

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20020269

1. REQUESTED MOTION:

ACTION REQUESTED:

Presentation to the Board of County Commissioners the Lee County's Comprehensive Annual Financial Report (CAFR) for fiscal year 2001, which was prepared in accordance with the new Governmental Accounting Standards Board Statement No. 34 (GASB 34) format.

WHY ACTION IS NECESSARY:

To comply with Chapter 10.550, "Rules of the Auditor General- Local Governmental Entity Audits", and various bond covenants.

WHAT ACTION ACCOMPLISHES:

Provides public notice of the availability of the audited financial statements to the citizens of Lee County.

2. DEPARTMENTAL CATEGORY:

C15E

3. MEETING DATE:

03-26-2002

4. AGENDA:

CONSENT

ADMINISTRATIVE

APPEALS

PUBLIC

WALK ON

TIME REQUIRED:

5. REQUIREMENT/PURPOSE:
(Specify)

STATUTE

ORDINANCE

ADMIN.
CODE

OTHER Chapter
10.550


OTHER
Bond Covenants

6. REQUESTOR OF INFORMATION:

A. COMMISSIONER

B. CONSTITUTIONAL OFFICE Clerk of Circuit Court

C. DEPARTMENT Finance & Records
Department


BY: Donna G. Harn 

7. BACKGROUND:

The CAFR for the fiscal year ended September 30, 2001, was prepared by the Clerk's Finance & Records Department, and audited by KPMG LLP. The audit is required per Chapter 10.550, "Rules of the Auditor General- Local Governmental Entity Audits", and various bond covenants. An explanation/overview of the changes pursuant to GASB 34 accompanies this Blue Sheet.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
					OA	OM	Risk	GC	
									

10. COMMISSION ACTION:

APPROVED
 DENIED
 DEFERRED
 OTHER

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2001



Lee County
Florida

Overview of FY 2001 CAFR Changes

The Governmental Accounting Standards Board issued Statement Number 34, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments (GASB 34) that establishes new requirements for the annual financial reports of state and local governments. The intent is to make annual reports easier to understand and more useful for the people who use the information to make decisions. Although Lee County was not required to implement GASB 34 until fiscal year ending September 30, 2002, we elected to early implement for the fiscal year ended September 30, 2001. As a result of implementing GASB 34 the Comprehensive Annual Financial Report (CAFR) looks much different. This overview will attempt to highlight some of the more important changes pursuant to GASB 34.

Basic Financial Statements

The basic financial statements (pages 16-69) replace the general purpose financial statements. The basic financial statements consist of government-wide financial statements, fund financial statements, and footnotes to the financial statements. Government-wide and fund financial statements have different preparation requirements and objectives.

Highlights of important features of government-wide financial statements are as follows:

- Prepared on a full accrual basis
- Governmental activities or business-type activities classifications
- Does not include fiduciary funds
- Internal service activity eliminated except for outside activity which is combined with the governmental activities
- All infrastructure capitalized including retrospectively for 20 years
- Capture all outstanding debt
- Contributed capital recognized as revenue in year of contribution

Highlights of important features of fund financial statements are as follows:

- Presentation of major and non-major funds
- Statement of Net Assets replaces Balance Sheet on proprietary financial statements
- Governmental fund financial statements added two reconciliations to explain differences in governmental activities between the government-wide financial statements and the fund financial statements
- Report internal service funds in a single column on proprietary financial statements
- Expendable trust funds now classified as special revenue funds
- Non-expendable trust funds now classified as permanent funds, which is a new fund type
- Contributed capital recognized as revenue in year of contribution

The fund financial statements (pages 18-31) consist of governmental, proprietary, and fiduciary financial statements. Major funds and non-major funds are presented in separate columns. The definition of a major fund is one that meets certain criteria set-forth in GASB 34. By definition the General Fund is always considered a major fund. Internal service funds are never to be reported as major funds and are reported in full in a single column on the proprietary fund statements. Major funds are audited separately and non-major funds are audited as a group.

Management's Discussion and Analysis

Pursuant to GASB 34 a Management's Discussion and Analysis (MD&A) must be prepared meeting certain requirements. The MD&A by definition is unaudited, however auditors are required to perform certain limited audit procedures to the MD&A. Because the MD&A is designed, in part, to introduce the basic financial statements it is placed after the auditor's opinion but prior to the basic financial statements.

Prepared by: Terry Mallow, General Accounting Manager
General Accounting Office/Finance & Records Department
Clerk of Courts

Lee County, Florida



LEE COUNTY
S O U T H W E S T F L O R I D A

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the
Fiscal Year Ended September 30, 2001**

**Prepared by:
Finance Department**

Clerk to Board of County Commissioners

Charlie Green

Lee County, Florida
PRINCIPAL OFFICIALS
September 30, 2001

Elected Officials

Board of County Commissioners, Port Commissioners:

Commissioner, District 1 Robert P. Janes
Commissioner, District 2 Douglas R. St. Cerny * **
Commissioner, District 3 Ray Judah
Commissioner, District 4 Andrew W. Coy
Commissioner, District 5 John E. Albion

Appointed Officials

County Manager Donald Stilwell
County Attorney James Yaeger
Executive Director, Port Authority Robert Ball
Hearing Examiner(s) Diana Parker
Salvatore Territo

* Chairman for Board of County Commissioners

** Chairman for Board of Port Commissioners

Lee County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2001

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Charlie Green
Clerk of Circuit Court
Lee County, Florida

February 15, 2002

To the Citizens of Lee County:

We are pleased to present to you the accompanying Comprehensive Annual Financial Report of Lee County (the County) for the fiscal year ended September 30, 2001. State law requires that a complete set of financial statements be published within one year of fiscal year end and presented in conformance with generally accepted accounting principles (GAAP) as applicable to governmental entities and audited in accordance with generally accepted auditing standards by licensed independent certified public accountants. 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.

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 ensures 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.

In compliance with the laws of the State of Florida the County's general purpose financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended September 30, 2001. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2001 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical.

The introductory section includes a table of contents, letter of transmittal, and the County's organizational charts. This letter of transmittal will present a brief overview of the County's structure and services, a discussion assessing the County's financial condition as well as County awards and acknowledgments indicative of the quality of the County's financial management.

The financial section includes the Management's Discussion and Analysis (MD&A), basic financial statements, combining statements and supplemental information as well as the independent auditors' report on the financial statements and schedules. GAAP 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. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Lee County's MD&A can be found in the financial section following the Independent Auditor's Report.

COUNTY SERVICES AND REPORTING ENTITY

Lee County was founded in 1887 and named in honor of General Robert E. Lee. The County, located on the gulf coast of Florida, encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico. Three incorporated municipalities are located on the mainland: Fort Myers (the county seat), Bonita Springs, and Cape Coral. 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, Estero, North Fort Myers, Tice, Alva, Pine Island, Matlacha, Bokeelia, St. James City, and Captiva Island. Lee County's climate can be classified as subtropical with temperatures averaging from 64 degrees (F) in January to 82 degrees (F) in August.

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, and 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 (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 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, and Gulf Environmental Services, Inc., a discrete component unit, are included in this Comprehensive Annual Financial Report.

The adopted budget is controlled in accordance with Chapter 129 of the Florida Statutes and a formal budget policy which is incorporated into the County's Administrative Code. The Budget Operations 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 Budget Operations 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 this report for each fund for which an appropriated annual budget has been adopted. Original and final budgets for major governmental funds are also provided.



Downtown Ft. Myers, www.leeislandcoast.com

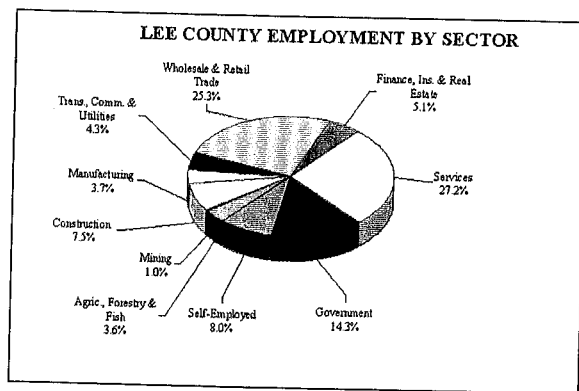
FINANCIAL CONDITION OF THE COUNTY

The information presented in the financial statements is best understood when considered from the broader perspective of the environment in which the County operates. Financial condition reflects the County's existing and future resources and claims on those resources. Information useful in assessing financial condition include a summary of the local economy, current and planned County capital projects and acquisitions, cash management and investment practices, and risk management policies.

Local Economy

Lee County currently enjoys a very favorable economic environment and continues its consistent and steady growth. The mainstay of the County's economy is tourism and retirement, and their associated services, such as health, trade, and other service-oriented industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial service industries. The Lee County School Board is the top employer in the County with more than 8,000 employees. Among the other top ten employers (in numbers of employees) are several health care systems, local and county government, grocery, general retail and resort companies, a developer/builder and Florida Gulf Coast University. In the agricultural, manufacturing, construction, retail, real estate and services industries the majority of businesses employ less than ten people. There is a strong and growing cluster of technology businesses that employs more than 6,000 people.

Employment by sector is as follows:



Source: Florida Agency for Workforce Innovation, 1999

The labor force has increased steadily to 181,961 in 2000, a gain of 17.9% from 1990. Average annual unemployment rates in 2000 for Lee County were 2.6% compared to 3.6% for Florida and 4.0% for the nation. The Florida Agency for Workforce Innovation has projected employment in Lee County will increase by 22% between 2000 and 2008 with the greatest gains in services, finance, insurance, real estate and government.

Population in the County has increased by 31.56% between 1990 to 2000 to 440,888. This compares to a population increase for Florida of 23.53%. Population projections prepared by the University of Florida, Bureau of Economic and Business research (BEBR), are 471,304 for 2005 and 514,517 for 2010. The distribution of the County's population has shifted over the last few decades. Persons 65 years of age and older grew from 12.7% of the population in 1960 to 25.4% in 2000. Persons under the age of 14 dropped from 28.5% in 1960 to 16.3% in 2000. This shift in population distribution can be attributed to the influx of retirees into the area.

Due to the events of September 11, 2001 there has been a slowing in portions of the tourism and transportation industries but the Lee County area has fared much better than other areas of the country whose economy is heavily tourism based. Visitor volume increased overall in fiscal year 2001 despite low September occupancies. At the end of fiscal year 2001 there were 1.68 million visitors to Lee County with expenditures of \$917 million representing increases over fiscal year 2000 of 1.7% and 4.8% respectively. The Lee County Visitor and Convention Bureau has increased efforts since September to promote the area to those potential visitors within driving distance. Visitation from the Florida and southeast feeder markets has expanded and helped offset the losses from Europe and the northeast U.S. Declines in hotel occupancy and visitor numbers have also been improving.

The Southwest Florida International Airport (SWFIA) located off Interstate 75 is one of the busiest and fastest-growing airports in the United States, serving domestic and international markets. It consistently ranks as one of the 60 busiest airports in the nation and well above the national average in both historical and projected growth. SWFIA enjoyed nineteen months of record-breaking passenger traffic ending in September, 2001. Passenger volume in September did drop significantly compared to the prior year, however, the fiscal year ended with passenger increases of 7.7% over 2000 and a 12-month total of 5.4 million passengers. However, current year revenue and passenger levels are down 15-20% and year-end results are not expected to meet management's original projections. In an effort to mitigate the financial impacts of September 11th, airport management has delayed several maintenance projects and, where appropriate will apply for grants in aid, related to increases in security costs at the airport.

Nearly three dozen airlines serve Southwest Florida International Airport with nonstop service to more than twenty-five domestic and four international destinations, as well as convenient connecting service to destinations worldwide. In its continued growth SWFIA has added new airline services. With the addition of JetBlue Airways' new service between SWFIA and New York's John F. Kennedy International Airport, SWFIA will provide service to all three New York metropolitan airports. Delta Express, Delta's low-fare airline, has added three new nonstop services from SWFIA - two daily nonstop flights to New York, and one each to Columbus, Ohio and Indianapolis, Indiana.

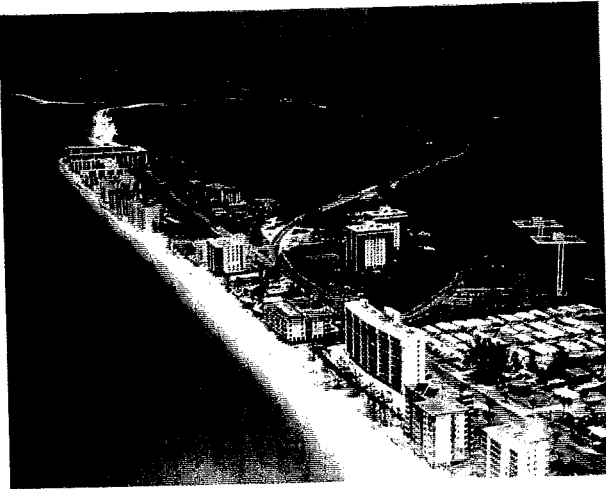
Construction activity in the County has continued to increase due to consistent population growth. New construction permitted in Lee County in calendar year 2000 set a record of \$1.375 billion over \$1.075 billion in 1999. Also in 2000, the County permitted more than 3,000 single-family homes for the first time. Lee County faces unique challenges as a magnet for development in southwest Florida. Recognizing this the County launched the Lee County Smart Growth Task Force initiative in an effort to shape the imminent growth of the area in a positive way that will enhance the fundamental character of the community. The task force includes representatives from business, government, environment, education, development and other areas of the community. They are focusing on five areas: water supply, environmental quality, land use, transportation and community character.



