without an ETC transponder are set forth in the table below:

<u>Vehicle Class</u>	<u>Specified Off-Peak Hour Toll Without ETC</u>	<u>Specified Off-Peak Hour Toll With ETC</u>
2 axles	2.00	\$ 1.50/0.75
3 axles	4.00	3.00
4 axles	6.00	4.50
5 axles	8.00	6.00
6 or more axles	2.00 per axle	1.50 per axle

Source: Lee County Department of Transportation

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY TRANSPORTATION FACILITIES
September 30, 2022
(unaudited)

TRANSPORTATION FACILITIES TRAFFIC, REVENUES AND EXPENSES BY BRIDGE

MIDPOINT MEMORIAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
2013	7,282,092	150,448	7,432,540	0.93%	13,203	3,654	9,549
2014	7,432,895	165,659	7,598,554	2.23%	14,164	3,888	10,276
2015 ⁽³⁾	7,800,958	174,168	7,975,126	4.96%	14,988	3,412	11,576
2016 ⁽³⁾	8,088,851	180,033	8,268,884	3.68%	15,831	3,355	12,476
2017 ⁽³⁾	7,910,053	179,967	8,090,020	-2.16%	15,754	3,396	12,358
2018 ⁽³⁾	8,511,750	195,596	8,707,346	7.63%	16,339	2,797	13,542
2019 ⁽³⁾	8,532,718	189,348	8,722,066	0.17%	16,734	2,822	13,912
2020 ⁽³⁾	7,884,197	187,370	8,071,567	-7.46%	13,925	2,948	10,977
2021 ⁽³⁾	8,646,399	208,537	8,854,936	9.71%	15,039	3,786	11,253
2022 ⁽³⁾	8,650,061	215,739	8,865,800	0.12%	15,031	2,455	12,576

CAPE CORAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
2013	7,198,104	136,590	7,334,694	3.13%	12,586	3,556	9,031
2014	7,521,133	147,931	7,669,064	4.56%	13,685	3,737	9,948
2015 ⁽³⁾	7,872,440	150,196	8,022,636	4.61%	14,327	3,397	10,930
2016 ⁽³⁾	8,114,891	152,000	8,266,891	3.04%	15,014	3,392	11,622
2017 ⁽³⁾	7,925,272	146,445	8,071,717	-2.36%	14,819	3,565	11,254
2018 ⁽³⁾	8,210,849	153,337	8,364,186	3.62%	14,890	2,544	12,346
2019 ⁽³⁾	8,304,477	148,860	8,453,337	1.07%	15,458	3,115	12,343
2020 ⁽³⁾	7,569,884	131,561	7,701,445	-8.89%	12,798	2,886	9,912
2021 ⁽³⁾	8,238,646	125,856	8,364,502	8.61%	13,781	3,657	10,124
2022 ⁽³⁾	8,394,790	105,975	8,500,765	1.63%	13,943	2,567	11,376

SANIBEL CAUSEWAY TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC(1)			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
2013	2,987,257	75,099	3,062,356	2.40%	13,341	2,433	10,907
2014	3,090,340	75,346	3,165,686	3.37%	14,104	2,597	11,507
2015 ⁽³⁾	3,207,115	75,674	3,282,789	3.70%	14,715	2,251	12,464
2016 ⁽³⁾	3,256,170	80,885	3,337,055	1.65%	15,040	2,250	12,790
2017 ⁽³⁾	3,197,201	80,084	3,277,285	-1.79%	15,040	2,315	12,725
2018 ⁽³⁾	3,181,372	82,851	3,264,223	-0.40%	14,527	1,927	12,600
2019 ⁽³⁾	3,210,873	82,899	3,293,772	0.91%	14,925	2,021	12,904
2020 ⁽³⁾	2,919,222	78,139	2,997,361	-9.00%	12,710	2,024	10,686
2021 ⁽³⁾	3,338,579	80,542	3,419,121	14.07%	14,482	2,727	11,755
2022 ⁽³⁾	3,422,275	82,879	3,505,154	2.52%	14,845	1,951	12,894

(1) Includes motorcycles and 3+ axle vehicles.

(2) Does not include depreciation.

(3) Operating and Maintenance Expenses do not include unfunded OPEB and Pension expenses.

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2022
 (unaudited)

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

Fiscal Year	Revenues	Operating Expenses ⁽¹⁾⁽²⁾	Net Available for Debt Service	Debt Service	Coverage
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
2022	53,957	18,153	35,804	9,781	3.66

- (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 2013 to 2014 include the annual OPEB cost in the operating expenses and is not adjusted for funding.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 September 30, 2022
 (unaudited)

The following table lists the airlines serving the Airport, including all airlines operating passenger service into the Airport which have entered into an Airline-Airport Use and Lease Agreement with the Authority (the "Signatory Airlines").

Airlines Serving the Airport¹

Domestic Carriers

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

Regionals/Affiliates

Endeavor Air
 Envoy Air
 Mesa Airlines
 PSA Airlines
 Republic
 SkyWest

International Air Carriers

Air Canada
 Eurowings Discover
 Swift Air International
 WestJet

Air Cargo Carriers

Federal Express
 United Parcel Service

* Denotes Signatory Airline as defined in Airline-Airport Use Agreements as of September 30, 2022.

(1) During the peak winter months, a number of other domestic and international charter airlines also operate at the Airport.

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
September 30, 2022
(Unaudited)

Airport Enplanements October 2021 - September 2022

	<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 2021	353,529	8,168	2,969	0	364,666	196,905	85.2%
November 2021	484,185	1,800	8,036	117	494,138	238,433	107.2%
December 2021	505,980	3,668	11,027	0	520,675	290,947	79.0%
January 2022	520,445	4,202	9,305	65	534,017	362,528	47.3%
February 2022	544,781	4,521	8,932	57	558,291	350,655	59.2%
March 2022	735,144	4,907	19,827	0	759,878	563,497	34.9%
April 2022	621,171	4,156	21,309	49	646,685	594,163	8.8%
May 2022	430,420	4,782	8,377	0	443,579	499,207	-11.1%
June 2022	330,602	831	5,239	65	336,737	426,802	-21.1%
July 2022	328,694	369	7,019	0	336,082	408,815	-17.8%
August 2022	309,600	78	6,347	0	316,025	336,758	-6.2%
September 2022	256,609	50	4,105	0	260,764	266,266	-2.1%

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>
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
2022	5,421,160	37,532	112,492	353	5,571,537
<u>Compounded Growth</u>					
2013-2022	4.56%	-9.42%	-1.77%	-26.08%	4.17%

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2022
(Unaudited)

HISTORICAL LANDED WEIGHT BY AIRLINE (1000 lbs)

Airline	FY 2021		FY 2022	
	Landed Weight	Share	Landed Weight	Share
Delta	1,280,542	21.7%	1,224,346	19.9%
Southwest	1,275,605	21.6%	1,043,275	17.0%
United	738,974	12.5%	823,656	13.4%
American	753,052	12.7%	823,052	13.4%
JetBlue	538,435	9.1%	629,481	10.2%
Spirit Airlines	459,746	7.8%	520,044	8.5%
Frontier	361,461	6.1%	448,704	7.3%
Cargo	197,448	3.3%	192,128	3.1%
International Airlines	22,823	0.4%	160,785	2.6%
Sun Country	126,829	2.1%	151,831	2.5%
Alaska Airlines	24,370	0.4%	31,760	0.5%
Avelo Airlines	-	0.0%	30,354	0.5%
Republic Airline	99,256	1.7%	29,272	0.5%
Domestic Charters	5,717	0.10%	19,247	0.31%
Mesa Airlines	7,346	0.1%	12,293	0.2%
Breeze Airlines	-	0.0%	8,045	0.1%
Envoy	2,330	0.04%	3,748	0.06%
PSA Airlines	3,815	0.06%	1,051	0.02%
Endeavor Air	6,668	0.1%	225	0.00%
SkyWest	4,498	0.08%	-	0.00%
Silver Airways	99	0.00%	-	0.00%
Total	5,909,012	100%	6,153,295	100%

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2022
(Unaudited)

HISTORICAL ENPLANEMENTS BY AIRLINE

Airline	FY 2021		FY 2022	
	Enplanements	Share	Enplanements	Share
Delta	838,146	18.5%	1,165,759	20.9%
Southwest	1,036,785	22.9%	1,005,145	18.0%
American	647,720	14.3%	790,635	14.2%
United	601,524	13.3%	745,055	13.4%
JetBlue	421,140	9.3%	580,793	10.4%
Spirit Airlines	417,004	9.2%	483,302	8.7%
Frontier	331,561	7.3%	430,042	7.7%
Sun Country	124,641	2.7%	159,423	2.9%
International Airlines	7,601	0.2%	112,492	2.0%
Avelo Airlines	-	0.00%	30,118	0.5%
Alaska Airlines	11,057	0.24%	26,994	0.5%
Republic Airline	79,939	1.8%	24,015	0.4%
Mesa Airlines	6,079	0.1%	11,135	0.2%
Breeze Airlines	-	0.00%	3,894	0.1%
Envoy	1,082	0.02%	1,125	0.02%
PSA Airlines	2,640	0.06%	1,030	0.02%
Domestic Charters	389	0.01%	353	0.01%
Endeavor Air	3,978	0.1%	227	0.00%
SkyWest	3,690	0.08%	-	0.00%
Total	4,534,976	100%	5,571,537	100%

Source: Lee County Port Authority

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2022
 (Unaudited)

An Airport's air service is often measured through the distribution of its origin and destination (O & D) markets, which is a function of air travel demands and the airport's available nonstop service. The following table presents historical data on the Airport's top 30 O&D markets.

PRIMARY DOMESTIC ORIGIN & DESTINATION PASSENGER MARKETS

Rank	Market	Fiscal Year 2021			Fiscal Year 2022			Percent of Total
		Nonstop Service	Nonstop Miles	Total O&D Passengers	Nonstop Service	Nonstop Miles	Total O&D Passengers	
1	Chicago (O'Hare)	•	1,120	562,057	•	1,120	762,724	6.88%
2	Minneapolis	•	1,416	556,161	•	1,085	642,632	5.80%
3	Detroit	•	1,085	507,494	•	1,416	642,342	5.80%
4	Boston	•	1,249	406,666	•	1,249	570,167	5.15%
5	New York (Newark)	•	1,068	352,403	•	1,068	557,830	5.04%
6	Cleveland	•	1,037	308,780	•	992	400,216	3.61%
7	Chicago (Midway)	•	1,105	295,678	•	1,037	390,218	3.52%
8	Indianapolis	•	966	273,484	•	966	306,810	2.77%
9	Philadelphia	•	992	268,408	•	1,105	305,642	2.76%
10	Columbus	•	930	223,992	•	1,074	293,834	2.65%
11	Denver	•	1,606	222,041	•	1,606	260,291	2.35%
12	Cincinnati	•	878	192,431	•	878	255,489	2.31%
13	Milwaukee	•	1,183	175,642	•	930	243,863	2.20%
14	St. Louis	•	979	173,390	•	515	234,103	2.11%
15	Pittsburg	•	966	159,730	•	946	220,702	1.99%
16	Baltimore	•	946	157,470	•	1,183	219,314	1.98%
17	New York (JFK)	•	1,074	156,022	•	979	214,144	1.93%
18	Atlanta	•	515	152,048	•	1,090	212,387	1.92%
19	Hartford	•	1,180	107,534	•	966	208,286	1.88%
20	Atlantic City	•	982	91,838	•	892	154,184	1.39%
21	Dallas/Ft. Worth	•	1,017	89,563	•	1,180	152,712	1.38%
22	Kansas City	•	1,156	85,405	•	1,017	144,810	1.31%
23	Westchester County	•	1,102	79,573	•	1,156	125,573	1.13%
24	Grand Rapids	•	1,147	79,464	•	982	124,699	1.13%
25	Charlotte	•	600	76,628	•	1,102	120,718	1.09%
26	Nashville International	•	722	70,677	•	1,201	114,171	1.03%
27	Providence	•	1,201	70,179	•	722	111,148	1.00%
28	Washington (National)	•	892	64,084	•	600	106,792	0.96%
29	Dulles	•	891	57,557	•	891	105,511	0.95%
30	New York (La Guardia)	•	1,090	54,148	•	1,144	101,341	0.91%
Total - Top 30 Markets				6,070,527			8,302,653	74.94%
Total - All Other Markets				2,975,690			2,775,810	25.06%
Total - All Markets				9,046,217			11,078,463	100.00%

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2022
 (Unaudited)

Historical aircraft operations are defined as the arrival or departure of an aircraft. The following table presents historical data on the Airport's aircraft operations by carrier class.

HISTORICAL AIRCRAFT OPERATIONS

Fiscal Year	Commercial Air Carriers	Regionals/ Affiliates	International Air Carriers	Domestic Charters	General Aviation ¹	All-Cargo	Military	Airport Total
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
2022	77,608	1,254	1,846	98	13,798	1,528	1,081	97,213

Compounded Growth

2013-2022	3.13%	-16.89%	-0.25%	-6.42%	2.01%	3.66%	5.25%	2.07%
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¹ Also includes activity by miscellaneous air taxis.