Southwest Florida International Airport

Several areas of Lee County are experiencing major growth with new residential and commercial developments. In the Summerlin Road area three projects are underway. Crown Colony, a 363-acre community located east of Winkler Road, will contain 500 residential units upon completion. A 968-unit apartment complex, the Monterey is currently under construction near Health Park. Summerlin Crossing located at Winkler Road is a 28-acre commercial development with 207,770 square feet of retail space containing a Publix grocery and variety of retail businesses.

In the Bonita Springs area Mediterra and Vasari, two residential communities containing 550 and 800 residential units respectively, are currently under construction. The Brooks, developed by the Bonita Bay Group continues its large-scale development. At completion the 2,500-acre community located off of U.S. 41 in Bonita Springs will contain over 5,000 homes and condominiums, several championship golf courses, and 250,000 square feet of commercial buildings. Another commercial development, the Riverview Center plans 260,000 square feet of development on 23 acres north of the Imperial River.



Bonita Beach, www.leeislandcoast.com

The Estero area continues its rapid development, particularly in the area near the existing Miromar Outlets and Florida Gulf Coast University. Miromar Lakes Beach and Golf Club will include over 3,000 single and multi-family homes, 250,000 square feet of retail floor area, 340,000 square feet of office area and a 450-room hotel. The up-scale community is centered around more than 700 acres of lakes and two 18-hole golf courses.

Growth is also evidenced by the many new businesses in Lee County. The Office of Economic Development has been instrumental in this effort. In 2001 twenty-seven companies utilized their assistance in relocating or expanding to our area resulting in the addition of over 1,300 new jobs, \$43 million in wages and a total economic impact of \$59 million. Several of these new and expanding companies have decided to establish or move their headquarters to Lee County. Bonita Springs will be home to Source Interlink Companies, a leading direct magazine distributor and provider of magazine sales information and services to the publishing and retailing industries. The company, relocating its headquarters from St. Louis, is expected to create 240 new jobs and 322 indirect jobs and have an economic impact of \$19.1 million. Master Protection Corporation, a leading provider of comprehensive fire safety and compliance solutions, is also relocating its headquarters to Lee County. The move and expansion of existing facilities is expected to provide an additional 50 to 75 new jobs in its first year with a yearly economic impact of \$9.5 million. Regal Discount Securities, a Chicago-based discount brokerage company opened a new office in Fort Myers this fiscal year, which will serve as the regional headquarters for InvesTrade, Regal's deep discount Internet stock brokerage division and outlet for low cost broker-assisted investment services. The Lee County office is expected to employ more than 50 people with an economic impact of more than \$3 million a year.

A number of properties offering a variety of accommodations have opened in Lee County this year. The 450-room Hyatt Regency Coconut Point Resort & Spa opened in Bonita Springs in September. The hotel will offer eco-tours, fishing, bird watching, a private beach island and 27-hole golf course. The Hilton Garden Inn opened in Fort Myers and features 126 guest rooms targeting both business and leisure clientele. The Wynstar Inn and Suites with 77 rooms provides accommodations close to the Southwest Florida International Airport. The Hampton Inn & Suite conveniently located near the beaches opened in February and offers 120 guest rooms and one-bedroom suites.

Lee County has earned some favorable rankings nationwide. Forbes Magazine ranked Fort Myers-Cape Coral as the 52nd "Best Place" for business and career. Their criteria included job creation, earned income, and output in several critical technology sectors. For the second consecutive year the Lee Island Coast (Fort Myers area) has also earned a spot on the Top 10 list of U.S. winter destinations according to the American Society of Travel Agents. Fort Myers (tying with Denver) shares the honors as a winter hot spot along with major tourist cities such as Las Vegas, Orlando, New York City and Miami. Fort Myers also ranked as 35th of the Best Small Metro Areas In America for Starting and Growing a Business by Inc. Magazine.

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. The CIP budget of \$120 million remained relatively unchanged between fiscal year 2000 and 2001 whereas the upcoming budget reflects an

increase of \$50 million in planned projects from prior years. In addition to this funding by the County, over \$13 million was awarded in federal and state grants for capital projects in fiscal year 2001.

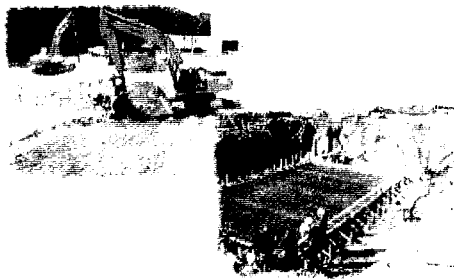
The Division of Solid Waste completed construction of its new recycling facility this year. The 60,000 square foot state-of-the-art Recovered Materials Facility will provide improved operating efficiencies, lower electric costs and the ability to process additional commodities. Permits are currently being prepared for the expansion of the award-winning Waste-to-Energy Facility. With the addition of a third 600 ton-per-day boiler unit at a projected cost of \$70 million, capacity will increase by 50 percent to 1,800 tons per day. Phase II of the Hendry County Landfill project was completed with operations slated to begin in fiscal year 2002 at the Lee/Hendry Regional Disposal Facility.



LeeTran at The Bell Tower Shops

The Utilities Division experienced a major operational change this year. The County decided to bring its water and wastewater operations back in-house after having the contract privatized for the past five years. To effect this change over 120 employees were hired to staff the five wastewater-treatment and five potable water-treatment plants and a number of improvements were made since that time improving the system's performance.

In addition to this time-consuming operational change, many other utilities projects were completed in fiscal year 2001. The Pine Island Wastewater Treatment Plant was completed and placed in operation in February. The new plant with a treatment capacity of 500,000 gallons-per-day replaces the existing Matlacha plant and will serve as a regional treatment facility on the island. Design of the Fiesta Village Wastewater Treatment Plant expansion from 2.5 million gallons-per-day (mgd) to 5.0 mgd capacity is completed. This project will allow for future growth within the South Fort Myers/Lee County area. A new 5.0 mgd water treatment plant to be located in North Fort Myers is in the design phase. This facility with initial treatment capacity of 5.0 mgd will draw water from the Lower Hawthorne Aquifer and be treated through a reverse osmosis process. It will provide additional potable water during the dry season and decrease reliance on water from the Caloosahatchee River. Upcoming projects included expansion of the Corkscrew and Green Meadows Water Treatment Plants, Olga Water Treatment Plant improvements and construction of the Airport Sewer District Wastewater Treatment Plant.



Fiesta Village Advanced Wastewater Treatment Plant Expansion

The County Department of Transportation continued its substantial road construction and improvement program. Major road projects completed in fiscal year 2001 include the Daniels Parkway extension between Gateway and State Road 82 in Lehigh Acres, the widening of Leeland Heights Boulevard to four lanes from Homestead Boulevard to Lee Boulevard and improvements to Business 41/ Pondella Road in North Fort Myers.

Projects currently in process and in the design or permitting phase include:

- Veterans Memorial Parkway Extension to Burnt Store Road – this will complete the Midpoint Memorial Bridge Corridor, a continuous thirty mile roadway running from Lehigh Acres to Punta Gorda
- Livingston Road Extension from the Lee/Collier County line to Bonita Beach Road
- Bonita Beach Road widening from Imperial Street to I-75 and resurfacing from Vanderbilt Drive to Imperial Street
- Widening of Pondella Road, Lee Boulevard, Cypress Lake Drive and Alico Road
- Widening of Summerlin Road from Boy Scout Road to University Drive
- Business 41 widening between State Road 78 to Littleton Road
- Three Oaks Parkway extension North from Alico and South from the Brooks
- Treeline Avenue extension near Southwest Florida International Airport

Lee County and the City of Fort Myers have entered into an interlocal agreement to share in the cost of designing the extension of Palmetto Avenue. This extension will provide a much needed north-south road corridor through Fort Myers by connecting the existing gaps in the road between Colonial Boulevard and State Road 82. Construction is expected to begin in fiscal year 2003.

The Lee County Library System opened the doors to the new \$8.5 million East County Regional Library in May. This facility at 40,000 square feet is easily five times the size of the old Lehigh Acres Library and features 60 public-use computers, a large meeting room and extensive facilities for children and teens. Next on the agenda for library capital projects is the expansion of the Cape Coral Library. This \$5 million project will double the size of the facility from 19,800 square feet to 40,000 square feet and



Six Mile Cypress Slough Preserve, www.leeislandcoast.com

provide much needed space and equipment for the system's busiest library. The new construction and renovations should be completed in 2002.

The Parks and Recreation Department continued to upgrade its facilities as well as construct a number of new parks and playgrounds. A 3,000 square foot water playground was opened at Lakes Regional Park in May. The \$150,000 playground, which will be open year round, has a "Florida Cypress swamp" theme. Other new playgrounds were completed in 2001 at the Boca Grand Community Center, Three Oaks Community Park and Phillips Park on Pine Island. And as part of one of the hottest trends in America, a dog park providing a leash-free area for pets to run and a leashed trail area, was built in Buckingham Community Park. Along the same lines "Dog Beach" at New Pass on Lover's Key was opened in June. Phase I of the Estero/Bonita Community Park was completed with Phase II slated for next year. Future plans include improvements to Schandler Hall Park and the Boca Grand Community Center.

Several beach restoration projects are underway on Estero and Gasparilla Islands. On Estero Island the project will widen 4.6 miles of Fort Myers Beach running southeast from Bowditch Point as well as 1.1 miles on Lover's Key. On Gasparilla Island 900,000 cubic yards of beachfill will be placed along 3.2 miles of critically eroded shoreline immediately north of Boca Grand Pass. The renourishment of Bonita Beach, which will widen 0.8 miles of the beach, is expected to begin in fiscal year 2002.

Lee County's Conservation 2020 program continues to fulfill the mandate given it by county taxpayers to purchase environmentally sensitive lands. More than 7,000 acres have been acquired since voters approved a referendum in 1996 to increase property taxes for seven years by 50 cents for every \$1,000 of taxable property value. The increase raises approximately \$12 million a year to buy environmentally sensitive land. Over 5,000 acres alone were purchased in fiscal year 2001. Conservation 2020's largest acquisition was of 2,388 acres located just west of Interstate 75 from the Charlotte County line to Del Prado Extension. The tract, costing \$6.35 million has extensive hydric-mesic pine flatwoods, mature pines, interspersed with freshwater wetlands. Wildlife on the site includes migratory birds, wood storks, red-cockaded woodpecker, black bear, deer and bobcats. Perhaps the most significant purchase this year was of Bunche Beach. The 730-acre coastland parcel fronting Estero Bay and the Gulf of Mexico located south of Summerlin Road is one of the most important native, natural and pristine coastland areas in the county with development potential.

In 1998 the county adopted a Roadway Landscaping Master Plan identifying a number of beautification priorities throughout the county and laying out a coordinated effort among several local organizations and programs to keep our roadways beautifully landscaped, well-maintained and free from litter. "LeeScape" projects completed this year include landscaping along McGregor Blvd near Gulf Harbor (jointly funded with WCI), the Daniels Parkway project from Jetport Commerce Parkway to Six Mile Cypress Parkway and Bonita Beach Road project from Old U.S. 41 to Arroyal Road.

Lee County's Intermodal Transfer Center (ITC) which opened in late 2000 will serve Lee Tran (the county's bus system), Greyhound bus and taxi passengers and will be the Fort Myers home of Greyhound. The 21,000 square foot facility provides 14 covered shelters for Lee Tran and Greyhound buses, taxicab spaces and a customer parking lot. The \$2.6 million ITC will give public transportation passengers an efficient and seamless way to travel door-to-door to destinations in Lee County and throughout the state and nation.

The Community (Juvenile) Assessment Center (CAC) and new inmate procession facilities were completed this fiscal year as part of the Lee County Jail Expansion. The CAC will allow professionals to screen, assess and refer juvenile delinquents to the proper services and provide an avenue for families in crises to seek services before the child commits a delinquent act. Phase II, currently underway, includes the construction of a 352-bed women's jail and 75,000 square foot central services/administration building at the Ortiz Correctional Facility and should be completed in 2002.



Hickey Creek Mitigation Area

Additional capital projects completed in fiscal year 2001 include the Animal Services Center, Bowditch Park parking lot and DOT Billy Creek Depot. Ongoing projects include the Firearms Training Facility (a public/private use indoor shooting range), Code Enforcement/Licensing Building and Hickey Creek Mitigation Park.

Design of the Midfield Terminal Complex at Southwest Florida International Airport is near completion. The site preparation bid has been awarded and work is expected to begin in early 2002. The Port project team has recently secured the final permit from the U.S. Army Corps of Engineers to commence construction activities. The project, which includes a 750,000 square foot terminal with 28 aircraft gates on three concourses, a 12,000-foot parallel taxiway, a three-story parking garage, large surface parking areas, and access roads including a two-level terminal roadway system and other improvements, is expected to be completed in 2005.



Midfield Terminal Signature Shot

A new Vehicle Maintenance Facility opened at SWFIA late this year. The 11,000 square foot facility, featuring state-of-the-art equipment, is being used to service and maintain vehicles and equipment used by departments responsible for operations and maintenance of the airports, including Aircraft Rescue and Fire Fighting, Airport Police and Facilities Maintenance and Operations. The \$2.2 million project was completed in thirteen months.

The success of Page Field General Aviation Airport continues. Recent improvements include 26 new T-hangars with an associated ramp, new corporate hangars, and airfield signage. New angled taxiways are currently under construction. The restoration of the former terminal building should be completed by 2003 with 100% tenancy at the same time. A portion of the terminal building is being leased to the State of Florida, Department of Highway Safety and Motor Vehicles (DHSMV) and will house a multi-agency communications center operated by the Florida Highway Patrol.

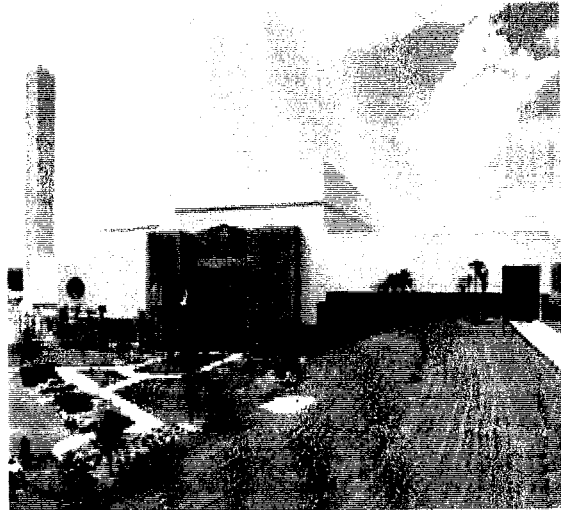
Some of the major grants the County received during fiscal year 2001 include:

- Over \$7.7 million in partial funding from the Florida Department of Transportation through the County Incentive Grant Program for a variety of road projects:
 - \$2.730 million for the four lane extension of Three Oaks Parkway from north of Alico Road to Daniels Parkway.
 - \$672,000 for four-lane extension of Three Oaks Parkway south from Corkscrew Road to Williams Road.
 - \$1.132 million for four-lane connection of Livingston Road and Imperial Street from Collier County line to Bonita Beach Road.
 - \$3.125 million for widening to four lanes of Business 41 in North Ft Myers from Marianna Avenue to Littleton Road.
- Various federal grants totaling \$4.5 million and various state grants totaling \$2.8 million to the Port Authority for the Midfield Terminal construction and other miscellaneous projects.
- Federal grants totaling \$2.1 million to improve and redevelop low-income housing areas.
- \$1.5 million in federal and state grants to study expanding the variable pricing program for the toll facilities and the use of "queue jumps" to relieve traffic congestion.
- Federal grants totaling \$1.9 million to promote housing for homeless people.
- A \$500,000 state grant for Gator Slough Watershed Management Improvements.
- A state grant for \$561,000 to offer down payment assistance for purchasing low-income housing.
- A state grant for over \$900,000 to operate the County's transit system.

The County, its employees and its residents won a number of awards for significant achievements and innovative programs. The County received three "Achievement Awards" from the National Association of Counties (NACo) for several programs administered by the County government. The Department of Human Services' Lee Education and Employment Program is designed to produce a substantial income increase for low-income working adults and provide a career path with future upward mobility. The Artificial Reef Plan was written by the Division of Natural Resources management as a tool to guide the development of

artificial reefs and has been a major factor in Lee County being ranked in the top two applications for reef grant funding from the Florida Fish and Wildlife Conservation Commission for each of the last three years. And finally the Library System received the award for its Born to Read Project, a community partnership project encouraging parents to read to their children beginning at birth.

The Solid Waste Division's Waste-to-Energy plant which was built ten years ago amid controversy and dissension continues to garner professional awards bringing home the prestigious "Facility Recognition Award" from the American Society of Mechanical Engineers this year for its contributions to the field of solid waste processing. In 2000 Lee County residents earned their own award by achieving the highest recycling rate in the state - 38%!



The crew that maintains the Lee County Sports Complex's stadium baseball field won the 2000 "Best Municipality" Award for best ball field maintained by a Florida city or county for the fifth time in ten years. Lee County Emergency Medical Services and Health Department were awarded the prestigious Davis Productivity Award for developing an innovative system that supplies oxygen to hurricane shelters. This award is given to government employees whose work significantly and measurably increases productivity and/or saves public dollars.

Lee County was one of only 28 counties nationwide to receive a "Disaster Resistant Communities Leadership" Award from the Federal Emergency Management Agency and NACo. The award is presented to elected officials who have demonstrated outstanding leadership in the area of disaster prevention and mitigation. Lee County was recognized for the effectiveness of its floodplain management initiatives.

Cash Management and Investments

Cash temporarily idle during the year was invested. Cash in a depository account is either invested in overnight repurchase agreements, one-day discount notes, or transferred to the State Board of Administration's (SBA) Local Government Surplus Funds Investment Pool Trust Fund. The Board's repurchase agreements (repo's) require the investments to be collateralized at 101 percent for Treasuries or 102 percent for agencies. The overnight repurchase agreements held by the Clerk of Circuit Court, Property Appraiser, and Tax Collector are collateralized by securities held by the financial institutions' trust department, but not in the Constitutional Officers' names. The risk of loss is considered minimal to the County due to the short-term nature of these investments.



Investments during the year were:

Repurchase agreements with primary United States broker/dealer firms, reporting daily to the New York Federal Reserve Bank. All term repurchase agreements (except those held by the County's trustees) are collateralized by at least 101 or 102 percent with the collateral held in the County's name by a third-party safekeeping agent. The collateral is valued weekly. The flex repurchase agreement is collateralized by at least 104 or 105 percent with the collateral held in the County's name by a third-party safekeeping agent. The collateral is valued daily.

The Florida State Board of Administration operates an investment pool for local governments. The underlying securities and the State General Fund collateralizes investments in the pool.

Additional investments utilized during the year were: government agencies and instrumentalities and money market mutual funds whose investments consist primarily of municipals and U.S. government obligations.

At September 30, 2001 and 2000, the County's fair value investment resources consisted of the following (dollars in thousands):

	<u>Range of Interest Earned</u>			
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Overnight repurchase agreements	-0-	\$ 85,575	3.63-6.60%	5.25-6.66%
Flex repurchase agreement	\$ 269,846	280,437	6.95%	6.95%
Investments held by State Board of Administration's Local Government Surplus Funds Investment Pool Trust Fund	419,132	119,306	3.45-6.51%	5.42-6.48%
U.S. Treasuries, agencies and instrumentalities	253,825	415,163	5.89-7.25%	5.375-7.78%
Collateralized GIC	-0-	17,368	na	7.24%
Money market mutual funds	91,103	54,835	3.69-6.31%	5.23-6.39%
Total	<u>\$ 1,033,906</u>	<u>\$ 972,684</u>		

The unrealized gain on investments held at year-end for fiscal year 2001 and 2000 was \$15,064,000 and \$1,647,000 respectively.

Risk Management

The Board maintains a property and casualty self-insurance program that is County-wide except for the Lee County Sheriff's Office and the Port Authority. The concept of the self-insurance program is to allow the County to absorb covered losses up to a specified annual amount. Excess and other specific coverages are purchased from third-party carriers.

Additionally, the County maintains a self-insurance program to administer insurance activities relating to County-wide employee group health and dental programs excluding the Lee County Clerk of Circuit Court and Sheriff's Office. The Board absorbs losses related to these programs up to specific and 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.



Barrier Islands, www.leeislandcoast.com

At September 30, 2001, the County had recorded liabilities equal to the amounts reflected as reserved, unasserted claims and the ultimate loss on asserted claims. These amounts were calculated by the third-party self-insurance program underwriters and actuaries, and are based on industry standards. The two self-insurance programs' activities are reflected in the internal service funds.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2000. This was the sixteenth consecutive year that the County has received this prestigious award.

In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

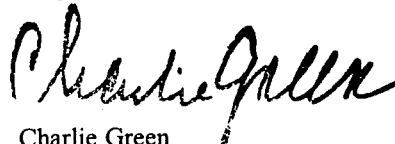
The County also received GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2000. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be superior in several categories including policy documentation, financial planning, and organization.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and the various managers and fiscal officers of the County Departments.

The efforts of Finance's General Accounting personnel-Terry Mallow, CPA, Manager; Michele Crowell; Sean O'Neill; Tracy Schatzman; Patricia Stokes; Marcia Simons and Cindy Uzzell are especially noteworthy.

Respectfully submitted,



Charlie Green
Clerk of Circuit Court



Donna G. Harn, CPA, CGFO
Finance Department Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lee County,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

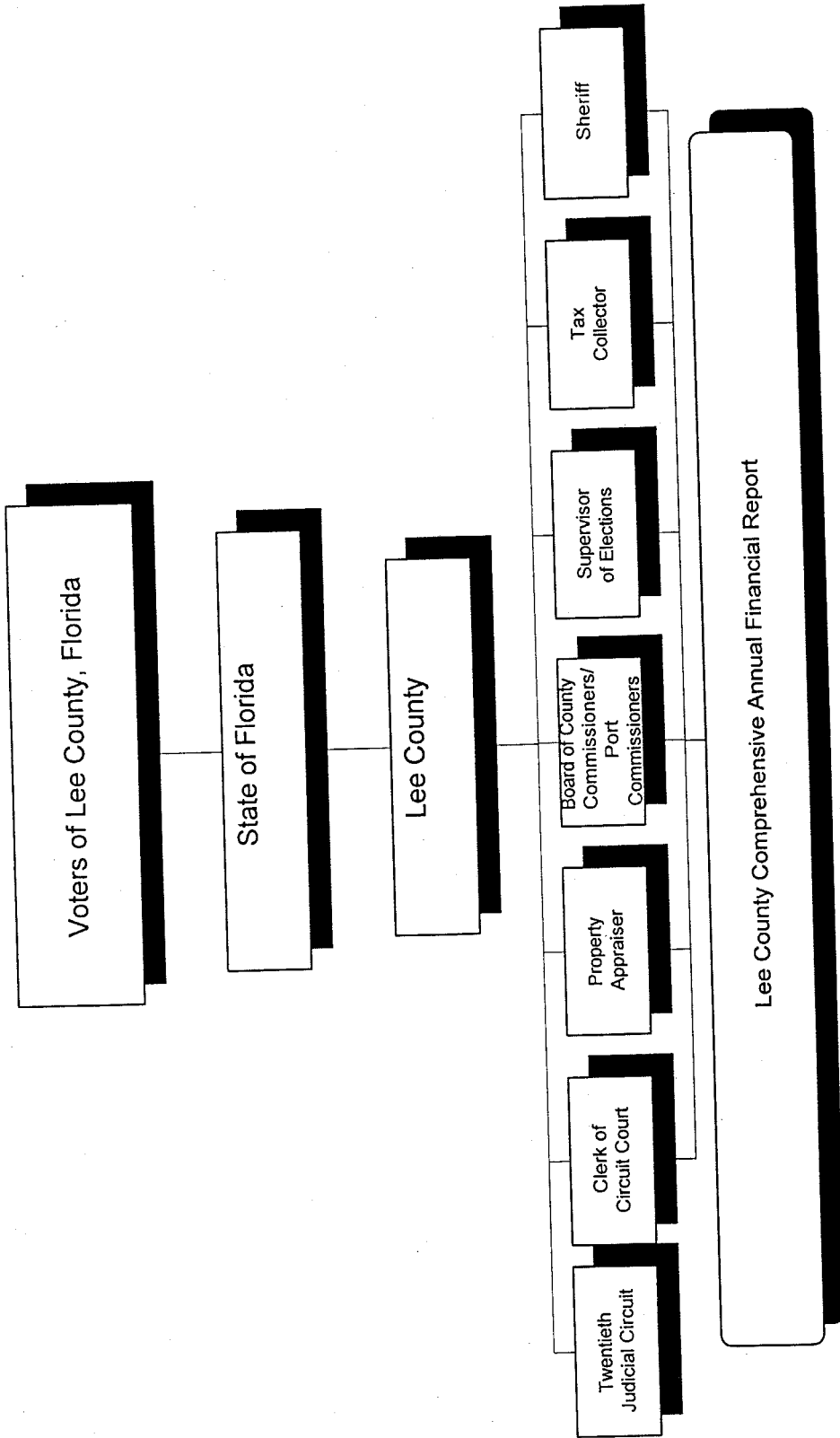
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