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2022
(dollars in thousands)

HISTORICAL STATEMENT OF NET REVENUES¹
FISCAL YEARS 2018-2022

OPERATING REVENUES:	2018	2019	2020	2021	2022 ¹⁰
User fees	\$ 44,225	\$ 42,310	\$ 37,836	\$ 41,367	\$ 44,246
Rentals and franchise fees	3,861	4,592	4,834	4,982	5,831
Concessions	47,971	51,773	34,563	48,857	68,297
Passenger facility charges ²	-	-	2,557	2,915	3,654
Passenger facility charges applied to debt services	-	-	-	-	7,287
Interest revenue	2,773	3,700	1,625	219	4,006
Miscellaneous ³	217	217	74	1,246	311
Total Operating Revenues	99,047	102,592	81,489	99,586	133,632
OPERATING EXPENSES ⁴ :					
Salaries and wages	21,864	22,241	23,250	24,186	26,265
Employee benefits	9,804	10,341	11,066	12,272	13,432
Contractual services, materials and supplies ⁵	21,016	20,592	15,413	15,466	17,960
Utilities	4,094	4,184	3,990	4,128	5,008
Repairs and maintenance	3,365	2,960	2,178	2,710	2,779
Insurance	1,208	1,576	1,595	1,772	2,243
Other	1,715	1,896	2,067	1,470	1,780
Total Operating Expenses	63,066	63,790	59,559	62,004	69,467
NET REVENUES	35,981	38,802	21,930	37,582	64,165
Transfers in ²	3,060	3,306	-	-	-
Transfers in (Other) ⁶	343	370	239	31	224
Bond debt service interest	13,959	13,374	12,694	11,279	14,289
Bond Principal ⁷	10,725	11,310	3,340	3,580	5,135
TOTAL DEBT SERVICE:	\$ 24,684	\$ 24,684	\$ 16,034	\$ 14,859	\$ 19,424
BOND SERVICE REQUIREMENT COVERAGE ⁸	1.46	1.57	1.37	2.53	3.30
BOND SERVICE REQUIREMENT COVERAGE AFTER TRANSFERS ⁹	1.60	1.72	1.38	2.53	3.31

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

² 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.

³ Miscellaneous Revenue excludes revenue from the sale of disposed property beginning in FY21 in accordance with the bond resolution.

⁴ Operating Expenses do not include depreciation, amortization and unpaid pension and other postemployment benefits expense in accordance with the bond resolution.

⁵ Contractual services reduced with moneys received from the CARES and CRRSA Act by \$2.3M, \$3.5M and \$4.7 in FY2020, FY2021 and FY2022, respectively.

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

⁷ Principal reduced by early redemption of Airport Revenue Refunding Bonds, Series 2010A paid with moneys received from the CARES Act and ARP Act by \$8.6M, \$8.7M and \$9.6M in FY2020, FY2021 and FY2022, respectively.

⁸ 1.00x Required Coverage

⁹ 1.25x Required Coverage

¹⁰ Principal and interest paid on the taxable subordinate revolving credit facility were \$9.8M and \$0.2M, respectively. Net revenues were more than sufficient to cover these payments. Additionally, the reduction in principal was paid with moneys received from grants.

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2022
 (Unaudited)

PASSENGER FACILITY CHARGE REVENUE REPORT

Fiscal Year Ended September 30	Total Enplaned Passengers	Eligible Enplaned Passengers	Net PFC Cash Collections	Interest Income	Total PFC Revenue
2022	5,571,537	5,483,920	21,264,856	181,067	21,445,923

Source: Lee County Port Authority





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Lee County, Florida

Single Audit Reports

For the Year Ended September 30, 2022

(With Independent Auditors' Report Thereon)



LEE COUNTY, FLORIDA

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Summary of Prior year findings not yet received from 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 Board of County Commissioners
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 20, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Honorable Board of County Commissioners
Lee County, Florida

Report on 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2023



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

Board of County Commissioners
Lee County, Florida

Report on Compliance for Each Major Federal Program and State Project
Opinion on Each Major Federal Program and State Project

We have audited Lee County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the County complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon, dated April 20, 2023, 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 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 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 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
April 20, 2023

LEE COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Fiscal Year ended September 30, 2022

Federal/State grantor/Program or Cluster Title	Assistance Listing/CSFA number	Grant number	Pass-through entity	Federal/State award amount	Expenditures	2021-2022 Transfers to Subrecipients
U.S. Environmental Protection Agency:						
Nonpoint Source Implementation Grants - Watershed Education Training (WETPLAN)	66.460	NF060		12,000.00	7,800.00	
Total U.S. Environmental Protection Agency				12,000.00	7,800.00	-
U.S. Department of Health & Human Services:						
Temporary Assistance for Needy Families:						
Temporary Assistance for Needy Families - Homeless Prevention (FY21-22)	93.558	QPZ02	Florida Department of Children and Families	46,582.00	33,495.00	33,495.00
Temporary Assistance for Needy Families - Homeless Prevention (FY22-23)	93.558	QPZ02	Florida Department of Children and Families	46,582.00	12,761.00	6,282.00
Total Temporary Assistance for Needy Families Program				93,164.00	46,256.00	39,777.00
Child Support Enforcement Program (Federal Initiative)	93.563	COC36	Florida Department of Revenue	614,919.00	614,919.00	
Low Income Home Energy Assistance Program (LIHEAP) - FY20	93.568	17EA-OF-09-46-01-015 (E2008)	Florida Department of Economic Opportunity	2,176,382.00	1,262,833.00	
Low Income Home Energy Assistance Program (LIHEAP) - FY21	93.568	E2008	Florida Department of Economic Opportunity	2,041,643.00	616,069.00	
Low Income Home Energy Assistance Program (LIHEAP) - FY22	93.568	G-2102FLLIEA (E2008)	Florida Department of Economic Opportunity	2,342,201.00	1,896,077.00	
Total Program				6,560,226.00	3,774,979.00	-
Community Services Block Grant:						
COVID-19-Community Services Block Grant - FY20	93.569	17SB-0D-09-46-01-114 (E2008)	Florida Department of Economic Opportunity	612,425.00	200,083.00	
COVID-19-Community Services Block Grant - FY21	93.569	E2008		738,499.00	256,148.00	
Community Services Block Grant - Tornado Relief	93.569	E2008		300,000.00	34,308.00	
Community Services Block Grant FY22	93.569	E2008		416,674.00	5,121.00	
Total Community Services Block Grant Program				2,067,598.00	495,660.00	-
Total U.S. Department of Health & Human Services				9,335,907.00	4,931,814.00	39,777.00
U.S. Department of Homeland Security:						
COVID-19-Disaster Grant-Public Assistance (RSW & FMY)						
	97.036	Z2167	Florida Division of Emergency Management		91,994.23	
Emergency Management Performance Grant (EMPG-ARPA - FY21)	97.042	G0254	Florida Division of Emergency Management	13,926.00	13,926.00	
Emergency Management Performance Grant (EMPG-ARPA - FY22)	97.042	G0353	Florida Division of Emergency Management	50,000.00	50,000.00	
Emergency Management Performance Grant (EMPG - FY21)	97.042	G0272	Florida Division of Emergency Management	163,922.00	131,807.00	
Total Program				227,848.00	195,733.00	-
Homeland Security Grant Program	97.067	R0272	Florida Division of Emergency Management	94,309.00	66,578.00	
Homeland Security Grant Program	97.067	R0493	Florida Division of Emergency Management	31,300.00	9,583.00	
Total program				125,609.00	76,161.00	-
Total U.S. Department of Homeland Security						
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		2,649,950.00	363,888.23	23,627.00
CDBG/Entitlement Grants- Year 29	14.218	B-18-UC-12-0013		445,451.00	3,008,725.00	-
CDBG/Entitlement Grants- Year 30	14.218	B-19-UC-12-003			3,047,518.00	541,896.40
COVID-19 CDBG/Entitlement Grants- Year 30	14.218	B-20-UW-12-0013			4,574,937.00	1,439,670.00
CDBG/Entitlement Grants- Year 31	14.218	B-20-UC-12-0013			3,229,599.00	1,325,969.00
CDBG/Entitlement Grants Year 32	14.218	B-21-UC-12-0013			3,321,573.00	652,831.00
Neighborhood Stabilization Program	14.218	B-08-UN-12-0009		18,243,867.00	56,092.00	
Neighborhood Stabilization Program 3	14.218	B-11-UN-12-0009		6,639,174.00	62,642.00	

Total Community Development Block Grant Entitlement Grants Cluster				44,715,343.00	4,943,539.58	-
CDBG/Entitlement Grants- DR FL DEO - San Carlos Park Drainage & Sidewalk Repairs	14.228	IR014	Florida Department of Economic Opportunity	7,119,293.00	3,083,395.00	
CDBG-MIT Harden WTE Facility Roof and Equipment	14.228	I0172	Florida Department of Economic Opportunity	2,820,000.00	17,394.00	
Total Program				9,939,293.00	3,100,789.00	-
Emergency Solutions Grant Program -Federal	14.231	E-21-UC-12-0013		275,471.00	43,945.00	
COVID-19-Emergency Solutions Grant Program	14.231	E-20-UW-12-0013		2,741,846.00	1,491,657.00	1,193,373.00
Emergency Solutions Grant Program - State (FY22-23)	14.231	QPZ02		105,525.00	41,885.00	
Emergency Solutions Grant Program - CV	14.231	QPZ02		711,000.00	-	
Emergency Solutions Grant Program - CV2	14.231	QPZ02		941,808.00	481,338.00	
Emergency Solutions Grant Program - Federal	14.231	E-20-UC-12-0013		267,778.00	28,711.00	19,147.00
Emergency Solutions Grant Program - State (FY21)	14.231	QPZ02		105,525.00	49,695.00	
Total program				5,148,953.00	2,137,231.00	1,212,520.00
Home Investment Partnership Program - Year 30 (FY22)	14.239	M-21-UC-12-0210		1,049,047.00	39,924.00	
Home Investment Partnership Program - Year 28 (FY20)	14.239	M-19-UC-12-0210		938,598.00	24,390.00	
Home Investment Partnership Program - Year 29 (FY21)	14.239	M-20-UC-12-0210		1,040,306.00	205,439.00	
Home Investment Partnership Program - ARP	14.239	M-21-UP-12-0210		3,802,106.00	221,753.00	
Total program				6,830,057.00	491,506.00	-
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODME - 5	FL Dept of Health/Health Planning Council of SWFL	219,372.00	129,592.00	
Housing Opportunities for Persons with Aids (HOPWA)	14.241	CODME - 6	FL Dept of Health/Health Planning Council of SWFL	269,400.00	24,917.00	
Total program				488,772.00	154,509.00	-
Homeless Management Information System (HMIS)	14.261	FL0760H4D031800		84,900.00	5,550.00	
Continuum of Care Program (SHP FY19)	14.267	Various		1,825,537.00	70,024.00	
Continuum of Care Program (SHP FY20)	14.267	Various		1,997,727.00	1,491,499.00	
Continuum of Care Program (SHP FY21)	14.267	Various		2,046,670.00	119,365.00	
Total program				5,869,934.00	1,680,888.00	-
Total U.S. Department of Housing & Urban Development				73,077,252.00	12,514,012.58	1,212,520.00
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	27491		6,316.00	6,316.00	
Total U.S Fish and Wildlife Service				6,316.00	6,316.00	-
Total U.S Department of Interior				6,316.00	6,316.00	-
U.S. Department of Justice:						
COVID-19-Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0501		325,489.00	55,275.13	
State Criminal Alien Assistance Program (SCAAP)	16.606	2020-AP-BX-0919		120,965.00	26,484.70	
Edward Byrne Memorial Justice Assistance Grant Program - Disaster Recovery (FY19)	16.738	2020-DJ-BX-0095		90,035.00	4,851.00	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01377-JAGX		103,572.00	74,721.69	
Total program				193,607.00	79,572.69	-
Paul Coverdell Forensic Sciences Improvement Grant Program FY21	16.742	15PBJA-21-GG-02897-COVE	Florida Department of Law Enforcement	2,939	2,939.00	
Total U.S. Department of Justice				642,999.50	164,271.52	-
U.S. Department of Transportation/non-FAA:						
Federal Transit Administration:						
Federal Transit Cluster:						
Federal Transit Formula Grants - USC 5307 FY14	20.507	FL-90-X850		5,833,046.00	172,800.00	
Federal Transit Formula Grants - USC 5307 FY15	20.507	FL 2016-047		5,787,589.00	114,346.00	
Federal Transit Formula Grants - USC 5307 FY17	20.507	FL-2017-075-01		6,107,871.00	72,589.00	
Federal Transit Formula Grants - USC 5307 FY18	20.507	FL-2018-079-00		6,257,157.00	6,570.00	
Federal Transit Formula Grants - USC 5307 FY19	20.507	FL 2019-080-00		6,459,611.00	1,786,522.98	
Federal Transit Formula Grants - USC 5307 FY19 (Flex)	20.507	FL 2019-062-00		1,500,000.00	1,500,000.00	
Federal Transit Formula Grants - USC 5307 (Flex Funds)	20.507	FL 2021-002		2,639,258.00	1,559,954.00	
Federal Transit Formula Grants - USC 5307 (CARES)	20.507	FL-2020-067-00		19,156,442.00	2,836,446.00	