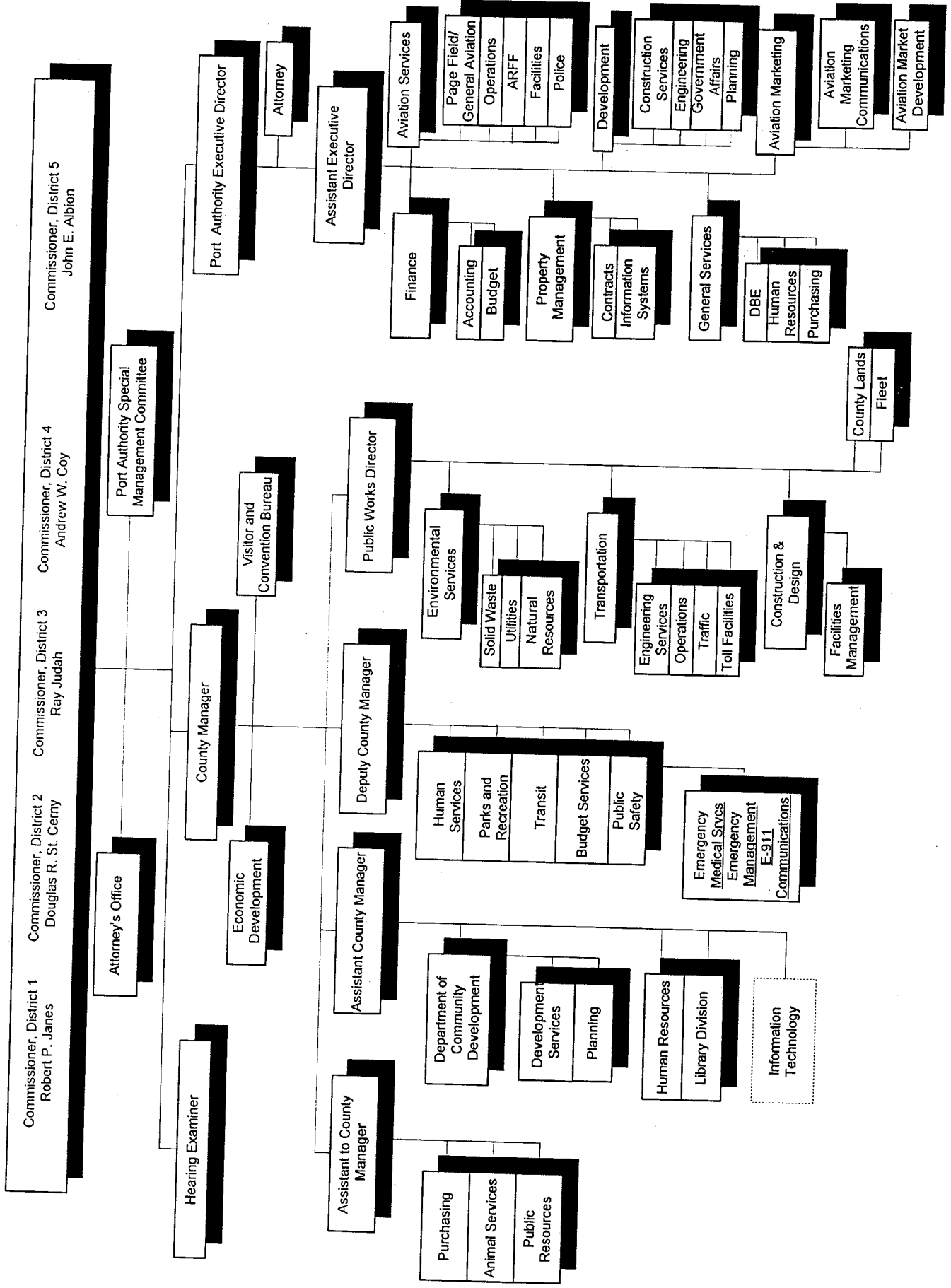
Thomas A. Drew
President

Jeffrey L. Esser
Executive Director

Lee County, Florida

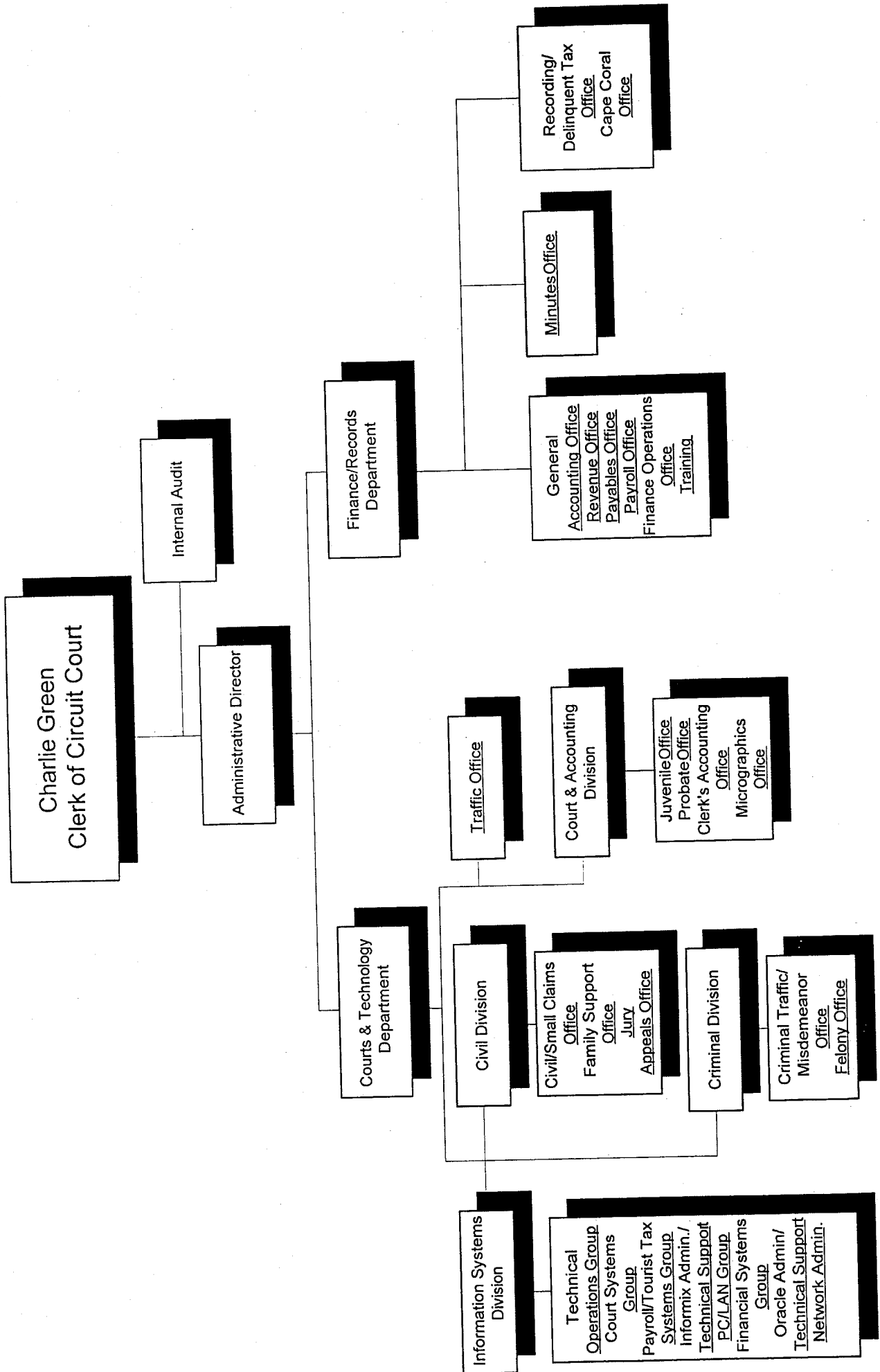


Lee County Board of County Commissioners/Port Commissioners as of September 30, 2001