Federal Transit Formula Grants - USC 5307 FY20	20.507	FL 2021-059		6,768,285.00	165,575.00	
Federal Transit Formula Grants - USC 5307 (American Rescue Plan)	20.507	FL 2022-001		12,774,744.00	8,540,994.00	
Federal Transit Formula Grants (5307 and 5307 Flex); Bus and Bus Facilities Formula, Competitive, and Low or	20.507/20.526	FL 2022-004		8,931,354.00	28,505.00	
Federal Transit Formula Grants - USC 5339 Bus & Bus Facilities Formula	20.526	FL-2020-060		3,000,000.00	2,569,073.00	
Total Federal Transit Cluster				85,215,357.00	19,353,374.98	-
Transit Services Programs Cluster:						
Enhanced Mobility of Seniors and Individuals with Disabilities - USC 5310 (Mobility Management)	20.513	448461-1-94-01 G1V47		180,000.00	92,865.00	
Enhanced Mobility of Seniors and Individuals with Disabilities - USC 5310 (Oper/Trips)	20.513	447506-1-84-01 G1V36		164,782.00	2,815.00	
Total Transit Services Programs Cluster				344,782.00	95,680.00	-
Formula Grants for Rural Areas and Tribal Transit Program - USC 5311	20.509	G1581	Florida Department of Transportation	205,526.00	53,628.00	
Formula Grants for Rural Areas and Tribal Transit Program - USC 5311 (CARES)	20.509	447488-1-84-01		849,324.00	396,620.00	
Total Program				1,054,850.00	450,248.00	-
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	130,500.00	42,191.00	
Highway Planning and Construction - Gunner Road and Buckingham	20.205	442123-1-38-01	Florida Department of Transportation	453,334.00	17,767.00	
Highway Planning and Construction - Able Canal Pathway	20.205	435351-2-38/58/68-01	Florida Department of Transportation	4,912,650.00	524,932.00	
Total Highway Planning and Construction Cluster				5,496,484.00	584,890.00	-
Total U.S. Department of Transportation/non-FAA				92,111,473.00	20,484,192.98	-
U.S. Department of Transportation/FAA:						
Federal Aviation Administration:						
Airport Improvement Program - RSW Rehab Taxiways and Apron Design	20.106	3-12-0135-056-2020		14,537,517.00	3,958,115.00	
Airport Improvement Program - Rehabilitate Cargo Apron	20.106	3-12-0135-057-2020		4,909,124.00	228,555.00	
Airport Improvement Program - Update Airport Master Plan Study	20.106	3-12-0135-058-2021		1,999,776.00	828,588.00	
Airport Improvement Program - ACRGP- RSW (CRRSA Act)	20.106	3-12-0135-060-2021		9,860,786.00	4,556,158.00	
Airport Improvement Program - CRRSA - RSW	20.106	3-12-0135-062-2022		33,178,988.00	9,600,570.00	
Airport Improvement Program - ACRGP- FMY (CRRSA Act)	20.106	3-12-0027-023-2021		91,162.00	20,220.00	
COVID-19- Airport Improvement Program (CARES Act - FMY)	20.106	3-12-0027-022-2020		157,000.00	111,897.00	
Airport Improvement Program - FMY South Quad Hangers and Ramp	20.106	3-12-0027-021-2020		404,626.00	241,940.00	
Total U.S. Department of Transportation/FAA				65,138,979.00	19,546,043.00	-
U.S. Department of Treasury:						
COVID-19-Emergency Rental Assistance Program	21.023	ERA0340		23,268,102.00	13,216,674.00	3,473,002.00
COVID-19-Emergency Rental Assistance Program	21.023	ERAE0283		18,410,960.00	14,268,244.00	535,830.00
Total Program				41,679,062.00	27,484,918.00	4,008,832.00
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available Yet		149,675,549.00	16,920,561.00	15,265,428.00
Total U.S. Department of the Treasury				191,354,611.00	44,405,479.00	19,274,260.00
Total Expenditures of Federal Awards				432,124,988.50	102,423,817.31	20,526,557.00
Fish and Wildlife Conservation Commission (Florida)						
Derelict Vessel Removal Program	77.005	FWC-21256		53,900.00	49,100.00	
Total Fish and Wildlife Conservation Commission				53,900.00	49,100.00	
Florida Department of Community Affairs:						
Florida Forever Act - FCT Wild Turkey Strand 2020	52.002	05-CT-E5-04-F4-A1-031		2,529,995.00	46,727.00	
Florida Forever Act - Galt Preserve Land Purchase	52.002	09-CT-D1-08-F8-A1-012		1,491,675.00	19,350.00	
Total Florida Department of Community Affairs				4,021,670.00	66,077.00	-
Florida Department of Children and Families:						
Homeless Challenge Grant FY20-21	60.014	QPZ02		148,500.00	120,854.00	
Homeless Challenge Grant FY20-21 - Staffing Grant	60.014	QPZ02		107,143.00	80,357.00	80,357.00
Homeless Challenge Grant FY21-22	60.014	QPZ02		148,500.00	20,167.00	
Homeless Challenge Grant FY21-22 - Staffing Grant	60.014	QPZ02		107,143.00	26,786.00	17,857.00
Total Program				511,286.00	248,164.00	98,214.00
Criminal Justice, Mental Health, & Substance Abuse Reinvestment Grant Prg FY20-21	60.115	LHZ97		975,000.00	217,630.00	
Total Florida Department of Children and Families				1,486,286.00	465,794.00	98,214.00

Florida Department of Economic Opportunity:

Florida Sports Foundation:

Economic Development Partnership - Perfect Game Baseball Championship Series (BCS):6/25/2021-7/26/2021	40.040	204028634	25,000.00	25,000.00	
Economic Development Partnership - Perfect Game WWBC Underclass Worlds: 10/01/2021 - 10/05/2021	40.040	213677584	25,000.00	25,000.00	
Total Florida Sports Foundation			50,000.00	50,000.00	-

Florida Housing Finance Corporation:

SHIP YR24 (State FY18-19)	40.901	LB028	635,859.00	54,917.00	
SHIP YR25 (State FY19-20)	40.901	LB029	809,644.00	152,612.00	49,701.00
SHIP YR26 (State FY20-21)	40.901	LB030	-	92,202.00	67,500.00
SHIP YR27 (State FY21-22)	40.901	LB031	5,223,737.00	1,015,076.00	778,201.00
Total Program			6,669,240.00	1,314,807.00	895,402.00

Total Florida Department of Economic Opportunity

6,719,240.00	1,364,807.00	895,402.00
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Florida Department of the Executive Office:

EMPA Base Grant FY21-22	31.063	A0187	105,806.00	77,408.00	
EMPA Base Grant FY22-23	31.063	A0251	105,806.00	46,883.00	

Total Florida Department of the Executive Office

211,612.00	124,291.00	-
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Florida Department of Environmental Protection:

Beach Management Funding Assistance Program - Lovers Key Beach 2	37.003	19LE1	260,000.00	14,754.00	
Beach Management Funding Assistance Program - Estero Barriers Regional Inlet Mgmt	37.003	19LE2 (20LE4 & 22LE4)	400,955.00	104,439.00	
Beach Management Funding Assistance Program - Lee Co. Shore Protection - Gasparilla Island	37.003	20LE1	3,101,764.00	29,391.00	
Beach Management Funding Assistance Program - Blind Pass Monitoring	37.003	20LE2	182,096.00	23,145.00	
Beach Management Funding Assistance Program - Blind Pass Implementation	37.003	22LE5	1,450,852.00	12,929.00	
Beach Management Funding Assistance Program - Bonita Beach Renourishment	37.003	22LE1	946,090.00	719.00	
Total Program			6,341,757.00	185,377.00	-

Statewide Surface Water Restoration and Wastewater Project - Caloosahatchee T. Canal Rehab	37.039	LPA0063	400,000.00	41,585.00	
Statewide Surface Water Restoration and Wastewater Project - Powell Creek Bypass Canal	37.039	LPQ0011	774,000.00	765,075.00	
Statewide Surface Water Restoration and Wastewater Prj - Caloosahatchee T. Flow Monitor	37.039	NS037	229,600.00	57,400.00	
Statewide Surface Water Restoration and Wastewater Project - Artesian Well Abandmnt Proj	37.039	LPA0112	80,000.00	17,896.00	
Total Program			1,483,600.00	881,956.00	-

Alternative Water Supplies - Fiesta Village Reclaimed Water Main Extension	37.100	4600004359	2,300,000.00	2,300,000.00	
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Innovative Technologies: FDEP Water quality and treatment research C-43 Mesocosm Site Reservoir	37.103	INV10	180,000.00	155,021.00	
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Total Florida Department of Environmental Protection

10,305,357.00	3,522,354.00	-
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Florida Department of Health:

Bureau of Emergency Management Services:

County Grant Award - EMS FY19-20	64.005	111720R-C-30	84,207.00	31,553.00	
County Grant Award - EMS FY21-22	64.005	C9036	60,713.00	44,041.00	

Total Florida Department of Health

144,920.00	75,594.00	-
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Florida Department of State:

Division of Library and Information Services:

State Aid to Libraries Grant (FY21-22)	45.030	22-ST-24	572,277.00	572,277.00	
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Total Florida Department of State

572,277.00	572,277.00	-
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Florida Department of Transportation/non-FAA:

		432027-1-84-01/432028-1-84-01			
Florida Commission for the Transportation Disadvantaged Trip and Equipment	55.001	G1X85	1,154,110.00	733,013.24	
Florida Commission for the Transportation Disadvantaged Trip and Equipment	55.001	G2A20	1,118,410.00	279,689.00	
Total Program			2,272,520.00	1,012,702.24	-

Public Transit Block Grant Program	55.010	410140-1-84-05 G1V46	1,662,097.00	1,432,222.00	
Public Transit Block Grant Program	55.010	G2689	2,290,005.00	2,207,501.00	
Total Program			3,952,102.00	3,639,723.00	-

Public Transit Service Development Program - Downtown Trolley Service	55.012	G1G04	1,212,725.00	171,207.00	
Public Transit Service Development Program - Beach Tram Service	55.012	G1G03	998,573.00	203,651.00	
Total Program			2,211,298.00	374,858.00	-

Transit Corridor Development Program - FY19-20	55.013	407329-1-84-04 G1G67	1,677,499.00	919,310.00	
Transit Corridor Development Program - FY22-23	55.013	G2A58	716,020.00	319,120.00	

Total Program					2,393,519.00	1,238,430.00	-
Intermodal Access Development Program - Rosa Parks Improvements	55.014	G0W44			6,000,000.00	3,664,797.00	
Transportation Regional Incentive Prg (TRIP) - Corkscrew from Ben Hill Griffin to Bella	55.026	446337-1-54-01	Florida Department of Transportation		2,651,966.00	1,585,408.00	
Transportation Regional Incentive Prg (TRIP) - Littleton Road	55.026	G2184	Florida Department of Transportation		5,000,000.00	-	
Transportation Regional Incentive Prg (TRIP) - Burnt Store Rd South	55.026	440340-1-54-01	Florida Department of Transportation		2,962,302.00	50,000.00	
Total Program					10,614,268.00	1,635,408.00	-
Local Transportation Projects: Sanibel Causeway Shoreline Stabilization and Amenities	55.039	447299-1-54-01			4,250,000.00	1,497,908.00	
Total Florida Department of Transportation/non-FAA					31,693,707.00	13,063,826.24	-
Florida Department of Transportation/FAA:							
Aviation Grant Programs - RSW Air Traffic Control Tower and Terminal Radar Approach Control	55.004	G1035 420652-1-94-04			9,692,998.00	2,445,825.00	
Aviation Grant Programs - South Quadrant Hangars and Ramp	55.004	G1C72 446314-1-94-01			525,000.00	309,125.28	
Aviation Grant Programs - RSW Terminal Expansion	55.004	G1C87 441981-1-94-01			22,231,120.00	21,758,253.02	
Aviation Grant Programs - RSW Terminal Expansion	55.004	G1C87 441981-1-94-02			9,437,500.00	9,065,663.67	
Total Florida Department of Transportation/FAA					41,886,618.00	33,578,866.97	-
Total Expenditures of State Financial Assistance					97,095,587.00	52,882,987.21	993,616.00
				Total	529,220,575.50	155,306,804.52	21,520,173.00

LEE COUNTY, FLORIDA

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

Year Ended September 30, 2022

(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, 2022, 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. 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 \$18,717.

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

State Financial Assistance Section

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified? None noted

Type of auditors’ report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557? No

Identification of major State projects:

State CSFA	Name of State Program or Cluster
37.100	Alternative Water Supply
55.004	Aviation Grant Programs
55.014	Intermodal Access Development Program

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

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

SECTION IV – FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(I)4, Rules of the Florida Auditor General.

**LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

State Financial Assistance Section

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified? None noted

Type of auditors’ report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557? No

Identification of major State projects:

State CSFA	Name of State Program or Cluster
37.100	Alternative Water Supply
55.004	Aviation Grant Programs
55.014	Intermodal Access Development Program

Dollar threshold used to distinguish between type A State projects \$1,586,490

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

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

SECTION IV – FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(I)4, Rules of the Florida Auditor General.

Kevin Ruane
District One

Cecil L. Pendergrass
District Two

Ray Sandelli
District Three

Brian Hamman
District Four

Michael Greenwell
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, 2022**

Lee County, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2022.

Audit period: October 1, 2021 through September 30, 2022

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

No Findings



**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

Opinion on Compliance for the Passenger Facility Charge Program

We have audited Lee County Port Authority's (the Authority), a blended component unit of Lee County, Florida, 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, 2022.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its passenger facility charge program for the year ended September 30, 2022.

Basis for Opinion on the Passenger Facility Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Passenger Facility Charge Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to this program.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the Guide.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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 Lee County, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon, dated April 20, 2023, 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, 2022 is presented for purposes of additional analysis as required by the Guide 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 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 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
April 20, 2023

Lee County, Florida
Schedule of Passenger Facility Charges (PFCs) Collected and Expended (As Reported to FAA)
for the year ended September 30, 2022

	Quarter Ended December 31, 2021	Quarter Ended March 31, 2022	Quarter Ended June 30, 2022	Quarter Ended September 30, 2022	Year Ended September 30, 2022	Cumulative Totals as of September 30, 2021	Cumulative Totals as of September 30, 2022
Collections							
PFCs Collected	\$ 5,284,736	\$ 6,533,957	\$ 6,514,399	\$ 3,054,045	\$ 21,387,136	\$ 352,671,547	\$ 374,058,683
Interest Earned	\$ 8,998	\$ 10,888	\$ 37,704	\$ 101,897	\$ 159,487	\$ 12,493,183	\$ 12,652,670
Total Collection	\$ 5,293,734	\$ 6,544,845	\$ 6,552,103	\$ 3,155,942	\$ 21,546,623	\$ 365,164,730	\$ 386,711,353
EXPENDITURES ON APPROVED PFC PROJECTS INCLUDED IN							
Application No. 1							
92-01-C-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,686,294	\$ 12,686,294
Application No. 2							
93-02-U-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,711,378	\$ 9,711,378
Application No. 3							
94-03-U-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,441,067	\$ 76,441,067
Application No. 4							
97-04-U-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,605,139	\$ 3,605,139
Application No. 5							
03-05-C-00-RSW	\$ 902,859	\$ 1,116,280	\$ 1,112,938	\$ 521,762	\$ 3,653,839	\$ 99,539,160	\$ 103,192,999
Application No. 6							
06-06-C-00-RSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,838,689	\$ 4,838,689
Application No. 7							
10-07-C-00-RSW	\$ -	\$ -	\$ -	\$ 348,891	\$ 348,891	\$ 48,206,566	\$ 48,555,457
Application No. 8							
13-08-C-00-RSW	\$ 1,487,901	\$ 1,037,232	\$ 2,632,913	\$ 101,069	\$ 5,259,115	\$ 39,280,753	\$ 44,539,868
Application No. 9							
18-09-C-00-RSW	\$ 979,066	\$ 4,875,185	\$ 468,822	\$ 507,460	\$ 6,830,533	\$ 36,067,614	\$ 42,898,147
Application No. 10							
19-10-C-00-RSW	\$ 1,342,627	\$ 2,013,941	\$ 1,965,207	\$ 2,288,297	\$ 7,610,072	\$ 8,521,827	\$ 16,131,899
Total Expenditures	\$ 4,712,453	\$ 9,042,638	\$ 6,179,880	\$ 3,767,479	\$ 23,702,450	\$ 338,898,487	\$ 362,600,937

LEE COUNTY, FLORIDA

Notes to Schedule of Passenger Facility
Charges Collected and Expended

Year ended September 30, 2022

(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, 2022**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued? Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? 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 (CONTINUED)
PASSENGER FACILITY CHARGE PROGRAM
YEAR ENDED SEPTEMBER 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no such findings required to be reported.

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

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of the Passenger Facility Charge Program, as required to be reported by the Passenger Facility Charge Audit Guide.

There were no such findings required to be reported.

**LEE COUNTY, FLORIDA
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
PASSENGER FACILITY CHARGE PROGRAM
YEAR ENDED SEPTEMBER 30, 2022**

Prior Year Findings

There were no prior year audit findings reported.



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MANAGEMENT LETTER

Honorable Board of County Commissioners
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of Lee County, Florida (the County), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 20, 2023.

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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated April 20, 2023, 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 such findings in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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 382.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 16.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$28,918,039.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$13,760,831.
- 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. RMY Terminal Drive Widening Project – Total expenditures of \$181,801
 - b. RSW Terminal Expansion Project – Total expenditures of \$6,705,753
- 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 \$325,022,450.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2023



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 and E911 system fund during the year ended September 30, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 during the year ended September 30, 2022.

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
April 20, 2023

Clerk of Circuit Court

Lee County, Florida

Financial Statements
September 30, 2022



Prepared By:
General Accounting Office, Finance & Records Department

Clerk of Circuit Court

Lee County, Florida

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INDEPENDENT AUDITORS' REPORT

Honorable Kevin Karnes
Clerk of Circuit Court
Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of Circuit Court (Clerk) of Lee County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Clerk 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 financial statements are intended to present the financial position and the changes in financial position of only that portion of each major fund and the aggregate remaining fund information of Lee County, Florida that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2022, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Honorable Kevin Karnes
Clerk of Circuit Court
Lee County, Florida

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Honorable Kevin Karnes
Clerk of Circuit Court
Lee County, Florida

Required Supplementary Information

Management has omitted the 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary 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 custodial fund statements are presented for purposes of additional analysis and are 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 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 GAAS. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, 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 the Clerk’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
February 15, 2023



Financial Statements

CLERK OF CIRCUIT COURT
Lee County, Florida
BALANCE SHEET
As of September 30, 2022

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, cash equivalents and investments	\$ 4,740,644	\$ 8,363,420	\$ 11,998,444	\$ 4,033,042	\$ 29,135,550
Accounts receivable	10,561	12,555	-	-	23,116
Due from other governments	32,334	122,889	-	40,440	195,663
Due from Board of County Commissioners	102,234	4,590	-	-	106,824
Inventory	68,349	-	-	-	68,349
Total assets	<u>4,954,122</u>	<u>8,503,454</u>	<u>11,998,444</u>	<u>4,073,482</u>	<u>29,529,502</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	323,487	124,189	7,918	-	455,594
Accrued liabilities	355,174	267,181	55,719	8,184	686,258
Due to other governments	450,428	1,501,214	29,485	4,888	1,986,015
Due to Board of County Commissioners	333,694	-	-	-	333,694
Deposits	3,429,637	6,610,317	-	-	10,039,954
Unearned revenue	61,702	-	-	-	61,702
Other	-	553	-	-	553
Total liabilities	<u>4,954,122</u>	<u>8,503,454</u>	<u>93,122</u>	<u>13,072</u>	<u>13,563,770</u>
Fund Balances:					
Nonspendable	68,349	-	-	-	68,349
Restricted	-	-	11,905,322	-	11,905,322
Committed	-	-	-	4,060,410	4,060,410
Unassigned	(68,349)	-	-	-	(68,349)
Total fund balances	<u>-</u>	<u>-</u>	<u>11,905,322</u>	<u>4,060,410</u>	<u>15,965,732</u>
Total liabilities and fund balances	<u>\$ 4,954,122</u>	<u>\$ 8,503,454</u>	<u>\$ 11,998,444</u>	<u>\$ 4,073,482</u>	<u>\$ 29,529,502</u>

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

CLERK OF CIRCUIT COURT
Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the year ended September 30, 2022

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
REVENUES					
Intergovernmental	\$ 2,021,893	\$ 1,189,036	\$ -	\$ 275,003	\$ 3,485,932
Charges for services	7,705,881	13,277,709	3,065,168	-	24,048,758
Interest	89,169	79,418	88,391	38,292	295,270
Miscellaneous	357,893	1,470	-	41,000	400,363
Total revenues	<u>10,174,836</u>	<u>14,547,633</u>	<u>3,153,559</u>	<u>354,295</u>	<u>28,230,323</u>
EXPENDITURES					
General government					
Personal services	15,485,550	12,125,737	1,653,482	597,422	29,862,191
Operating	4,808,797	437,804	5,777	130,516	5,382,894
Capital outlay	766,098	-	-	-	766,098
Total expenditures	<u>21,060,445</u>	<u>12,563,541</u>	<u>1,659,259</u>	<u>727,938</u>	<u>36,011,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,885,609)</u>	<u>1,984,092</u>	<u>1,494,300</u>	<u>(373,643)</u>	<u>(7,780,860)</u>
OTHER FINANCING SOURCES (USES)					
Board of County Commissioners appropriations	11,073,571	-	-	-	11,073,571
Distribution of excess fees and appropriations to other governmental units	<u>(187,962)</u>	<u>(1,984,092)</u>	<u>-</u>	<u>-</u>	<u>(2,172,054)</u>
Total other financing sources (uses)	<u>10,885,609</u>	<u>(1,984,092)</u>	<u>-</u>	<u>-</u>	<u>8,901,517</u>
Net change in fund balances	-	-	1,494,300	(373,643)	1,120,657
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>10,411,022</u>	<u>4,434,053</u>	<u>14,845,075</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,905,322</u>	<u>\$ 4,060,410</u>	<u>\$ 15,965,732</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 990,000	\$ 2,005,300	\$ 2,021,893	\$ 16,593
Charges for services	7,045,312	7,528,212	7,671,697	143,485
Interest	3,000	83,000	89,169	6,169
Miscellaneous	322,815	371,315	357,893	(13,422)
Total revenues	<u>8,361,127</u>	<u>9,987,827</u>	<u>10,140,652</u>	<u>152,825</u>
EXPENDITURES				
General government				
Personal services	14,035,668	15,356,335	15,485,550	(129,215)
Operating	3,539,030	4,917,763	4,808,797	108,966
Capital outlay	1,860,000	787,300	766,098	21,202
Total expenditures	<u>19,434,698</u>	<u>21,061,398</u>	<u>21,060,445</u>	<u>953</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,073,571)</u>	<u>(11,073,571)</u>	<u>(10,919,793)</u>	<u>153,778</u>
OTHER FINANCING SOURCES (USES)				
Board of County Commissioners appropriations	11,073,571	11,073,571	11,073,571	-
Distribution of excess fess and appropriations to the Board of County Commissioners	-	-	(187,962)	(187,962)
Total other financing sources (uses)	<u>11,073,571</u>	<u>11,073,571</u>	<u>10,885,609</u>	<u>(187,962)</u>
Net change in fund balance	-	-	(34,184)	(34,184)
Fund balances - beginning	-	-	95,886	95,886
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,702</u>	<u>\$ 61,702</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,026,822	\$ 1,078,822	\$ 1,189,036	\$ 110,214
Charges for services	12,710,228	13,388,228	13,277,709	(110,519)
Interest	3,500	3,500	79,418	75,918
Miscellaneous	-	-	1,470	1,470
Total revenues	13,740,550	14,470,550	14,547,633	77,083
EXPENDITURES				
General government				
Personal services	11,925,886	11,925,886	12,125,737	(199,851)
Operating	790,818	790,818	437,804	353,014
Total expenditures	12,716,704	12,716,704	12,563,541	153,163
Excess of revenues over expenditures	1,023,846	1,753,846	1,984,092	230,246
OTHER FINANCING SOURCES (USES)				
Distribution of excess fees and appropriations to other governmental units	(1,023,846)	(1,753,846)	(1,984,092)	(230,246)
Total other financing sources (uses)	(1,023,846)	(1,753,846)	(1,984,092)	(230,246)
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION FUND
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,125,000	\$ 3,125,000	\$ 3,065,168	\$ (59,832)
Interest	3,000	13,000	88,391	75,391
Total revenues	<u>3,128,000</u>	<u>3,138,000</u>	<u>3,153,559</u>	<u>15,559</u>
EXPENDITURES				
General government				
Personal services	2,426,414	2,426,414	1,653,482	772,932
Operating	2,833,175	2,843,175	5,777	2,837,398
Capital Outlay	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>6,259,589</u>	<u>6,269,589</u>	<u>1,659,259</u>	<u>4,610,330</u>
Excess (deficiency)of revenues over (under) expenditures	<u>(3,131,589)</u>	<u>(3,131,589)</u>	<u>1,494,300</u>	<u>4,625,889</u>
Net change in fund balance	(3,131,589)	(3,131,589)	1,494,300	4,625,889
Fund balances - beginning	<u>3,131,589</u>	<u>3,131,589</u>	<u>10,411,022</u>	<u>7,279,433</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,905,322</u></u>	<u><u>\$ 11,905,322</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 275,003	\$ (424,997)
Interest	2,000	6,500	38,292	31,792
Miscellaneous	-	-	41,000	41,000
Total revenues	702,000	706,500	354,295	(352,205)
EXPENDITURES				
General government				
Personal Services	323,013	673,013	597,422	75,591
Operating	239,126	243,626	130,516	113,110
Capital outlay	960,000	644,000	-	644,000
Total expenditures	1,522,139	1,560,639	727,938	832,701
Net change in fund balance	(820,139)	(854,139)	(373,643)	480,496
Fund balances - beginning	820,139	854,139	4,434,053	3,579,914
Fund balances - ending	\$ -	\$ -	\$ 4,060,410	\$ 4,060,410

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, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 34,647,598
Total assets	34,647,598
 LIABILITIES AND NET POSITION	
Liabilities	
Accounts payable	33,507
Due to Board of County Commissioners	220,612
Due to other governments	5,331,561
Total liabilities	5,585,680
Fiduciary Net Position	
Restricted for:	
Individuals, organizations, and other governments	29,061,918
Total Fiduciary net position	29,061,918
Total liabilities and Fiduciary net position	\$ 34,647,598

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, 2022

	Custodial Funds
ADDITIONS	
Fees/Fines collected for other governments	\$ 271,178,621
Registry and other deposits collected	68,470,927
Total Additions	339,649,548
DEDUCTIONS	
Fees/Fines disbursed to other governments	271,178,621
Registry and other deposits disbursed	63,149,254
Total Deductions	334,327,875
Change in Fiduciary Net Position	5,321,673
Fiduciary Net Position - Beginning of Year	23,740,245
Fiduciary Net Position - Ending of Year	\$ 29,061,918

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, 2022

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, 2023.