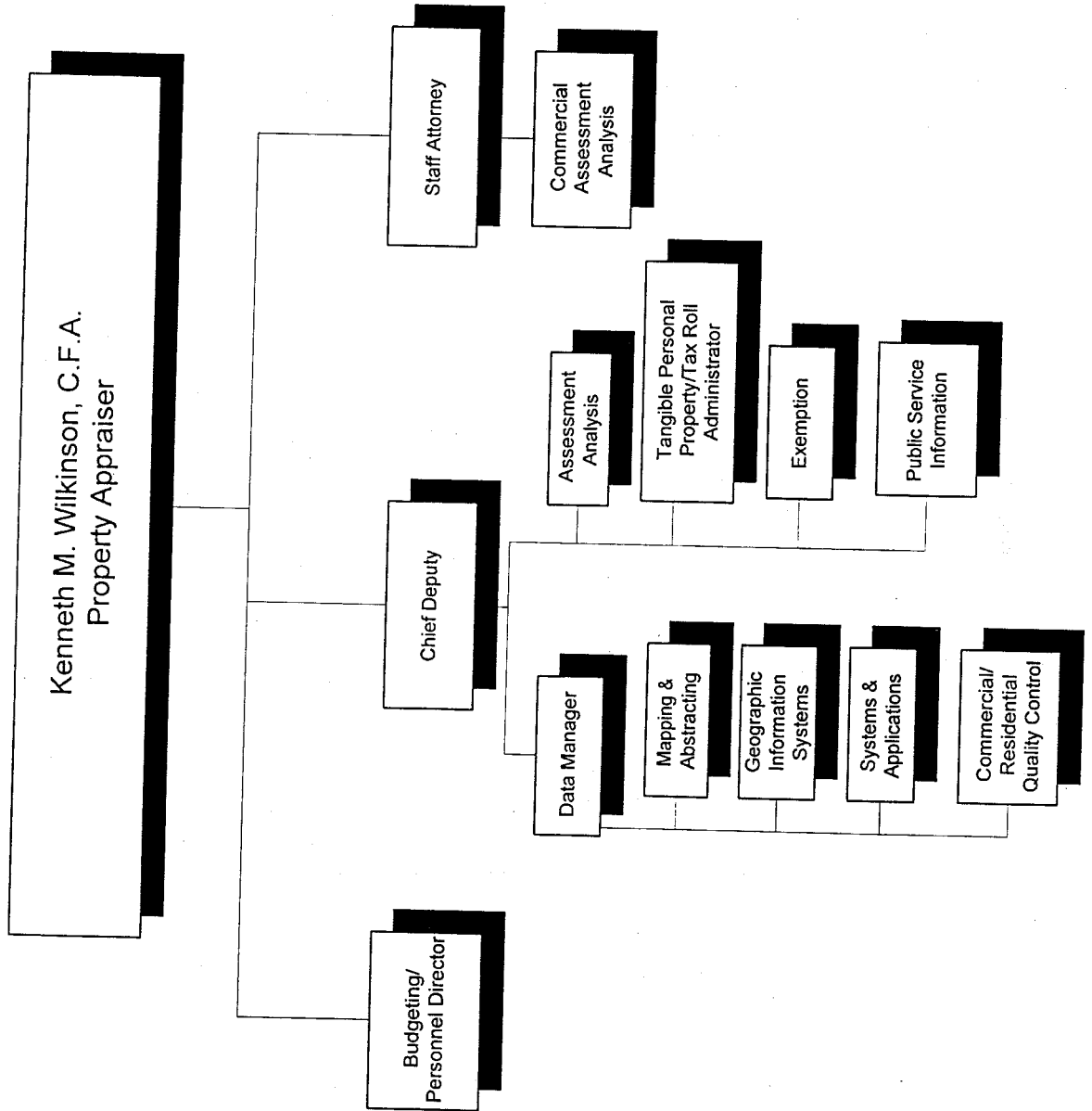
Lee County Clerk of Circuit Court

as of September 30, 2001



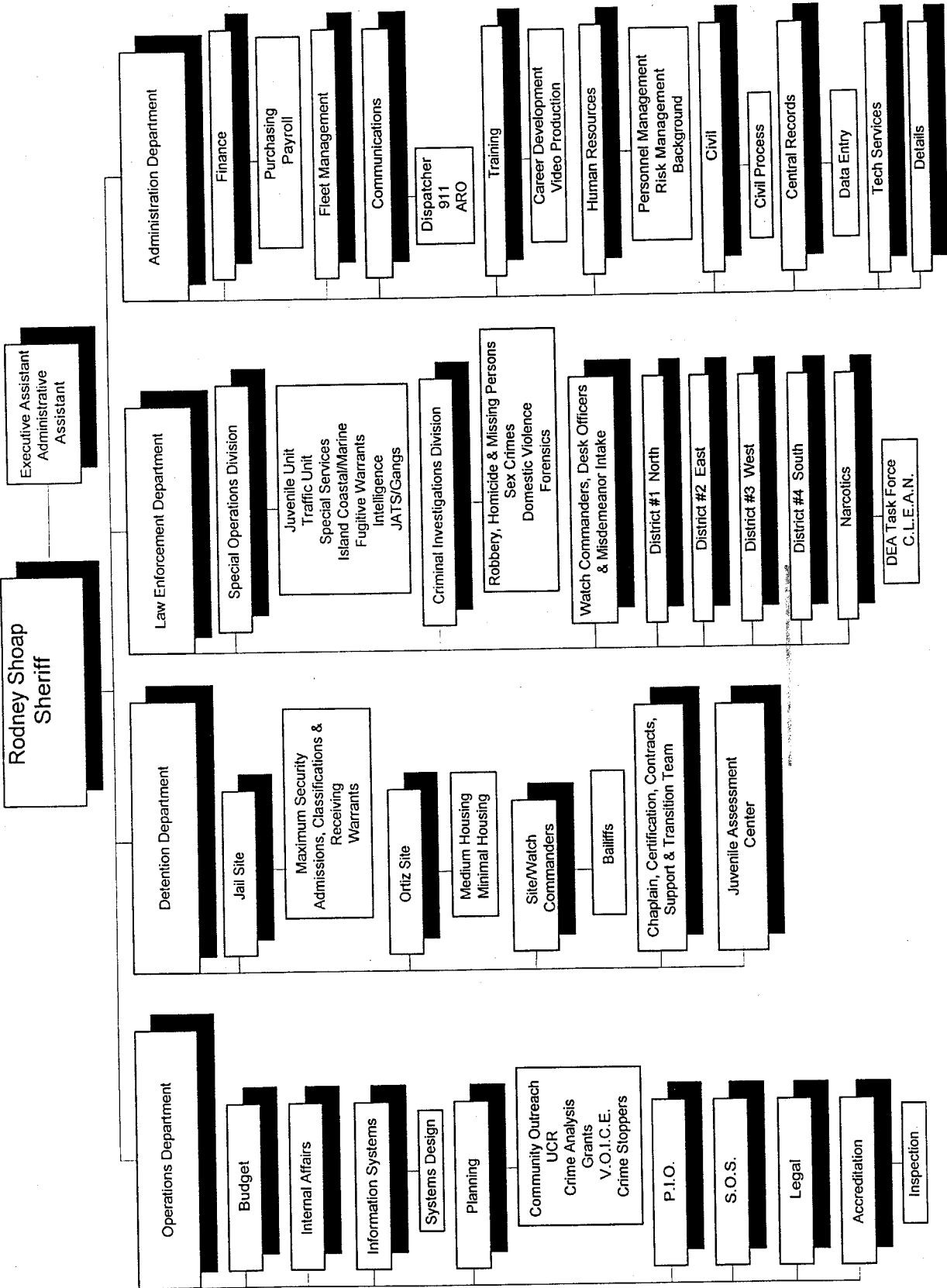
Lee County Property Appraiser

as of September 30, 2001



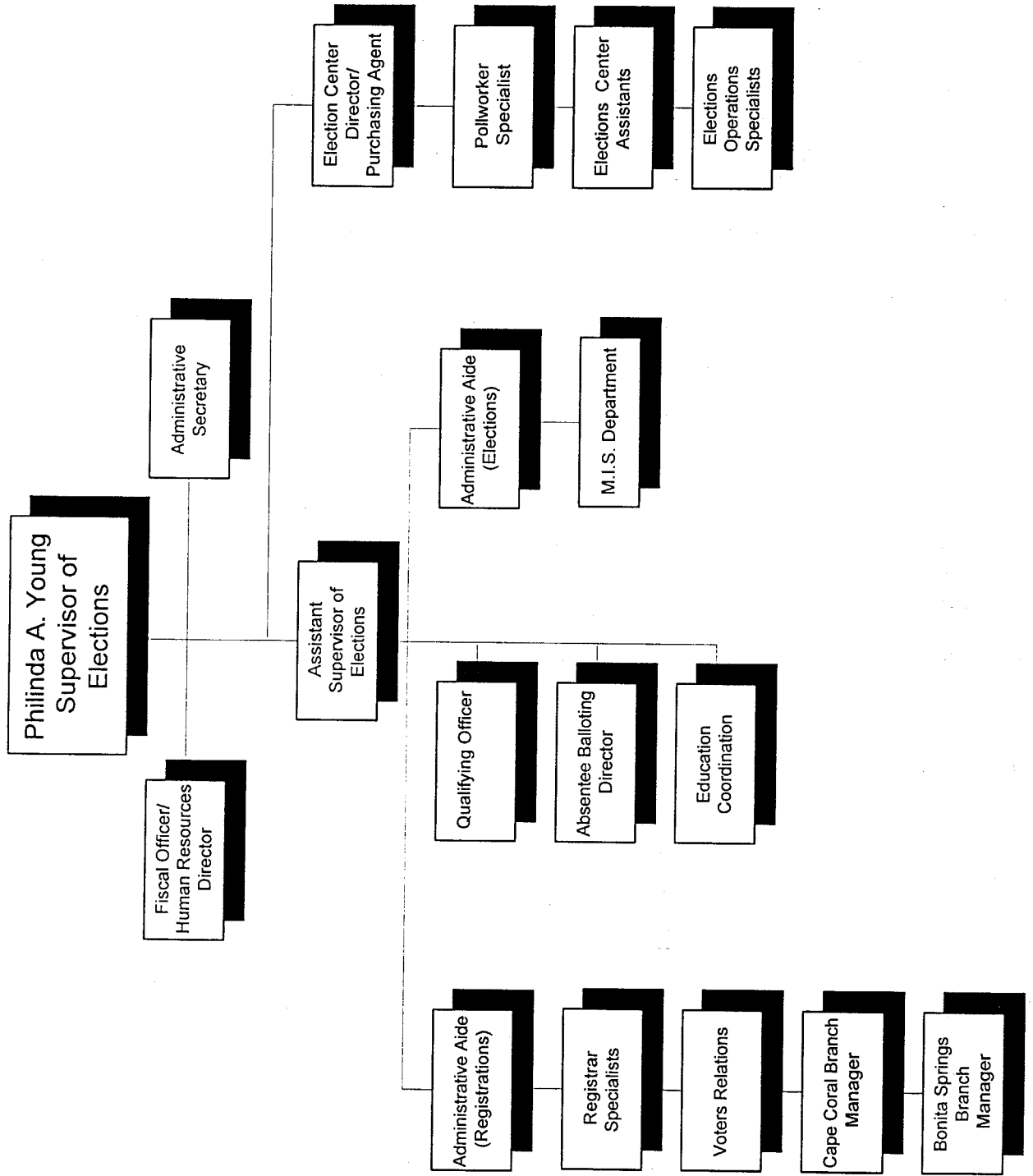
Lee County Sheriff's Office

as of September 30, 2001



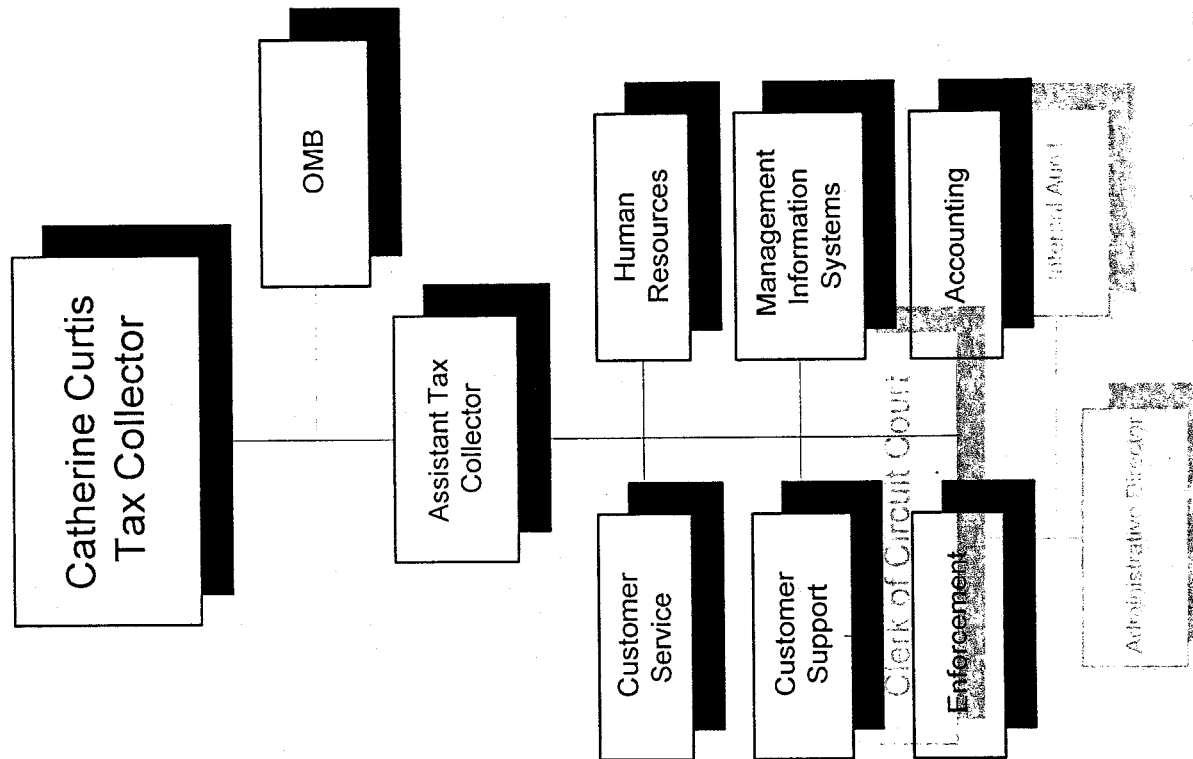
Lee County Supervisor of Elections

as of September 30, 2001



Lee County Tax Collector

as of September 30, 2001





Financial Section



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111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

Independent Auditors' Report

To the Board of County Commissioners
and the Constitutional Officers of
Lee County, Florida:

We have audited the accompanying basic financial statements of Lee County, Florida (the "County") as of and for the year ended September 30, 2001, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the management of Lee County, Florida. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the five separately elected Constitutional Officers of Lee County, Florida including the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The financial statements of those operations not audited by us reflect total assets of \$44,738,000 as of September 30, 2001, and total revenue of \$33,782,000 for the year then ended of the governmental and fiduciary funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of Lee County, Florida, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note I to the basic financial statements, in fiscal year 2001, Lee County, Florida adopted Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.



KPMG LLP, KPMG LLP and US are limited liability partnerships, a member of KPMG International, a Swiss association.



In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2002 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 5-14, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Lee County, Florida, taken as a whole. The combining financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lee County, Florida. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

January 18, 2002

Management Discussion and Analysis

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, 2001. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this, in conjunction with additional information provided in our letter of transmittal (pages ix – xviii), will assist readers in identifying significant financial issues and changes in the County's financial position. In this MD&A, all amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- At the close of fiscal year 2001 the County's assets exceeded its liabilities, resulting in net assets of \$1,480,717. Governmental and business-type assets exceeded its liabilities by \$855,870 and \$624,847, respectively.
- The County's total net assets increased \$166,594, or 13 percent, in comparison to prior year.
- The County had \$371,677 of unrestricted net assets that can be used to meet the County's ongoing obligations.
- Total revenues increased \$25,015, or 4 percent, in comparison to prior year.
- Total expenses decreased (\$11,568), or (2.3) percent, in comparison to prior year.
- The County's governmental activities reported total net assets of \$855,870, which is an increase of \$93,891, or 12.3 percent, in comparison to prior year. Approximately 24 percent of the total, or \$207,217, is unreserved, undesignated, and thus available for spending at the County's discretion.
- The County's business-type activities reported total net assets of \$624,847, which is an increase of \$72,703, or 13.3 percent, in comparison to prior year. Nearly 26.3 percent of the total, or \$164,460, is unrestricted, and thus available for spending at the County's discretion.

Government-wide Financial Statements

The government-wide financial statements (statement of net assets and statement of activities found on pages 16-17) 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 and is reported separate from the component unit for which the County is accountable. In addition, neither fiduciary funds nor component units that are fiduciary in nature are 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 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 segment, 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 maintains indirect expenses and therefore reports this allocation in a separate column on the government-wide statement of activities.

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

Governmental Standards Board Statement Number 34, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments (GASB 34) not only mandated changes in the

Lee County, Florida

financial statements but also set-forth reporting changes. One such change is to capitalize infrastructure both prospectively and retrospectively for fiscal years that end after June 30, 1981. Even though GASB 34 provides additional time to capture and value the retrospective infrastructure, the County has chosen to report it in fiscal year 2001. Although most of the infrastructure has been identified, valued, and recorded, a network of developer constructed roads that were given to the County in exchange for impact fee credits needs to be identified and will be recorded in fiscal year 2002.

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, liabilities, fund equity or retained earnings, 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 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.

Governmental Fund Financial Statements

Governmental fund financial statements (found on pages 18-23) are prepared on the modified accrual basis using 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 Municipal Service Taxing Unit (MSTU), are classified as major funds. All other governmental funds are combined into a single column on the governmental major-fund financial statements. Individual fund data for the non-major funds are found in combining statements as supplemental financial data.

The County adopts an annual budget for all funds except for the Sheriff's special revenue fund, agency funds, and permanent funds. A budgetary comparison has been presented for the General Fund and MSTU, which compares not only actual results to budget but also the original adopted budget to final budget.

Proprietary Fund Financial Statements

Proprietary fund financial statements (found on pages 24-30), 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, yet combined into a single column on the proprietary fund financial statements.

Lee County, Florida

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

Fiduciary Fund Financial Statement

The fiduciary fund financial statement (found on page 31) is not included in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The only type of fiduciary funds the County maintains, agency funds, are used to account for assets held by the County as an agent for individuals.

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 beginning balances have been adjusted to conform with GASB 34 so that the comparison to prior year can be made.

The following is a condensed summary of net assets for the primary government for fiscal years 2001 and 2000.

Lee County, Florida
Summary of Net Assets
September 30, 2001 and 2000

	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
Current and other assets	\$488,144	\$464,398	\$676,707	\$648,150	\$1,164,851	\$1,112,548
Capital assets	758,021	694,600	901,981	870,798	1,660,002	1,565,398
Total assets	1,246,165	1,158,998	1,578,688	1,518,948	2,824,853	2,677,946
Other liabilities	93,532	84,029	36,566	37,559	130,098	121,588
Non-current liabilities	296,763	311,672	917,275	929,816	1,214,038	1,241,488
Total liabilities	390,295	395,701	953,841	967,375	1,344,136	1,363,076
Net Assets:						
Invested in capital assets, net of related debt	479,665	416,326	283,959	255,374	763,624	671,700
Restricted	168,988	166,171	176,428	168,572	345,416	334,743
Unrestricted	207,217	180,800	164,460	127,627	371,677	308,427
Total net assets	\$855,870	\$763,297	\$624,847	\$551,573	\$1,480,717	\$1,314,870

The investment in capital assets, net of related debt is the largest portion of the net assets. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles and rolling stock, and infrastructure), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The invested in capital assets, net of related debt balance of \$763,624 (51.6 percent of total net assets) increased \$91,924, or 13.7 percent, in comparison to prior year.

The restricted net asset balance of \$345,416 (23.3 percent of total net assets), increased \$10,673, or 3.2 percent, in comparison to prior year. This balance represents assets that are subject to external restrictions on how they are used.

The unrestricted net asset balance of \$371,677 (25.1 percent of total net assets), increased \$63,250, or 20.5 percent, in comparison to prior year. This balance represents assets that are available for spending at the County's discretion.