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, 2022

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, 2022

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, 2022

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 10.6% of Florida PRIME’s portfolio at September 30, 2022.

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, 2022, 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, 2022

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 the Clerk 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>(34,184)</u>
Net Change in fund balance non-GAAP	<u>\$ (34,184)</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE III - CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2022, 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	\$ 945,832	N/A
Demand Deposits	N/A	36,051,620	N/A
Florida PRIME	21 days	<u>26,785,696</u>	AAA ^m
Total Cash, Cash Equivalents and Investments		<u>\$ 63,783,148</u>	
Reconciliation:			
General Fund		\$ 4,740,644	
Court Fees		8,363,420	
Public Records Modernization		11,998,444	
Child Support Enforcement		4,033,042	
Custodial Funds		<u>34,647,598</u>	
		<u>\$ 63,783,148</u>	

Custodial Credit Risk

At September 30, 2022, 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, 2022 was 21 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, 2022 was 72 days.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u><i>Governmental Activities:</i></u>				
Capital assets not being depreciated:				
Artwork	\$ 1,000	\$ -	\$ -	\$ 1,000
Software in progress	-	640,593	(640,593)	-
Total capital assets not being depreciated	<u>1,000</u>	<u>640,593</u>	<u>(640,593)</u>	<u>1,000</u>
Capital assets being depreciated:				
Improvements other than buildings	-	-	-	-
Software	11,320,418	-	-	11,320,418
Total capital assets being depreciated	<u>15,710,414</u>	<u>125,505</u>	<u>(14,704)</u>	<u>15,821,215</u>
Less accumulated depreciation for:				
Improvements other than buildings	-	-	-	-
Machinery and equipment	2,974,926	285,445	(14,704)	3,245,667
Software	10,445,475	348,443	-	10,793,918
Total accumulated depreciation	<u>13,420,401</u>	<u>633,888</u>	<u>(14,704)</u>	<u>14,039,585</u>
Total capital assets being depreciated, net	<u>2,290,013</u>	<u>(508,383)</u>	<u>-</u>	<u>1,781,630</u>
Total governmental activities capital assets, net	<u>\$ 2,291,013</u>	<u>\$ 132,210</u>	<u>\$ (640,593)</u>	<u>\$ 1,782,630</u>

NOTE V - RETIREMENT PLANS

Defined Benefit Pension Plans

Background

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

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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).

Florida Retirement System Pension Plan

Plan Description

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

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

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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, 2022, 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, 2022, 2021, and 2020 were \$2,420,041, \$2,024,445, and \$1,747,688 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.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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, 2022:

Accrued compensated absences at October 1, 2021	\$2,546,337
Additions	2,660,634
Reductions	<u>(2,082,364)</u>
Accrued compensated absences at September 30, 2022	<u>\$3,124,607</u>

Of these liabilities, approximately \$171,769 is expected to be paid during the fiscal year ended September 30, 2023. These long-term liabilities are not reported in the financial statements of the Clerk since they have not matured.

NOTE VIII – COMMITMENTS AND CONTINGENCIES

Litigation

The Clerk is involved from time to time in routine civil litigation, the substance of which would not materially affect the financial position of the Clerk.

Grants

The Clerk is the recipient of grants that are subject to special compliance requirements and audits by the grantor agencies that may result in disallowed expense amounts. These amounts constitute a contingent liability of the Clerk. The Clerk does not believe any contingent liabilities, if any, to be material to the financial statements.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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, 2022, the Clerk’s General Fund reported a nonspendable fund balance of \$68,349 for inventory.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Clerk considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

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 \$11,905,322 which includes \$7,525,864 for public records modernization and \$4,379,458 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, 2022, the Clerk’s Child Support Enforcement special revenue fund reported committed fund balance of \$4,060,410 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, 2022, 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, 2022, the Clerk’s General Fund reported a negative unassigned fund balance of \$68,349 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 – ADOPTION OF NEW ACCOUNTING STANDARD

During the year ended September 30, 2022, the Clerk implemented GASB Statement No. 87 “Leases”. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of this standard did not have an impact of the Clerk’s financial statements.



Supplementary Financial Information

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF FIDUCIARY NET POSITION - ALL CUSTODIAL FUNDS
As of September 30, 2022

	Fines and Forfeitures	Jury and Witness	Delinquent Tax	Registry of Court	Cash Bonds and Deposits	Total All Custodial Funds
ASSETS						
Cash and cash equivalents	\$ 5,552,173	\$ 26,793	\$ 16,573,289	\$ 11,018,191	\$ 1,477,152	\$ 34,647,598
Total assets	<u>5,552,173</u>	<u>26,793</u>	<u>16,573,289</u>	<u>11,018,191</u>	<u>1,477,152</u>	<u>34,647,598</u>
LIABILITIES AND FIDUCIARY NET POSITION						
Liabilities						
Accounts payable	-	-	17,397	-	16,110	33,507
Due to Board of County Commissioners	220,612	-	-	-	-	220,612
Due to other governments	5,331,561	-	-	-	-	5,331,561
Total liabilities	<u>5,552,173</u>	<u>-</u>	<u>17,397</u>	<u>-</u>	<u>16,110</u>	<u>5,585,680</u>
Fiduciary Net Position						
Restricted for:						
Individuals, organizations, and other governments	-	26,793	16,555,892	11,018,191	1,461,042	29,061,918
Total Fiduciary net position	<u>-</u>	<u>26,793</u>	<u>16,555,892</u>	<u>11,018,191</u>	<u>1,461,042</u>	<u>29,061,918</u>
Total liabilities and Fiduciary net position	<u>\$ 5,552,173</u>	<u>\$ 26,793</u>	<u>\$ 16,573,289</u>	<u>\$ 11,018,191</u>	<u>\$ 1,477,152</u>	<u>\$ 34,647,598</u>

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

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2022

	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	\$ 271,178,621	\$ -	\$ -	\$ -	\$ -	\$ 271,178,621
Registry and other deposits collected	-	125,000	19,285,640	47,918,799	1,141,488	68,470,927
Total Additions	<u>271,178,621</u>	<u>125,000</u>	<u>19,285,640</u>	<u>47,918,799</u>	<u>1,141,488</u>	<u>339,649,548</u>
DEDUCTIONS						
Fees/Fines disbursed to other governments	271,178,621	-	-	-	-	271,178,621
Registry and other deposits disbursed	-	112,955	14,699,542	47,237,837	1,098,920	63,149,254
Total Deductions	<u>271,178,621</u>	<u>112,955</u>	<u>14,699,542</u>	<u>47,237,837</u>	<u>1,098,920</u>	<u>334,327,875</u>
Change in Fiduciary Net Position	-	12,045	4,586,098	680,962	42,568	5,321,673
Fiduciary net position - beginning of Year	-	14,748	11,969,794	10,337,229	1,418,474	23,740,245
Fiduciary net position - ending of Year	<u>\$ -</u>	<u>\$ 26,793</u>	<u>\$ 16,555,892</u>	<u>\$ 11,018,191</u>	<u>\$ 1,461,042</u>	<u>\$ 29,061,918</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 Kevin Karnes
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 Lee County, Florida, Clerk of Circuit Court (Clerk), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated February 15, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

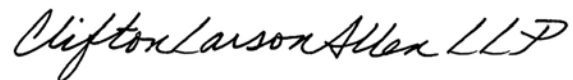
Honorable Kevin Karnes
Clerk of Circuit Court
Lee County, Florida

Report on 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
February 15, 2023



MANAGEMENT LETTER

Honorable Kevin Karnes
Clerk of Circuit Court
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Lee County, Florida, Clerk of Circuit Court (the Court), as of and for the year ended September 30, 2022, and have issued our report thereon dated February 15, 2023.

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 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 February 15, 2023 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 Kevin Karnes
Clerk of Circuit Court
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 Clerk, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Fort Myers, Florida
February 15, 2023



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Kevin Karnes
Clerk of Circuit Court
Lee County, Florida

We have examined the Lee County, Florida, Clerk of Circuit Court's (Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2022. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding Clerk of the Court's performance standards and budgets during the year ended September 30, 2022.

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
February 15, 2023

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
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YEAR ENDED SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Honorable Matthew H. Caldwell
Property Appraiser
Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Property Appraiser as of September 30, 2022, and the respective changes in the financial position and the respective budgetary comparisons for the General Fund and GIS Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Property Appraiser 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 financial statements are intended to present the financial position and the changes in financial position of only that portion of each major fund of Lee County, Florida that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

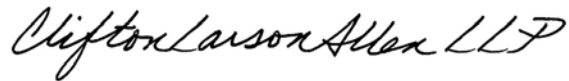
Honorable Matthew H. Caldwell
Property Appraiser

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 opinions on the basic financial statements are 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 13, 2022, 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 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 Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
December 13, 2022

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>GIS Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,337,018	\$ 364,563	\$ 1,701,581
Total Assets	<u>\$ 1,337,018</u>	<u>\$ 364,563</u>	<u>\$ 1,701,581</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 168,092	\$ 6,815	\$ 174,907
Accrued and Other Liabilities	132,029	18,204	150,233
Due to Other Governments	139,581	-	139,581
Due to the Board of County Commissioners	<u>897,316</u>	<u>339,544</u>	<u>1,236,860</u>
Total Liabilities	1,337,018	364,563	1,701,581
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,337,018</u>	<u>\$ 364,563</u>	<u>\$ 1,701,581</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, 2022**

	<u>General Fund</u>	<u>GIS Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$ 2,031,569	\$ -	\$ 2,031,569
Charges for Services	400,264	-	400,264
Interest Earned	8,153	-	8,153
Miscellaneous	842	-	842
Total Revenues	<u>2,440,828</u>	<u>-</u>	<u>2,440,828</u>
EXPENDITURES			
General Government:			
Personal Services	8,352,003	1,047,753	9,399,756
Operating Expenditures	1,863,293	578,461	2,441,754
Capital Outlay	70,079	-	70,079
Debt service - Principal	19,373	-	19,373
Total Expenditures	<u>10,304,748</u>	<u>1,626,214</u>	<u>11,930,962</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(7,863,920)	(1,626,214)	(9,490,134)
OTHER FINANCING SOURCES (USES)			
Proceeds from Lease	70,079	-	70,079
Board of County Commissioners Fees and Appropriations	8,825,296	1,965,758	10,791,054
Distribution of Excess Fees and Appropriations to the Board of County Commissioners	(891,874)	(339,544)	(1,231,418)
Distribution of Excess Fees to Other Taxing Districts	(139,581)	-	(139,581)
Total Other Financing Sources	<u>7,863,920</u>	<u>1,626,214</u>	<u>9,490,134</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,421,442	\$ 1,421,442	\$ 1,514,799	\$ 93,357
Interest Earned	-	-	8,153	8,153
Miscellaneous	-	-	842	842
Total Revenues	<u>1,421,442</u>	<u>1,421,442</u>	<u>1,523,794</u>	<u>102,352</u>
EXPENDITURES				
General Government:				
Personal Services	8,556,269	8,709,583	7,886,085	823,498
Operating Expenditures	975,314	1,537,155	1,412,177	124,978
Capital Outlay	40,000	-	-	-
Debt Service - principal	-	-	19,373	(19,373)
Special Contingency	192,240	-	-	-
Total Expenditures	<u>9,763,823</u>	<u>10,246,738</u>	<u>9,317,635</u>	<u>929,103</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,342,381)	(8,825,296)	(7,793,841)	1,031,455
OTHER FINANCING SOURCES (USES)				
Board of County Commissioners Fees and Appropriations	8,342,381	8,825,296	8,825,296	-
Distribution of Excess Fees and Appropriations to the Board of County Commissioners	-	-	(891,874)	(891,874)
Distribution of Excess Fees to Other Taxing Districts	-	-	(139,581)	(139,581)
Total Other Financing Sources	<u>8,342,381</u>	<u>8,825,296</u>	<u>7,793,841</u>	<u>(1,031,455)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General Government:				
Personal Services	1,314,082	1,314,082	1,047,753	266,329
Operating Expenditures	636,676	636,676	578,461	58,215
Capital Outlay	15,000	15,000	-	15,000
Total Expenditures	<u>1,965,758</u>	<u>1,965,758</u>	<u>1,626,214</u>	<u>339,544</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,965,758)	(1,965,758)	(1,626,214)	339,544
OTHER FINANCING SOURCES (USES)				
Board of County Commissioners Fees and Appropriations	1,965,758	1,965,758	1,965,758	-
Distribution of Excess Fees and Appropriations to the Board of County Commissioners	-	-	(339,544)	(339,544)
Total Other Financing Sources	<u>1,965,758</u>	<u>1,965,758</u>	<u>1,626,214</u>	<u>(339,544)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Property Appraiser adopted the requirements of the guidance in 2022.