Lee County, Florida

The following schedule compares the revenues and expenses for the primary government for the current and previous fiscal years (dollars in thousands):

Lee County, Florida
Summary of Revenues and Expenses
As of September 30, 2001 and 2000

	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
Revenues:						
Program revenues:						
Charges for services	\$57,607	\$66,070	\$174,354	\$165,615	\$231,961	\$231,685
Operating grants and contributions	30,342	35,779	4,384	4,687	34,726	40,466
Capital grants and contributions	5,510	2,891	31,803	23,616	37,313	26,507
General revenues:						
Taxes	222,375	210,257	1,717	1,766	224,092	212,023
Impact fees	10,165	16,768			10,165	16,768
Grant and contributions not restricted to specific programs	30,399	28,884			30,399	28,884
Other	53,443	45,402	29,750	25,099	83,193	70,501
Total revenues	409,841	406,051	242,008	220,783	651,849	626,834
Expenses:						
Program activities:						
General government	94,390	104,701			94,390	104,701
Public safety	106,205	101,585			106,205	101,585
Physical environment	8,479	8,049			8,479	8,049
Transportation	32,248	42,645			32,248	42,645
Economic environment	15,960	19,260			15,960	19,260
Human services	11,716	10,725			11,716	10,725
Culture and recreation	41,074	37,713			41,074	37,713
Interest on long-term debt	13,112	13,663			13,112	13,663
Indirect expenses	(1,475)	(1,364)	1,475	1,364	0	0
Business-type activities:						
Airport			40,577	37,946	40,577	37,946
Water and wastewater			42,026	41,799	42,026	41,799
Transit			10,093	9,302	10,093	9,302
Transportation facilities			20,708	22,634	20,708	22,634
Solid Waste			48,667	46,801	48,667	46,801
Total expenses	321,709	336,977	163,546	159,846	485,255	496,823
Total change in net assets before transfers	88,132	69,074	78,462	60,937	166,594	130,011
Transfers	5,759	146	(5,759)	(146)	0	0
Increase in net assets	93,891	69,220	72,703	60,791	166,594	130,011
Net assets October 1, 2000	761,979	694,077	552,144	490,782	1,314,123	1,184,859
Net assets September 30, 2001	\$855,870	\$763,297*	\$624,847	\$551,573*	\$1,480,717	\$1,314,870*

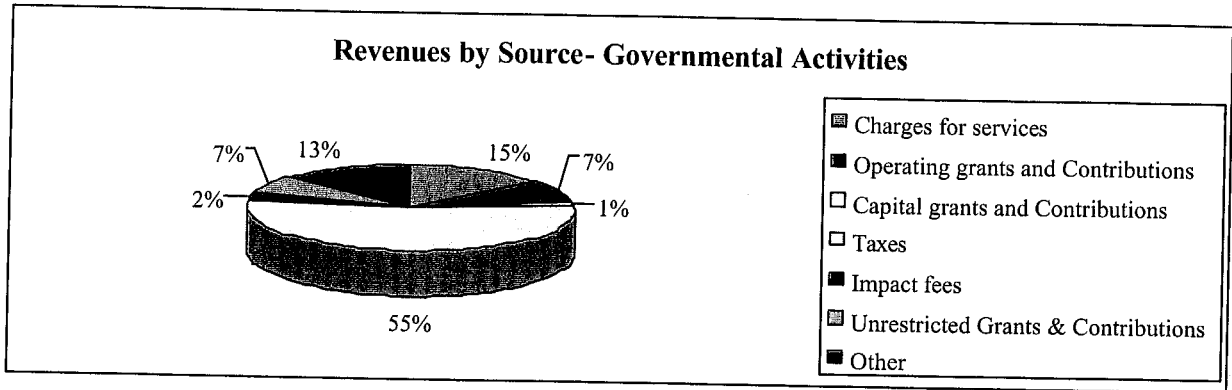
* The fiscal year 2000 balance does not match the fiscal year 2001 beginning balance due to a reclassification of some fund types and prior period adjustments.

Total revenues increased \$25,015, or 4 percent, in comparison to prior year. Total expenses decreased (\$11,568), or (2.3) percent, in comparison to prior year.

Governmental activities

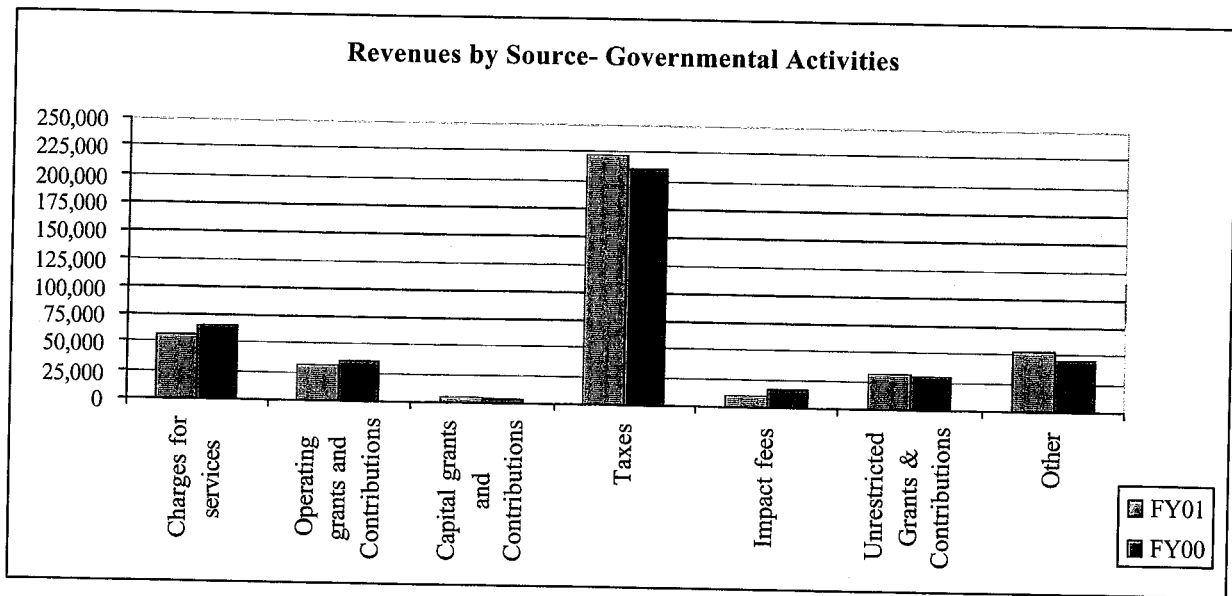
The governmental activities increased, (decreased) the County's total assets, total liabilities, and total net assets by \$87,167, (\$5,406), and \$92,573, respectively. The increase in net assets resulting from governmental activities is 55.8 percent of the total increase in net assets. This increase in the governmental activities' invested in capital assets net of related debt is \$63,339, or 15.2 percent, in comparison to prior year.

The following is a chart of revenues by source for governmental activities by percent of total revenues.



Total revenues for governmental activities increased \$3,790, or .9 percent, in comparison to prior year.

The following is a chart of revenues by source for governmental activities for fiscal years 2001 and 2000.



Charges for services reported in governmental activities decreased (\$8,463), or (12.8) percent, in comparison to prior year. This decrease is a decline in the internal service fund's allocation of outside services that is combined with the governmental activities on the government-wide financial statements.

Taxes reported in governmental activities increased \$12,118, or 5.8 percent, in comparison to prior year. The increase is a combination of the following:

- The assessed property value increased resulting in higher ad valorem tax revenues. The general fund's ad valorem tax revenue increased \$7,797, or 7.2 percent, in comparison to prior year. The

Lee County, Florida

capital improvement fund's ad valorem tax revenue increased \$2,672, or 11.2 percent, in comparison to prior year. The library fund's ad valorem tax revenue increased \$2,440, or 11.1 percent, in comparison to prior year.

- The City of Bonita Springs incorporated in a prior year and as a result their portion of the ad valorem tax revenue is remitted directly to them. Consequently the MSTU fund's ad valorem tax revenues decreased (\$1,978), or (10.8) percent, in comparison to prior year.
- The County increased the cable television franchise fee tax that created an increase of \$933, or 109.3 percent, in comparison to prior year.
- Tourist tax revenue increased \$738, or 6.7 percent, in comparison to prior year.
- Miscellaneous increases and decreases of other taxes netting to a decrease of (\$484), in comparison to prior year.

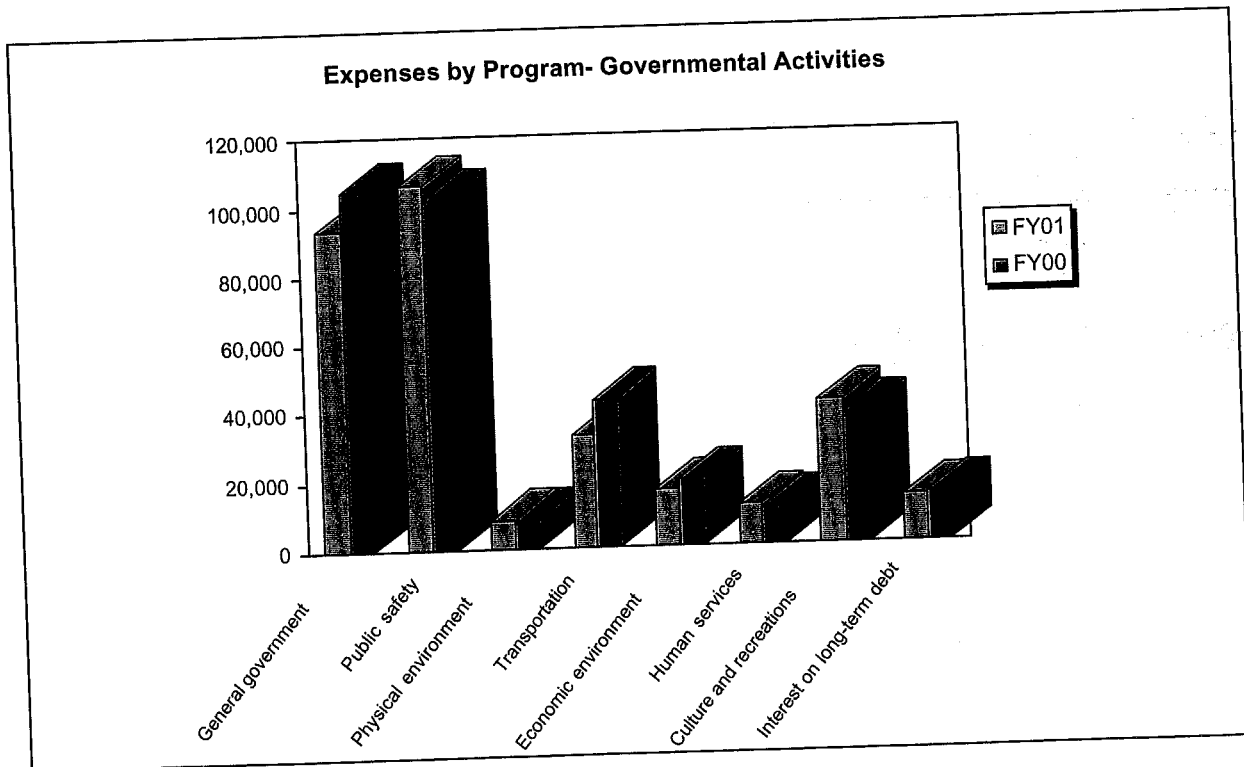
Operating grants and contributions decreased (\$5,437), or (13.2) percent, in comparison to prior year. The decrease is a combination of the following:

- The Human Services Fund received less grant proceeds than in the prior year.
- Grants received in the prior year for beach renourishment were not received in the current year.
- The MSTU fund received lower state sharing revenue than in the prior year.

Impact fees decreased (\$6,603), or (39.4) percent, in comparison to prior year. The decrease is due to the completion of two park projects. A decrease in expenditures will result in a decrease in revenues since revenue recognition is based on expenditures incurred.

Total expenses for governmental activities decreased (\$15,268), or (4.5) percent, in comparison to prior year.

The following is a chart of expenses by program for governmental activities.



Transportation expenses reported in governmental activities decreased (\$10,397), or (24.4) percent, in comparison to prior year, due to the completion of several road projects in prior year. Economic environment expenses reported in the Community Redevelopment Agency (CRA) fund decreased

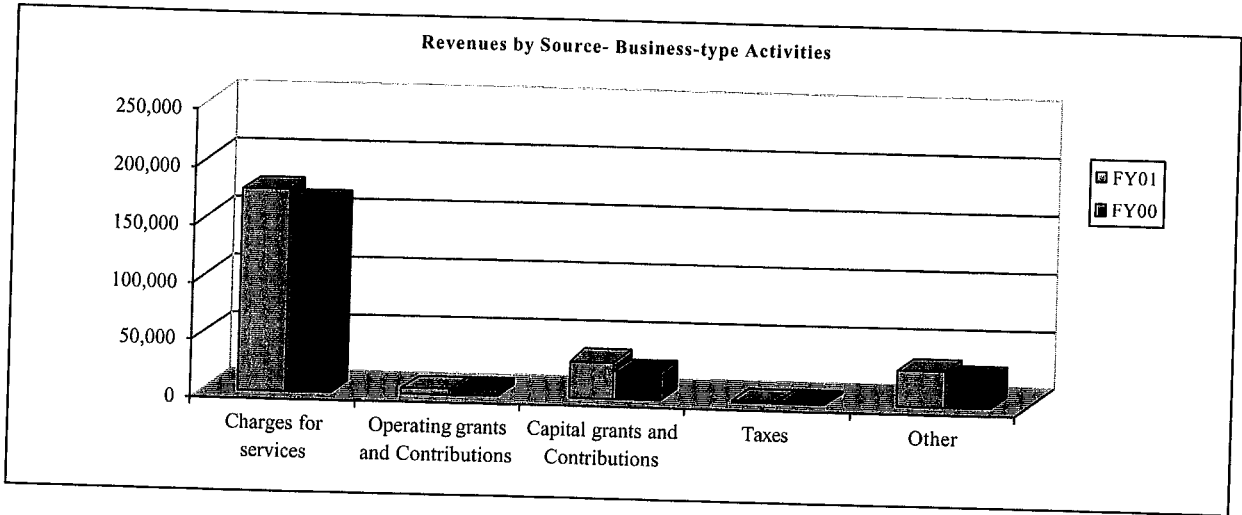
Lee County, Florida

(\$3,300), or (17.1) percent, with the completion of Old U.S. 41 improvement construction project in prior year.

Business-type activities

The business-type activities increased, (decreased) the County's total assets, total liabilities, and total net assets by \$59,740, (\$13,534), and \$73,274, respectively. The overall total increase in net assets resulting from business-type activities was 44.4 percent. This increase in the business-type activities' invested in capital assets net of related debt is \$28,585, or 11.2 percent, in comparison to prior year.

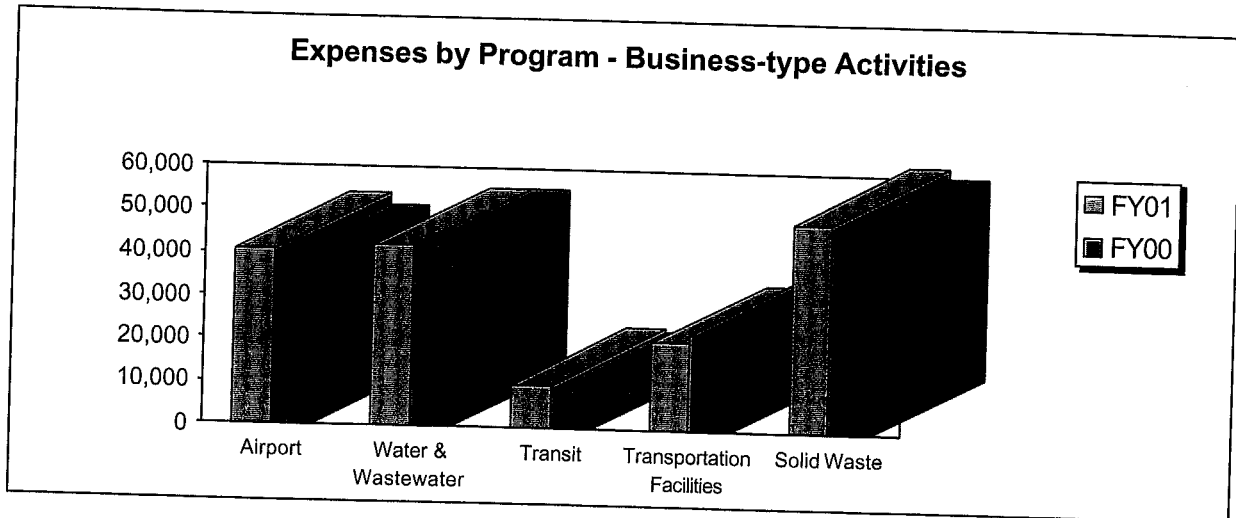
The following is a chart of revenues by source for business-type activities.



Charges for services reported in business-type activities increased \$8,739, or 5.3 percent, in comparison to prior year. The only fund that increased user fee rates was the Port Authority, who increased operating rates, such as gate and baggage fees.

Capital grants and contributions reported in business-type activities increased \$8,187, or 34.7 percent, in comparison to prior year. Transit received \$3,435 more in Federal Transit Administration (FTA) grants than in prior year. The Port Authority also received a significantly larger amount of grants than in prior year due to the construction of the new midfield terminal.

The following is a chart of expenses by program for business-type activities.



Lee County, Florida

Total business-type expenses only increased \$3,700, or 2.3 percent, in comparison to prior year, whereas revenues increased 9.6 percent. Total airport expenses increased \$2,631, or 6.9 percent, in comparison to prior year. The increase is due in part to an increase in activity and expenses pertaining to the planning stage of the midfield terminal construction project.

Financial Analysis of the Government's Funds

Governmental funds

Governmental funds are comprised of the General Fund, special revenue funds, debt service funds, capital projects funds, and a new classification, permanent funds. As noted earlier governmental funds use the current financial resources measurement focus that focus 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.

General Fund. Taxes increased \$8,295, or 7.3 percent, in comparison to prior year due to an increase in the assessed property value thus increasing the ad valorem tax revenues.

Municipal Service Taxing Unit Fund. Taxes decreased (\$1,978), or (10.8), percent in comparison to prior year due to the incorporation of the City of Bonita Springs. The ad valorem tax revenue collected is now directly remitted to the City whereas previous to incorporation it was retained by the County.

Lee County Library Fund. Few governmental funds reported significant expenditure increases in comparison to prior year. Culture and recreation increased \$7,553, or 47.4 percent, in comparison to prior year, in the library fund. The increase is due to construction and professional service costs for the East County Regional and Cape Coral library expansions.

Capital Revenue Bonds Construction Fund. General government expenditures increased \$16,546, or 402.4 percent, in comparison to prior year. The increase is due to construction and related costs for the Ortiz Correctional Facilities project.

Capital Improvement Fund. General government expenditures increased \$17,896, or 96.9 percent, in comparison to prior year. The increase is a result of higher expenditures related to the Conservation 2020 project.

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 charges a recovery fee. The following are noteworthy facts and changes from prior year.

Water and Wastewater Fund. The Water and Wastewater Department previously contracted with an outside organization for their operations. However in fiscal year 2001 the operations were brought in-house resulting in significant increases/decreases in expenses, which ultimately offset each other. For instance, contractual services, materials and supplies decreased (\$6,434), or (36.1) percent, in comparison to prior year. Salaries and wages, employee benefits, utilities, and repairs and maintenance increased \$3,011 (224.3 percent), \$792 (183.5 percent), \$1,642 (514.1 percent), and \$1,114 (3,071 percent), respectively, in comparison to prior year. In addition, capital contributions increased \$2,000 due to developer contributions.

Lee County, Florida

General Fund Budgetary Highlights

Differences between the original adopted and final amended budget in the general fund was not significant. The final amended budget increased \$10,057, and is a combination of the following:

- \$3,000 increase to buy Bunche Beach for the Conservation 2020 program
- \$2,000 increase in general government for a Community Redevelopment Agency (CRA) settlement to the City of Ft. Myers Beach
- \$661 increase in public safety for jail expansion costs
- \$610 increase in economic environment for a job incentive program
- \$590 increase for the Sheriff for an early out program

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, and infrastructure.

The following is a schedule of the County's capital assets as of September 30, 2001 and 2000:

Lee County, Florida
Capital Assets
September 30, 2001 and 2000

	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
Land	\$214,230	\$185,132	\$185,663	\$184,728	\$399,893	\$369,860
Construction in progress	138,819	101,251	91,431	53,708	230,250	154,959
Buildings	166,264	163,058	159,132	157,549	325,396	320,607
Improvement other than buildings	20,666	24,096	168,680	159,603	189,346	183,699
Machinery & equipment	117,535	119,684	137,197	130,762	254,732	250,446
Infrastructure	306,804	297,021	405,810	400,979	712,614	698,000
Total capital assets	964,318	890,242	1,147,913	1,087,327	2,112,231	1,977,571
Accumulated depreciation	(206,297)	(195,642)	(245,932)	(216,531)	(452,229)	(412,173)
Total	\$758,021	\$694,600	\$901,981	\$870,798	\$1,660,002	\$1,565,398

Noteworthy capital asset purchases/projects that took place in fiscal year 2001 were as follows:

- Constructed the downtown bus terminal
- Purchased 10 new buses
- Constructed two buildings for the Department of Transportation
- Purchased several pieces of heavy equipment
- Constructed the East County Regional Library
- Purchased sensitive land for the Conservation 2020 program
- Constructed new jail facilities

Additional information on the County's capital assets can be found in Note V.D on pages 46-49.

Debt Administration

At September 30, 2001, the County had \$1,173,703 of outstanding bonded debt. The revenue bonds, which are each payable from a specific revenue stream, had an outstanding balance of \$1,166,243, or 99.4 percent of the total bonded debt. The general obligation bonds, which are backed by the full-faith and

Lee County, Florida

credit of the County within the Districts, had an outstanding balance of \$3,570, or .3 percent of the total bonded debt. The special assessment bonds, which are collateralized by special assessments levied against benefited property owners, had an outstanding balance of \$3,890, or .3 percent of the total bonded debt. The outstanding bond balance decreased \$40,714, or 3.6 percent, in comparison to prior year.

Total debt, which includes bonds payable (net of unamortized discounts/premiums and gains/losses), variable debt, notes payable, capital leases, self-insurance claims payable, compensated absences, and arbitrage payable decreased \$35,385, or 2.9 percent, in comparison to prior year.

The following is a schedule of outstanding bonds as of September 30, 2001 and 2000.

Lee County, Florida Outstanding Debt September 30, 2001 and 2000

	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
General Obligation Bonds			\$3,570	\$4,610	\$3,570	\$4,610
Special Assessment Debt	\$3,890	\$5,245			3,890	5,245
Revenue Bonds	255,218	271,767	911,025	932,795	1,166,243	1,204,562
Total	\$259,108	\$277,012	\$914,595	\$937,405	\$1,173,703	\$1,214,417

During the year the County refunded a Transportation Facilities Revenue Bond, Series 1991. The refunding has a net present value savings of \$5,720. The percent savings of refunded bonds is 8.8 percent.

Standard and Poor's Rating Group suggest that debt service should not exceed 10-15 percent of appropriations. The fiscal year 2001 debt service was 8.4 percent, which is well within the suggested guidelines.

The County has insured its Revenue and Special Assessment debt except for the Special Assessment Bonds, Series 1990. Consequently the County's bonds have maintained a rating of Aaa from Moody's and AAA to A- with Standard and Poor's Corporation.

Additional information on the County's long-term debt can be found in note V.G on pages 54-65.

Economic Factors and Next Year's Budget Rates

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

- Unemployment rates were examined and Lee County has generally had a lower unemployment rate compared to the state and nation. Utilizing September 2001, as a benchmark, Lee County had a 3.4 percent unemployment rate as compared to the state which had a 4.4 percent unemployment rate, and the nation which had a 4.9 percent unemployment rate.
- An estimate for an increase in salaries and benefits was 7 percent.
- New housing construction growth, which will impact property value totals and increase the ad valorem tax revenue.

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: Finance and Records Department, 2115 Second Street, 3rd Floor, Fort Myers, Florida, 33901.



Basic Financial Statements

Lee County, Florida
STATEMENT OF NET ASSETS
As of September 30, 2001
(amounts expressed in thousands)

	Primary Government			Component Unit GES
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$450,858	\$168,447	\$619,305	\$656
Receivables (net)	28,189	17,703	45,892	570
Due from other governments	2,974	3	2,977	
Internal balances	2,712	(2,712)	0	
Inventory	1,786	816	2,602	
Prepays	1,256	624	1,880	34
Other assets	44	12,923	12,967	3,261
Restricted assets	325	478,903	479,228	9,664
Capital assets:				
Non-depreciable	353,049	277,094	630,143	3,685
Depreciable, net	404,972	624,887	1,029,859	56,406
Total assets	<u>1,246,165</u>	<u>1,578,688</u>	<u>2,824,853</u>	<u>74,276</u>
 LIABILITIES				
Contracts and accounts payable	21,562	10,758	32,320	315
Accrued liabilities	4,272	838	5,110	30
Accrued interest payable	6,607		6,607	
Due to other governments	2,707	702	3,409	
Customer deposits	850	133	983	
Deferred revenues	57,461	270	57,731	
Refunds and rebates		2,195	2,195	
Liabilities payable from restricted assets	263	40,206	40,469	1,876
Noncurrent liabilities:				
Due within one year	18,707	237	18,944	
Due in more than one year	277,866	898,502	1,176,368	52,090
Total liabilities	<u>390,295</u>	<u>953,841</u>	<u>1,344,136</u>	<u>54,311</u>
 NET ASSETS				
Invested in capital assets, net of related debt	479,665	283,959	763,624	13,391
Restricted for:				
Capital projects	148,459	78,688	227,147	
Debt service	20,528	85,350	105,878	5,122
Renewal and replacement		12,390	12,390	397
Claibourne and Foulds trust:				
Expendable	1		1	
Unrestricted	207,217	164,460	371,677	1,055
Total net assets	<u>\$855,870</u>	<u>\$624,847</u>	<u>\$1,480,717</u>	<u>\$19,965</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, 2001
(amounts expressed in thousands)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			Component Unit	
	Expenses	Indirect Expense Allocation	Charges for Services	Primary Government		Total		GES
				Operating Grants and Contributions	Capital Grants and Contributions			
Primary government:								
Governmental activities:								
General government	\$94,390	\$(3,893)	\$25,171	\$12,297	\$53,029	\$(53,029)		
Public safety	106,205	533	24,773	2,984	(78,724)	(78,724)		
Physical environment	8,479	106	1,694	473	(6,385)	(6,385)		
Transportation	32,248	580	2,503	5,907	(20,060)	(20,060)		
Economic environment	15,960	157	183	7,291	(8,643)	(8,643)		
Human services	11,716		699	381	(10,361)	(10,361)		
Culture and recreation	41,074	1,042	2,584	1,009	(37,936)	(37,936)		
Interest on long-term debt	13,112				(13,112)	(13,112)		
Total governmental activities	323,184	(1,475)	57,607	30,342	(228,250)	(228,250)	0	
Business-type activities:								
Airport	40,577	169	45,794		10,361	15,409		
Water and Wastewater	42,026	385	44,556		14,866	17,011		
Transit	10,093	248	1,608	2,656	6,576	499		
Transportation Facilities	20,708	450	29,168	1,346		9,356		
Solid Waste	48,667	223	53,228	382		4,720		
Total business-type activities	162,071	1,475	174,354	4,384	31,803	46,995	0	
Total primary government	\$485,255	\$0	\$231,961	\$34,726	(228,250)	(181,255)	0	
Component Unit:								
Gulf Environmental Services, Inc.	\$7,997	\$0	\$5,673	\$0	\$9,162	0	\$6,838	
General revenues:								
Taxes								
Impact fees					222,375		224,092	
Grant and contributions not restricted to specific programs					10,165		10,165	
Investment earnings					30,399		30,399	
Gain on sale of capital assets					36,167	29,050	65,217	
Miscellaneous					23	41	64	
Transfers					17,253	659	17,912	
Total general revenues and transfers					5,759	(5,759)	0	
Change in net assets					322,141	25,708	347,849	
Net assets - beginning					93,891	72,703	166,594	
Net assets - ending					761,979	552,144	1,314,123	
					\$855,870	\$624,847	\$1,480,717	