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.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 BUDGETARY PROCESS (CONTINUED)

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.

The GIS Fund budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (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, non-ad valorem commissions on cost recovery revenues received from Special Districts and other governments and expenditures paid from these commissions, as well as other financing sources associated with leasing transactions, 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, 2022, from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Total Budgetary Basis (Non-GAAP)	\$ 1,523,794	\$ 9,317,635	\$ 7,793,841
Charges for Services Not Budgeted (TRIM)	399,348	-	-
Operating Expenditures Not Budgeted (TRIM)	-	399,348	-
Intergovernmental Revenue Not Budgeted (Cost Recovery)	516,770	-	-
Charges for Services Not Budgeted (Cost Recovery)	916	-	-
Operating Expenditures Not Budgeted (Cost Recovery)	-	51,768	-
Personnel Services Not Budgeted (Cost Recovery)	-	465,918	-
Lease Transaction Not Budgeted	-	70,079	70,079
Total GAAP Basis	<u>\$ 2,440,828</u>	<u>\$ 10,304,748</u>	<u>\$ 7,863,920</u>

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 CASH

At September 30, 2022, the carrying value of the Property Appraiser’s cash was as follows:

<u>Type</u>	<u>Carrying Value</u>
Cash on Hand	\$ 1,000
Demand Deposits	1,700,581
Total Cash	<u>\$ 1,701,581</u>

Custodial Credit Risk

At September 30, 2022, 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.

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.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2021	Additions	Retirements	September 30, 2022
Accrued Compensated Absences	\$ 626,014	\$ 628,809	\$ (599,842)	\$ 654,981

Substantially all the balance outstanding at September 30, 2022 is expected to be paid during the fiscal year ending September 30, 2023. These long-term liabilities are not reported in the financial statements of the Property Appraiser since they have not matured.

NOTE 6 LEASES

The Property Appraiser leases assets that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Property Appraiser’s leases can be found in the Lee County, Florida comprehensive annual financial report on County-wide financial statements.

Leases entered into by the Property Appraiser are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Property Appraiser entered into one lease in the amount of \$70,079. During the year ended September 30, 2022, the Property Appraiser’s payment of principle on leases totaled \$19,373.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 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.

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).

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiemployer 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.
- *Special Risk Administrative Support Class* – Members who provide administrative support for a special risk employer

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

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

Plan Description (Continued)

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 four 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 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% 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.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

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

Benefits Provided (Continued)

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, 2022, 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.

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.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

Defined Contribution Plan (Continued)

Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officials, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% 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, 2022, 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 \$931,405 for the year ended September 30, 2022. The Property Appraiser contributed 100% of the required contributions.

**LEE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 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 9 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, 2022.

NOTE 10 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, 2022, the Property Appraiser paid \$1,952,528 to the Board of County Commissioners for health, life, dental and disability coverage into the risk management program. The Board of County Commissioners paid \$70,364 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, 2022.

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, 2022**

NOTE 11 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, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated December 13, 2022.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

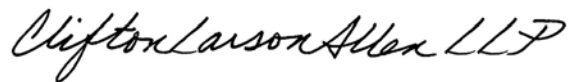
Honorable Matthew H. Caldwell
Property Appraiser

Reports on 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*.

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 13, 2022



MANAGEMENT LETTER

Honorable Matthew H. Caldwell
Property Appraiser
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Lee County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated December 13, 2022.

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 13, 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. Corrective action 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 Matthew H. Caldwell
Property Appraiser

Financial Management

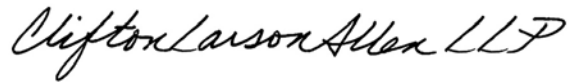
Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 13, 2022



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Matthew H. Caldwell
Property Appraiser
Lee County, Florida

We have examined the Lee County, Florida, Property Appraiser's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
December 13, 2022

**LEE COUNTY, FLORIDA
SHERIFF**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022



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**LEE COUNTY, FLORIDA
SHERIFF
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INDEPENDENT AUDITORS' REPORT

Honorable Carmine Marceno
Sheriff
Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Lee County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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 Sheriff as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Sheriff 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 financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of each major fund and the aggregate remaining fund information of Lee County, Florida that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2022 or the changes in financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, effective October 1, 2021, the Sheriff adopted GASB Statement No. 87, *Leases*. This standard requires lessees to recognize a right-to-use lease asset and corresponding lease liability for all leases with lease terms greater than 12 months. Our opinions are not modified with respect to this matter.

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Honorable Carmine Marceno
Sheriff
Lee County, Florida

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Honorable Carmine Marceno
Sheriff
Lee County, Florida

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 is the responsibility of management and, 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 GAAS, 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.

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 opinions on the basic financial statements are 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 February 6, 2023, 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
February 6, 2023

FINANCIAL STATEMENTS

**LEE COUNTY, FLORIDA
SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

ASSETS	<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>
Cash	\$ 18,637,824	\$ 500	\$ -	\$ 1,410,100	\$ 395,089	\$ 20,443,513
Receivables	29,461	-	210,340	315,143	-	554,944
Due from Other Funds	866,788	-	-	-	-	866,788
Due from Lee County, Florida, Board of County Commissioners	-	13,218	28,250	-	-	41,468
Due from Other Governmental Units	-	728,567	-	-	-	728,567
Total Assets	<u><u>\$ 19,534,073</u></u>	<u><u>\$ 742,285</u></u>	<u><u>\$ 238,590</u></u>	<u><u>\$ 1,725,243</u></u>	<u><u>\$ 395,089</u></u>	<u><u>\$ 22,635,280</u></u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Contracts, Claims, and Accounts Payable	\$ 6,476,475	\$ 4,997	\$ 7	\$ 86,404	\$ -	\$ 6,567,883
Accrued Liabilities	7,807,469	-	75,907	-	-	7,883,376
Due to Other Funds	-	704,112	162,676	-	-	866,788
Due to Other Governmental Units	-	-	-	-	5,000	5,000
Due to Lee County, Florida, Board of County Commissioners	4,952,293	-	-	-	390,089	5,342,382
Due to Individuals	297,836	-	-	-	-	297,836
Total Liabilities	<u>19,534,073</u>	<u>709,109</u>	<u>238,590</u>	<u>86,404</u>	<u>395,089</u>	<u>20,963,265</u>
FUND BALANCE						
Restricted for:						
Inmate Welfare	-	-	-	1,638,839	-	1,638,839
Public Safety	-	33,176	-	-	-	33,176
Unassigned	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>33,176</u>	<u>-</u>	<u>1,638,839</u>	<u>-</u>	<u>1,672,015</u>
Total Liabilities and Fund Balance	<u><u>\$ 19,534,073</u></u>	<u><u>\$ 742,285</u></u>	<u><u>\$ 238,590</u></u>	<u><u>\$ 1,725,243</u></u>	<u><u>\$ 395,089</u></u>	<u><u>\$ 22,635,280</u></u>

**LEE COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Grants Fund	Off-Duty Detail Fund	Canteen Fund	Forfeitures Fund	Total
REVENUES						
Intergovernmental	\$ 10,494	\$ 7,733,112	\$ -	\$ -	\$ 58,985	\$ 7,802,591
Charges for Services	1,035,532	86,579	3,483,708	3,140,326	-	7,746,145
Investment Earnings	8,097	-	-	-	-	8,097
Miscellaneous Revenues	-	246,070	-	-	-	246,070
Total Revenues	<u>1,054,123</u>	<u>8,065,761</u>	<u>3,483,708</u>	<u>3,140,326</u>	<u>58,985</u>	<u>15,802,903</u>
EXPENDITURES						
General Government	10,254,604	-	-	-	-	10,254,604
Public Safety	208,420,305	8,604,253	3,351,751	3,397,745	58,985	223,833,039
Debt Service:						
Principal	1,331,288	-	-	-	-	1,331,288
Interest and Fiscal Charges	223,472	-	-	-	-	223,472
Capital Outlay	8,540,067	1,109,367	131,957	399,142	-	10,180,533
Total Expenditures	<u>228,769,736</u>	<u>9,713,620</u>	<u>3,483,708</u>	<u>3,796,887</u>	<u>58,985</u>	<u>245,822,936</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(227,715,613)	(1,647,859)	-	(656,561)	-	(230,020,033)
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Capital Assets	1,268,510	-	-	-	-	1,268,510
Leases	5,755	-	-	-	-	5,755
Lee County, Florida, BOCC Appropriations	231,315,059	1,435,000	-	-	-	232,750,059
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	(4,873,711)	-	-	-	-	(4,873,711)
Total Other Financing Sources (Uses)	<u>227,715,613</u>	<u>1,435,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,150,613</u>
NET CHANGE IN FUND BALANCE	-	(212,859)	-	(656,561)	-	(869,420)
Fund Balance - Beginning of Year	-	246,035	-	2,295,400	-	2,541,435
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 33,176</u>	<u>\$ -</u>	<u>\$ 1,638,839</u>	<u>\$ -</u>	<u>\$ 1,672,015</u>

**LEE COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 10,494	\$ 10,494
Charges for Services	-	286,973	1,035,532	748,559
Investment Earnings	-	-	8,097	8,097
Total Revenues	<u>-</u>	<u>286,973</u>	<u>1,054,123</u>	<u>767,150</u>
EXPENDITURES				
General Government:				
Personnel Services	9,575,304	9,513,304	10,055,701	542,397
Operating	246,872	233,322	198,903	(34,419)
Public Safety:				
Personnel Services	161,708,600	161,944,999	166,422,021	4,477,022
Operating	42,200,005	46,787,400	41,998,284	(4,789,116)
Debt Service	567,193	1,408,871	1,554,760	145,889
Capital Outlay	700,000	9,281,965	8,540,067	(741,898)
Total Expenditures	<u>214,997,974</u>	<u>229,169,861</u>	<u>228,769,736</u>	<u>(400,125)</u>
EXCESS(DEFECIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(214,997,974)	(228,882,888)	(227,715,613)	1,167,275
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	845,063	1,268,510	423,447
Leases	-	-	5,755	5,755
Lee County, Florida, Board of County Commissioners Appropriations	214,997,974	228,037,825	231,315,059	3,277,234
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	-	-	(4,873,711)	(4,873,711)
Total Other Financing Sources (Uses)	<u>214,997,974</u>	<u>228,882,888</u>	<u>227,715,613</u>	<u>(1,167,275)</u>
NET CHANGES IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**LEE COUNTY, FLORIDA
SHERIFF
STATEMENT OF NET POSITION –
INTERNAL SERVICE FUND
SEPTEMBER 30, 2022**

ASSETS

Current Assets:

Cash		\$ 27,308,147
Total Current Assets		27,308,147

Noncurrent Assets:

Right-to-Use Asset, Net		744,346
Total Noncurrent Assets		744,346

Total Assets		\$ 28,052,493
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LIABILITIES

Current Liabilities:

Accounts Payable		\$ 142,394
Self-Insurance Claims Payable		2,389,609
Lease Liability		54,921
Total Current Liabilities		2,586,924

Noncurrent Liabilities:

Lease Liability, Net of Current Portion		704,854
Total Noncurrent Liabilities		704,854

Total Liabilities		3,291,778
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NET POSITION

Unrestricted		24,760,715
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Total Net Position		\$ 24,760,715
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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, 2022**

OPERATING REVENUES	
Charges for Services	\$ 37,936,050
OPERATING EXPENSES	
Claims and Claims Expenses	29,362,006
Reinsurance Premiums	3,129,318
Contractual Services and Expense	1,417,516
Operating Expenses	76,570
Medical, Pharmacy Supplies/Dispensing	201,635
Administrative and Other Expenses	1,431,915
Amortization	67,668
Total Operating Expenses	<u>35,686,628</u>
OPERATING INCOME	2,249,422
NONOPERATING REVENUES (EXPENSES)	
Interest Income	4,719
Interest Expense	<u>(31,646)</u>
Total Nonoperating Revenues (Expenses)	<u>(26,927)</u>
CHANGE IN NET POSITION	2,222,495
Net Position - Beginning of Year	<u>22,538,220</u>
NET POSITION - END OF YEAR	<u><u>\$ 24,760,715</u></u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA
SHERIFF
STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Payments for Claims and Claim-Related Services	\$ (29,335,950)
Cash Payments for Reinsurance Premiums	(3,129,318)
Cash Payments for Administrative Services and Supplies	(1,431,915)
Cash Paid for Contractual Services, Operating Supplies, and Expenses	(1,695,721)
Cash Received from Other Funds for Services	37,936,050
Net Cash Provided by Operating Activities	<u>2,343,146</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Principal Payments on Leases	(52,239)
Interest Payments on Leases	(31,646)
Net Cash Used by Capital and Related Financing Activities	<u>(83,885)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income and Other	4,719
Net Cash Provided by Investing Activities	<u>4,719</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

2,263,980

Cash and Cash Equivalents - Beginning of Year

25,044,167

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 27,308,147

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

Operating Income	\$ 2,249,422
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization Expense	67,668
Increase in Self-Insurance Claims Payable	26,687
Decrease in Accounts Payable	(631)
Net Cash Provided by Operating Activities	<u><u>\$ 2,343,146</u></u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 and the proprietary fund (Internal Service Fund) 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 position 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, 2022 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 County's 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, 2022**

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 and debt, 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, 2022**

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. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the Sheriff consist of \$37,936,050. Operating expenses include \$35,686,628. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 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, 2022**

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.

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 nonspendable fund balances as of September 30, 2022.

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 Grants Fund and 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of

resources. The Sheriff adopted the requirements of the guidance effective October 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, 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	\$ 2,700	N/A
Demand Deposits	47,748,960	N/A
Total Cash	<u>\$ 47,751,660</u>	

Custodial Credit Risk

At September 30, 2022, 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, 2022**

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, 2022 or during the year ended September 30, 2022.

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, except as noted below for right-to-use leased assets reported in the Sheriff's internal service fund. 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, 2022**

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, 2021 as restated*	Additions Adjustments	Deletions	Balance September 30, 2022
Capital Assets Depreciated:				
Machinery and Equipment	\$ 79,691,706	\$ 10,972,700	\$ (8,550,726)	\$ 82,113,680
Right-to-Use Leased Building	1,561,847	5,755	-	1,567,602
Total Capital Assets Depreciated	<u>81,253,553</u>	<u>10,978,455</u>	<u>(8,550,726)</u>	<u>83,681,282</u>
Less: Accumulated Depreciation:				
Machinery and Equipment	(42,867,290)	(8,816,046)	7,826,396	(43,856,940)
Right-to-Use Leased Building	-	(208,126)	-	(208,126)
Total Accumulated Depreciation	<u>(42,867,290)</u>	<u>(9,024,172)</u>	<u>7,826,396</u>	<u>(44,065,066)</u>
Total Depreciable Capital Assets, Net	<u>38,386,263</u>	<u>1,954,283</u>	<u>(724,330)</u>	<u>39,616,216</u>
Total Capital Assets, Net	<u>\$ 38,386,263</u>	<u>\$ 1,954,283</u>	<u>\$ (724,330)</u>	<u>\$ 39,616,216</u>

* Beginning balances were restated as a result of the implementation of GASB 87 - Leases

The following is a summary of changes in capital assets from the table above which are reported in Sheriff's basic financial statements in the internal service fund:

	Balance October 1, 2021 as restated*	Additions Adjustments	Deletions	Balance September 30, 2022
Internal Service Fund				
Capital Assets Amortized:				
Right-to-Use Leased Building	\$ 812,014	\$ -	\$ -	\$ 812,014
Total Capital Assets Amortized	<u>812,014</u>	<u>-</u>	<u>-</u>	<u>812,014</u>
Less: Accumulated Amortization:				
Right-to-Use Leased Building	-	(67,668)	-	(67,668)
Total Accumulated Amortization	<u>-</u>	<u>(67,668)</u>	<u>-</u>	<u>(67,668)</u>
Total Depreciable Capital Assets, Net	<u>812,014</u>	<u>(67,668)</u>	<u>-</u>	<u>744,346</u>
Total Internal Service Fund Capital Assets, Net	<u>\$ 812,014</u>	<u>\$ (67,668)</u>	<u>\$ -</u>	<u>\$ 744,346</u>

* Beginning balances were restated as a result of the implementation of GASB 87 - Leases

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 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:

	October 1, 2021 as restated*	Additions	Retirements/ Adjustments	Balance September 30, 2022
Financed Purchase Obligations	7,755,043	\$ -	(1,213,443)	\$ 6,541,600
Compensated Absences	16,459,024	10,496,186	(8,660,991)	18,294,219
Leases Payable	1,561,847	5,755	(170,084)	1,397,518
Total	<u>\$ 25,775,914</u>	<u>\$ 10,501,941</u>	<u>\$ (10,044,518)</u>	<u>\$ 26,233,337</u>

* Beginning balances were restated as a result of the implementation of GASB 87 - Leases

Of these liabilities, \$1,244,021 of financed purchase obligations, \$182,112 of leases payable, and approximately 50% of compensated absences is expected to be paid during the fiscal year ending September 30, 2023. 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 financed purchase obligations at September 30, 2022:

<u>Description</u>	<u>Amount</u>
\$6,541,600 financed purchase obligation for the purchase of equipment of \$12,643,649. The purchase 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.	<u>\$ 6,541,600</u>

The annual debt service requirements at September 30, 2022 for financed purchase obligations were as follows:

<u>Fiscal Year</u>	<u>Financed Purchase Obligation</u>		
<u>Year Ending September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payments</u>
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>\$ 6,541,600</u>	<u>\$ 502,748</u>	<u>\$ 7,044,348</u>

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 LEASES

The Sheriff leases assets that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Except as noted below for the leases reported with these financial statements in the Sheriff’s internal service fund, detailed information about the Sheriff’s leases can be found in the Lee County, Florida annual comprehensive financial report on County-wide financial statements.

Governmental Funds Lease Activity

Leases entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Sheriff entered into one lease in the amount of \$5,755. During the year ended September 30, 2022, the Sheriff’s payment of principal on leases totaled \$117,845.

Internal Service Fund Lease Activity

The following is a summary of the long-term right-to-use lease obligations reported in the Sheriff’s internal service fund at September 30, 2022:

<u>Description</u>	<u>Amount</u>
Lease payable for the use of a building in the amount of \$812,014. The lease agreement is payable monthly in 144 monthly payments of \$6,990, increasing 4% to \$7,271 on October 1, 2023, at an interest rate of 4.4%. Final payment due on September 1, 2033.	\$ 759,775
Total	<u>\$ 759,775</u>

The future minimum lease payments under lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payments</u>
2023	\$ 54,921	\$ 32,332	\$ 87,253
2024	57,387	29,866	87,253
2025	59,964	27,289	87,253
2026	62,656	24,597	87,253
2027	65,469	21,784	87,253
2028-2032	374,170	62,095	436,265
2033	85,208	2,045	87,253
Total	<u>\$ 759,775</u>	<u>\$ 200,008</u>	<u>\$ 959,783</u>

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 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).

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.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

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

Plan Description (Continued)

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.

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.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the Sheriff's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Defined Contribution Plan

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

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

Defined Contribution Plan (Continued)

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, 2022, 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.

The Sheriff's contributions, excluding employee contributions, to the defined-contribution pension plan totaled \$24,282,405 for the year ended September 30, 2022, including HIS plan contributions. The Sheriff contributed 100% of the required contributions.

NOTE 8 OTHER POSTEMPLOYMENT 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 health care 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, 2022, 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.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

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 health care benefit cannot be reasonably estimated, as the claim information is estimated without separating the retirees from the active employees.

Participant Data

At the September 30, 2020 valuation date, 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 the funding policy. The OPEB plan is currently being funded on a pay as you go basis. No trust fund has been established for the plan.

Total OPEB Liability

The Sheriff's OPEB liability of \$270,056,857 was measured as of September 30, 2021 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, 2022.

	<u>Liability</u>
Balance, as of October 1, 2020	<u>\$ 252,808,831</u>
Changes:	
Service Cost	7,477,479
Interest	6,206,678
Differenced Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	9,059,482
Benefit Payments	<u>(5,495,613)</u>
Net Changes	<u>17,248,026</u>
Balance, as of September 30, 2021	<u><u>\$ 270,056,857</u></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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	1.19%	2.19%	3.19%
Total OPEB Liability	<u>\$ 316,270,420</u>	<u>\$ 270,056,857</u>	<u>\$ 231,752,347</u>

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

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 health care cost trends.

	Health Care Rate Sensitivity		
	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 217,907,992	\$ 270,056,857	\$ 338,961,646

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the Sheriff's OPEB expense was \$8,955,509. 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	\$ 10,409,135	\$ -
Changes in Assumptions and Other Inputs	58,899,303	107,779,917
Benefits Paid after the Measurement Date	5,839,648	-
Total	\$ 75,148,086	\$ 107,779,917

Amounts reported as deferred inflows of resources and deferred outflows of resources as an increase/decrease to OPEB expense will be recognized as follows:

<u>Year Ending September 30,</u>	<u>Net Deferred (In)/Outflows of Resources</u>
2023	\$ (4,728,648)
2024	(4,728,648)
2025	(4,728,648)
2026	(4,728,648)
2027	(5,936,859)
Thereafter	(13,620,028)

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial methods are:

Actuarial cost method	Entry Age Normal
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The actuarial assumptions are:

Discount rate	2.19% (Based on 20-year AA municipal bond rate)
Health care cost trend rate	Based on the Getzen Model, with trend starting at 6.25% for 2021 followed by 6.00% for 2022 and gradually decreasing to an ultimate trend rate of 3.99%.
Inflation	2.25%
Salary increases	3.4% - 8.2%, including inflation

Mortality rates were based on the Pub 2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP 2018.

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

- The discount rate was changed from 2.41% to 2.19%

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 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, 2022, the Sheriff paid premiums of \$6,454,108 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, 2022, 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	Additions	Claim Payments	Balance September 30
2022	\$ 2,362,922	\$ 29,388,693	\$ 29,362,006	\$ 2,389,609
as restated*	2,214,220	29,754,579	29,605,877	2,362,922

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 \$705,497 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.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 120 days written notice. The contract calls for minimum payment to the provider of approximately \$691,513 and \$715,829 per month through September 30, 2023 and 2024, respectively.

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, 2022, the Sheriff paid \$12,692,647 for inmate medical services and \$2,913,016 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-year term that automatically renews thereafter unless it is cancelled with a 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.

**LEE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 COMMITMENTS AND CONTIGENCIES (CONTINUED)

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, 2022.

NOTE 12 INTERFUND BALANCES

Due from and due to other funds at September 30, 2022 were as follows:

	Due From	Due To
General Fund	\$ 866,788	\$ -
Grants Fund	-	704,112
Off-Duty Detail Fund	-	162,676
	\$ 866,788	\$ 866,788

Interfund receivables and payables generally represent recurring activities between funds.

REQUIRED SUPPLEMENTARY INFORMATION

**LEE COUNTY, FLORIDA
SHERIFF
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>
Total OPEB Liability, as of Measurement Date						
Service Cost	\$ 7,477,479	\$ 9,815,772	\$ 7,313,259	\$ 9,900,653	\$ 10,833,849	\$ 8,466,020
Interest	6,206,678	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	9,059,482	(72,808,506)	51,094,419	(58,471,288)	(22,770,911)	31,575,012
Benefit Payments	<u>(5,495,613)</u>	<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	17,248,026	(50,030,327)	63,077,143	(39,074,726)	(7,520,332)	44,147,629
Total OPEB Liability, Beginning	<u>252,808,831</u>	<u>302,839,158</u>	<u>239,762,015</u>	<u>278,836,741</u>	<u>286,357,073</u>	<u>242,209,444</u>
Total OPEB Liability, Ending	270,056,857	252,808,831	302,839,158	239,762,015	278,836,741	286,357,073
Covered-Employee Payroll	102,360,168	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	263.83%	281.12%	501.42%	363.59%	408.70%	427.71%

Notes to Schedule

Changes in Assumptions:

The discount rate was changed from 2.41% as of the previous measurement date to 2.19% as of September 30, 2021.

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 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, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated February 6, 2023.

Report on 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. 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 or significant deficiencies may exist that were not identified.

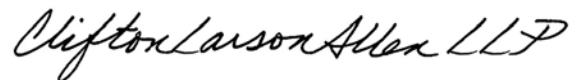
Honorable Carmine Marceno
Sheriff
Lee County, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff'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
February 6, 2023



MANAGEMENT LETTER

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, 2022, and have issued our report thereon dated February 6, 2023.

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 February 6, 2023, 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 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
February 6, 2023



INDEPENDENT ACCOUNTANTS' REPORT

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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
February 6, 2023

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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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 Audit of the Financial Statements

Opinion

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, 2022, 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.

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, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Supervisor of Elections of Lee County 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 financial statements are intended to present the financial position and the changes in financial position of only that portion the General Fund of Lee County that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Lee County as of September 30, 2022 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Honorable Tommy Doyle
Supervisor of Elections
Lee County, Florida

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Supervisor of Election's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

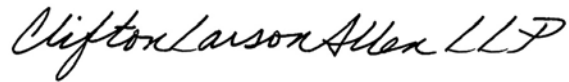
Honorable Tommy Doyle
Supervisor of Elections
Lee County, Florida

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 opinions on the basic financial statements are 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 12, 2022, 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 12, 2022

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	\$ 2,107,779
Due from Other Governments	<u>75</u>
Total Assets	<u><u>\$ 2,107,854</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 971,445
Accrued Liabilities	218,718
Due to the Board of County Commissioners	<u>917,691</u>
Total Liabilities	<u>2,107,854</u>

FUND BALANCE

	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,107,854</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, 2022**

REVENUES

Charges for Services	\$ 55,568
Intergovernmental	345,398
Miscellaneous Revenue	17,610
Total Revenues	<u>418,576</u>

EXPENDITURES

General Government:	
Personnel Services	4,963,762
Operating Expenditures	3,731,171
Capital Outlay	1,178,485
Total Expenditures	<u>9,873,418</u>

Excess of Expenditures Over Revenues (9,454,842)

OTHER FINANCING SOURCES (USES)

Lee County, Florida, Board of County Commissioners Appropriations	10,372,533
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	(917,691)
Total Other Financing Sources	<u>9,454,842</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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 55,568	\$ 55,568
Intergovernmental	-	-	345,398	345,398
Miscellaneous Revenue	-	-	17,610	17,610
Total Revenues	<u>-</u>	<u>-</u>	<u>418,576</u>	<u>418,576</u>
EXPENDITURES				
General Government:				
Personnel Services	5,298,928	5,298,928	4,963,762	335,166
Operating Expenditures	4,211,706	4,211,706	3,731,171	480,535
Capital Outlay	<u>41,900</u>	<u>41,900</u>	<u>1,178,485</u>	<u>(1,136,585)</u>
Total Expenditures	<u>9,552,534</u>	<u>9,552,534</u>	<u>9,873,418</u>	<u>(320,884)</u>
Excess of Expenditures Over Revenues	(9,552,534)	(9,552,534)	(9,454,842)	97,692
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Lee County, Florida, Board of County Commissioners Appropriations	9,552,534	9,552,534	10,372,533	819,999
Transfers out:				
Distribution of Excess Appropriations to the Lee County, Florida, Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(917,691)</u>	<u>(917,691)</u>
Total Other Financing Sources	<u>9,552,534</u>	<u>9,552,534</u>	<u>9,454,842</u>	<u>(97,692)</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>
FUND BALANCE - END OF YEAR	<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, 2022**

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, 2022**

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.

Prepaid Items

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

Compensated Absences

Under the Supervisor of Elections' 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, 2022**

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.

The Supervisor of Elections' exceeded appropriations related to capital outlay. Additional funding was received by Lee County and expended by the Supervisor of Elections for capital outlay projects for the construction of a new office location, however, the budget was not amended for these additional capital outlay expenditures.

NOTE 3 CASH

At September 30, 2022, the carrying value of the Supervisor of Elections' cash was as follows:

Type	Carrying Value	Credit Rating
Cash:		
Cash on Hand	\$ 196	N/A
Demand Deposits	2,107,583	N/A
Total Cash	<u>\$ 2,107,779</u>	

Custodial Credit Risk

At September 30, 2022, 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, 2022**

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, 2022.

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, 2022**

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:

	October 1, 2021	Additions	Retirements	September 30, 2022
Compensated Absences	\$ 89,215	\$ 239,380	\$ (178,227)	\$ 150,368

The entire balance outstanding at September 30, 2022 is expected to be paid during the fiscal year ending September 30, 2023. 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 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. 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).

**LEE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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, 2022, 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, 2022**

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 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. 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, 2022, 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, 2022**

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 \$447,723 for the year ended September 30, 2022. 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, 2022, the Supervisor of Elections paid \$873,974, including \$76,734 paid by employees and \$797,240 paid by the Supervisor of Elections, to the Board for health, life, dental, EAP and disability in the risk management program. The Board paid \$102,252 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, 2022**

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 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, 2022.

NOTE 11 CHANGE IN ACCOUNTING PRINCIPLE

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This pronouncement did not require the restatement of the October 1, 2021 fund balance.



**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 (the Supervisor of Elections), as of and for the year ended September 30, 2022, 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 12, 2022.

Report on 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. 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 or significant deficiencies may exist that were not identified.


Honorable Tommy Doyle
Supervisor of Elections

Report on 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
December 12, 2022



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, 2022, and have issued our report thereon dated December 12, 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 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 12, 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. 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

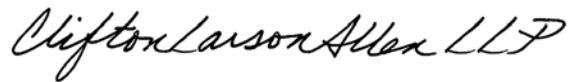
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not note any such recommendations.

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 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 12, 2022



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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 12, 2022

**LEE COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022



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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 Audit of the Financial Statements

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Tax Collector 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 financial statements are intended to present the financial position and the changes in financial position of only that portion the general fund and the aggregate remaining fund information of Lee County, Florida that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2022 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Honorable Noelle Branning
Tax Collector
Lee County, Florida

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Honorable Noelle Branning
Tax Collector
Lee County, Florida

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary 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 statements are presented for purposes of additional analysis and are 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 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 GAAS. 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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, 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
January 31, 2023

FINANCIAL STATEMENTS

**LEE COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash and Cash Equivalents	\$ 7,665,762
Investments	3,047,076
Accounts Receivable	43,025
Due from the Lee County, Florida, Board of County Commissioners	<u>350</u>
Total Assets	<u><u>\$ 10,756,213</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 520,676
Accrued and Other Liabilities	670,880
Due to Other Governmental Units	1,464,120
Due to Lee County, Florida, Board of County Commissioners	<u>8,100,537</u>
Total Liabilities	<u>10,756,213</u>

FUND BALANCE

FUND BALANCE	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 10,756,213</u></u>

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, 2022**

REVENUES

Commissions and Fees:	
Lee County, Florida, Board of County Commissioners	\$ 21,109,006
Other Governmental Units	5,603,028
Charges for Services	6,827,921
Interest	82,888
Miscellaneous	40,377
Total Revenues	<u>33,663,220</u>

EXPENDITURES

General Government:	
Personnel Services	19,510,541
Operating	4,981,132
Capital Outlay	369,916
Total Expenditures	<u>24,861,589</u>

EXCESS OF REVENUES OVER EXPENDITURES

8,801,631

OTHER FINANCING USES

Distribution of Excess Commissions and Fees to Other Governmental Units	(1,464,120)
Distribution of Excess Commissions and Fees to Lee County, Florida, Board of County Commissioners	<u>(7,337,511)</u>
Total Other Financing Uses	<u>(8,801,631)</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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Commissions and Fees:				
Board of County Commissioners	\$ 24,180,627	\$ 24,180,627	\$ 21,109,006	\$ (3,071,621)
Other Governmental Units	5,533,313	5,533,313	5,603,028	69,715
Charges for Services	5,008,190	5,008,190	6,827,921	1,819,731
Interest	8,919	8,919	82,888	73,969
Miscellaneous	209,451	209,451	40,377	(169,074)
Total Revenues	<u>34,940,500</u>	<u>34,940,500</u>	<u>33,663,220</u>	<u>(1,277,280)</u>
EXPENDITURES				
General Government:				
Personnel Services	20,601,352	20,930,049	19,510,541	1,419,508
Operating	5,191,454	5,519,906	4,981,132	538,774
Capital Outlay	464,288	403,109	369,916	33,193
Total Expenditures	<u>26,257,094</u>	<u>26,853,064</u>	<u>24,861,589</u>	<u>1,991,475</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,683,406	8,087,436	8,801,631	714,195
OTHER FINANCING USES				
Distribution of Excess Commissions and Fees to Other Governmental Units	-	-	(1,464,120)	(1,464,120)
Distribution of Excess Commissions and Fees to the Lee County, Florida, Board of County Commissioners	-	-	(7,337,511)	(7,337,511)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(8,801,631)</u>	<u>(8,801,631)</u>
NET CHANGES IN FUND BALANCE	8,683,406	8,087,436	-	(8,087,436)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,683,406</u>	<u>\$ 8,087,436</u>	<u>\$ -</u>	<u>\$ (8,087,436)</u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 6,920,365
Investments	6,310,257
Accounts Receivable	18,986
Due from Other Governmental Units	<u>4,970</u>
Total Assets	<u><u>\$ 13,254,578</u></u>
LIABILITIES	
Due to Individuals	\$ 1,312,638
Due to Other Governmental Units	<u>11,941,940</u>
Total Liabilities	<u>13,254,578</u>
FIDUCIARY NET POSITION	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>
ADDITIONS	
Tax Collections for Other Governments	\$ 1,299,446,849
License and Fees Collected for Other Governments	75,330,860
Miscellaneous	184,961
Total Revenues	<u>1,374,962,670</u>
DEDUCTIONS	
Payments of Tax to Other Governments	1,299,631,810
Payments to Other Governments	75,330,860
Total Expenditures	<u>1,374,962,670</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-
Fiduciary Net Position - Beginning of Year	<u>-</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less and are carried at cost.

Fair Value of Financial Investments

The 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, 2022, the Tax Collector held no such investments using such inputs.

**LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, 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, 2022, 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 she 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, 2022**

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, 2022**

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, 2022, 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	\$ 50,000	\$ -	\$ 50,000	N/A
Demand Deposits	<u>7,615,762</u>	<u>6,920,365</u>	<u>14,536,127</u>	N/A
Total Cash	<u>\$ 7,665,762</u>	<u>\$ 6,920,365</u>	<u>\$ 14,586,127</u>	
Investments:				
Florida PRIME	<u>\$ 3,047,076</u>	<u>\$ 6,310,257</u>	<u>\$ 9,357,333</u>	*AAAm

*Rating by S&P
N/A – Not Applicable

Custodial Credit Risk

At September 30, 2022, 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, 2022**

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, 2022, 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 21 days at September 30, 2022. The weighted average life (WAL) for Florida PRIME at September 30, 2022 was 72 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, 2022**

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, 2022, 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, 2022**

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:

	October 1, 2021	Additions	Retirements	September 30, 2022
Compensated Absences	\$ 915,287	\$ 616,359	\$ (709,180)	\$ 822,466

Substantially all the balance outstanding as of September 30, 2022 is expected to be paid during the fiscal year ended September 30, 2023. 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. 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).

**LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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, 2022, 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, 2022**

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 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. 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, 2022, 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, 2022**

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 plans totaled \$1,619,961 for the year ended September 30, 2022. 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, 2022.

**LEE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, the Tax Collector paid \$4,513,762, 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 \$220,270 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.

NOTE 11 ADOPTION OF NEW ACCOUNTING STANDARD

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This pronouncement did not impact the Tax Collector's financial statements.

SUPPLEMENTARY INFORMATION

**LEE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022**

	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
ASSETS									
Cash and Cash Equivalents	\$ 4,263,577	\$ 1,365,311	\$ 1,061,267	\$ 177,608	\$ 155	\$ 33,925	\$ 118	\$ 18,404	\$ 6,920,365
Investments	6,116,725	85,684	89,097	-	-	18,751	-	-	6,310,257
Accounts Receivable	-	-	15,449	3,537	-	-	-	-	18,986
Due from Other Governmental Units	4,970	-	-	-	-	-	-	-	4,970
Total Assets	\$ 10,385,272	\$ 1,450,995	\$ 1,165,813	\$ 181,145	\$ 155	\$ 52,676	\$ 118	\$ 18,404	\$ 13,254,578
LIABILITIES									
Due to Individuals	\$ 12,673	\$ 1,299,895	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ 1,312,638
Due to Other Governmental Units	10,372,599	151,100	1,165,813	181,145	155	52,606	118	18,404	11,941,940
Total Liabilities	10,385,272	1,450,995	1,165,813	181,145	155	52,676	118	18,404	13,254,578
FIDUCIARY NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**LEE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	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
ADDITIONS									
Tax Collections for Other Governments	\$ 1,260,188,794	\$ 37,590,480	\$ -	\$ -	\$ -	1,667,575	\$ -	\$ -	\$ 1,299,446,849
License and Fees Collected for Other Governments	-	-	67,204,846	7,129,236	173,782	-	3,084	819,912	75,330,860
Miscellaneous	184,961	-	-	-	-	-	-	-	184,961
Total Additions	<u>1,260,373,755</u>	<u>37,590,480</u>	<u>67,204,846</u>	<u>7,129,236</u>	<u>173,782</u>	<u>1,667,575</u>	<u>3,084</u>	<u>819,912</u>	<u>1,374,962,670</u>
DEDUCTIONS									
Payments of Tax to Other Governments	1,260,373,755	37,590,480	-	-	-	1,667,575	-	-	1,299,631,810
Payments to Other Governments	-	-	67,204,846	7,129,236	173,782	-	3,084	819,912	75,330,860
Total Deductions	<u>1,260,373,755</u>	<u>37,590,480</u>	<u>67,204,846</u>	<u>7,129,236</u>	<u>173,782</u>	<u>1,667,575</u>	<u>3,084</u>	<u>819,912</u>	<u>1,374,962,670</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	-	-	-	-	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-	-	-	-	-	-	-
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 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 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, 2022, 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 January 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's 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 or significant deficiencies may exist that were not identified.

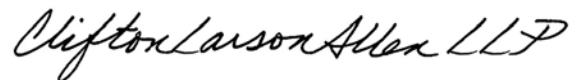
Honorable Noelle Branning
Tax Collector
Lee County, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
January 31, 2023



MANAGEMENT LETTER

Honorable Noelle Branning
Tax Collector
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Lee County, Florida, Tax Collector (the Tax Collector), as of and for the year ended September 30, 2022, and have issued our report thereon dated January 31, 2023.

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 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 January 31, 2023 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.

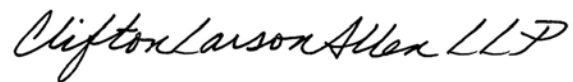
Honorable Noelle Branning
Tax Collector
Lee County, Florida

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

Fort Myers, Florida
January 31, 2023



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
January 31, 2023