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

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	General	MSTU	Other Governmental Funds	Total Governmental Funds
ASSETS				\$412,629
Cash and cash equivalents	\$86,295	\$54,881	\$271,453	
Cash and cash equivalents with fiscal agent			17,802	17,802
Receivables (net)			343	5,631
Accounts	5,262	26	17,707	17,707
Special assessments			2,461	3,290
Accrued interest	446	383	13,669	16,744
Due from other funds	1,752	1,323	2,723	2,974
Due from other governments	179	72	1,362	1,500
Inventory	138		1,127	1,254
Prepays	126	1	328,647	479,531
Total assets	94,198	56,686	328,647	479,531
LIABILITIES AND FUND BALANCES				
Liabilities:				15,327
Contracts and accounts payable	3,152	461	11,714	
Accrued liabilities	3,581	251	409	4,241
Due to other funds	11,511	3,207	3,092	17,810
Due to other governments	1,885	165	644	2,694
Deposits	848		2	850
Deferred revenues	69		57,392	57,461
Other	41			41
Total liabilities	21,087	4,084	73,253	98,424
Fund Balances:				
Reserved for:				1,500
Inventory	138		1,362	
Debt service			20,276	20,276
Claibourne & Foulds Trust			1	1
Unreserved, designated for debt service			11,037	11,037
Unreserved, undesignated, reported in:				72,973
General fund	72,973			
Special revenue funds		52,602	89,147	141,749
Capital projects funds			133,571	133,571
Total fund balances	73,111	52,602	255,394	381,107
Total liabilities and fund balances	\$94,198	\$56,686	\$328,647	\$479,531

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

Lee County, Florida
**RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS**
 As of September 30, 2001
 (amounts expressed in thousands)

Fund balances - total governmental funds \$381,107

Amounts reported for governmental activities in the statement of net assets 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	\$351,773	
Depreciable governmental capital assets, net	395,440	747,213

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	(256,052)	
Interest Payable	(10,266)	
Notes Payable	(5,122)	
Arbitrage Payable	(32)	
Capital Leases	(6,526)	
Compensated absences	(13,684)	(291,682)

Internal service funds are used by management to charge the costs of certain activities to the individual funds.

Assets and liabilities of the internal service funds that are reported with governmental activities

		19,232
Net assets of governmental activities		855,870

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, 2001
(amounts expressed in thousands)

	General	MSTU	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$121,669	\$18,153	\$82,553	\$222,375
Licenses and permits	152	8,016	410	8,578
Intergovernmental	32,211	10,363	18,717	61,291
Charges for services	33,632	3,704	5,834	43,170
Fines and forfeitures	1,927		206	2,133
Impact fees			10,165	10,165
Special assessments			2,455	2,455
Miscellaneous	15,453	5,576	32,080	53,109
Total revenues	<u>205,044</u>	<u>45,812</u>	<u>152,420</u>	<u>403,276</u>
EXPENDITURES				
Current				79,313
General government	65,274	5,619	8,420	79,313
Public safety	88,431	7,877	8,843	105,151
Physical environment	2,535	109	6,015	8,659
Transportation			31,878	31,878
Economic environment	2,648		14,463	17,111
Human services	11,200		55	11,255
Culture and recreation	5,411	10,008	26,825	42,244
Capital outlay			55,903	55,903
General government			1,197	1,197
Physical environment			7,052	7,052
Transportation			2,554	2,554
Culture and recreation				
Debt service			16,348	16,348
Principal retirement			13,918	13,918
Interest and fiscal charges				
Total expenditures	<u>175,499</u>	<u>23,613</u>	<u>193,471</u>	<u>392,583</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>29,545</u>	<u>22,199</u>	<u>(41,051)</u>	<u>10,693</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	2,479	136	59,225	61,840
Transfers out	(25,011)	(13,039)	(18,595)	(56,645)
Proceeds from capital leases	23			23
Proceeds from long-term debt			350	350
Total other financing sources and (uses)	<u>(22,509)</u>	<u>(12,903)</u>	<u>40,980</u>	<u>5,568</u>
Net change in fund balances	7,036	9,296	(71)	16,261
Fund balances - beginning - as restated	<u>66,075</u>	<u>43,306</u>	<u>255,465</u>	<u>364,846</u>
Fund balances - ending	<u>\$73,111</u>	<u>\$52,602</u>	<u>\$255,394</u>	<u>\$381,107</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
GOVERNMENTAL FUNDS**
For the Year Ended September 30, 2001
(amounts expressed in thousands)

Net change in fund balances - total governmental funds:		\$16,261
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	\$93,277	
Less current year depreciation	<u>(24,986)</u>	68,291
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, transfers, donations) is to decrease net assets.		
		(5,076)
Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Debt proceeds	(373)	
Principal payments	<u>16,436</u>	16,063
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.		
Change in arbitrage payable	13	
Change in compensated absences	<u>(1,436)</u>	(1,423)
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.		
Accrued interest on bonds	(213)	
Accreted interest on capital appreciation bonds	<u>(540)</u>	(753)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The net revenue of the internal service funds is reported with governmental activities.		<u>528</u>
Change in net assets of governmental activities		<u><u>\$93,891</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
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$116,758	\$116,758	\$121,669	\$4,911
Licenses and permits	159	157	152	(5)
Intergovernmental	43,934	32,546	32,211	(335)
Charges for services	22,591	38,427	33,630	(4,797)
Fines and forfeitures	1,885	1,894	1,927	33
Miscellaneous	11,054	12,109	14,172	2,063
Total revenues	196,381	201,891	203,761	1,870
EXPENDITURES				
Current				
General government	77,229	82,109	63,890	18,219
Public safety	83,531	87,497	83,677	3,820
Physical environment	2,866	2,826	2,535	291
Economic environment	1,921	2,898	2,648	250
Human services	11,776	12,095	11,200	895
Culture and recreation	5,604	5,606	5,411	195
Total expenditures	182,927	193,031	169,361	23,670
Excess of revenues over expenditures	13,454	8,860	34,400	25,540
OTHER FINANCING SOURCES AND (USES)				
Transfers in	93,244	93,898	2,479	(91,419)
Transfers out	(107,953)	(114,485)	(25,011)	89,474
Total other financing sources and (uses)	(14,709)	(20,587)	(22,532)	(1,945)
Net change in fund balance	(1,255)	(11,727)	11,868	23,595
Fund balances - beginning	57,196	67,186	51,495	(15,691)
Fund balances - ending	\$55,941	\$55,459	\$63,363	\$7,904

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
BUDGET AND ACTUAL
MSTU
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$16,272	\$16,272	\$18,153	\$1,881
Licenses and permits	6,689	6,689	8,016	1,327
Intergovernmental	10,250	10,495	10,363	(132)
Charges for services	2,411	2,411	3,704	1,293
Miscellaneous	912	1,316	4,459	3,143
Total revenues	<u>36,534</u>	<u>37,183</u>	<u>44,695</u>	<u>7,512</u>
EXPENDITURES				
Current				
General government	6,779	6,903	5,619	1,284
Public safety	7,906	8,004	7,877	127
Physical environment	139	205	109	96
Culture and recreation	9,899	10,060	10,008	52
Total expenditures	<u>24,723</u>	<u>25,172</u>	<u>23,613</u>	<u>1,559</u>
Excess of revenues over expenditures	<u>11,811</u>	<u>12,011</u>	<u>21,082</u>	<u>9,071</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	63	1,686	1,730	44
Transfers out	(11,342)	(14,936)	(14,633)	303
Total other financing sources and (uses)	<u>(11,279)</u>	<u>(13,250)</u>	<u>(12,903)</u>	<u>347</u>
Net change in fund balance	532	(1,239)	8,179	9,418
Fund balances - beginning	28,494	43,336	43,306	(30)
Fund balances - ending	<u>\$29,026</u>	<u>\$42,097</u>	<u>\$51,485</u>	<u>\$9,388</u>

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

Lee County, Florida
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities	
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds	Internal Service Funds	
ASSETS								
Current Assets:								
Cash and cash equivalents	\$33,405	\$56,989	\$6,470	\$3,995	\$232	\$101,091	\$20,427	
Cash and cash equivalents with fiscal agent				67,356		67,356		
Receivables (net)	3,904	3,041	47	4,672	1,654	13,318	512	
Due from other funds			2	1,438	16	1,456	405	
Due from other governments	3		519			816	286	
Inventories	297		5		8	624	2	
Other	608	3						
Total current assets	38,217	60,033	7,043	77,461	1,910	184,664	21,632	
Noncurrent Assets:								
Restricted assets	332,532	81,715	19,573	43,353	1,730	478,903	325	
Receivables (net)				4,385		4,385		
Capital assets:								
Non-depreciable	179,108	28,725	45,994	22,893	374	277,094	1,276	
Depreciable	150,664	376,903	138,998	185,258	18,996	870,819	25,402	
Less accumulated depreciation	(67,259)	(97,264)	(31,682)	(41,968)	(7,759)	(245,932)	(15,870)	
Intangible asset (net)	45					45	44	
Unamortized bond costs (net)	5,753	1,597	2,144	3,384		12,878		
Total noncurrent assets	600,843	391,676	175,027	217,305	13,341	1,398,192	11,177	
Total assets	639,060	451,709	182,070	294,766	15,251	1,582,856	32,809	
LIABILITIES								
Current liabilities:								
Contracts and accounts payable	2,926	2,419	75	5,018	320	10,758	2,435	
Accrued liabilities	528	141	68	17	84	838	31	
Refunds and rebates	2,195					2,195		
Due to other funds	6	63	39	9	34	117	3	
Due to other governments	43	591	26	8		702	13	
Customer deposits	125			8		133		
Deferred revenues	103	167		8		270		
Self-insurance claims payable								1,471
Compensated absences	187	10	10	6	17	230	14	
Capital leases payable - current	5		2			7		
Total current liabilities	6,118	3,391	220	5,066	455	15,250	3,967	

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	
Current liabilities payable from restricted assets:						
Contracts and accounts payable	1,329	1,619	313		93	3,354
Accrued liabilities		3,755	3,432	5,965	14	13,166
Due to other funds		1	3,425			3,426
Due to other governments			490		6	496
Customer deposits		3,158	471			3,629
Deferred revenues			1,025			1,025
Notes		469	1,684		689	2,842
General obligation bonds - current		1,108				1,108
Revenue bonds - current		4,806	2,491	7,289		14,586
Total current liabilities payable from restricted assets	1,329	14,916	13,331	13,254	802	43,632
Noncurrent liabilities:						
Self - insurance claims payable		250	215	89	266	7,290
Compensated absences	223	7,241	10,766			164
Notes payable		2,453				18,007
General obligation bonds payable		140,395	146,908	170,204		2,453
Revenue bonds payable	414,946	40				872,453
Other	4,506					4,546
Total noncurrent liabilities	419,675	150,379	157,889	170,293	266	898,502
Total liabilities	427,122	168,686	171,440	188,613	1,523	957,384
NET ASSETS						
Invested in capital assets, net of related debt	96,677	156,326	(204)	20,238	10,922	283,959
Restricted for:						
Capital projects	30,357	46,622	229		1,480	78,688
Debt service	57,797	14,469	5,363	7,721		85,350
Renewal and replacement	531	8,792	1,567	1,500		12,390
Unrestricted	26,576	56,814	3,675	76,694	1,326	165,085
Total net assets	\$211,938	\$283,023	\$10,630	\$106,153	\$13,728	\$625,472

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds						Total Enterprise Funds	Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	Total Enterprise Funds		
OPERATING REVENUES								
User fees	\$16,451	\$44,202	\$29,162	\$45,262	\$1,608	\$107,523	\$33,868	
Tolls				862	10	29,162		
Rentals and franchise fees	1,825	66				2,763		
Concessions	20,141					20,141		
Miscellaneous	153	288		7,198		7,639		
Total operating revenues	38,570	44,556	29,162	53,322	1,618	167,228	33,868	
Less: Rebates	(1,176)			(392)		(1,568)		
Net operating revenues	37,394	44,556	29,162	52,930	1,618	165,660	33,868	
OPERATING EXPENSES								
Salaries and wages	9,693	4,354	2,607	735	4,077	21,466	1,286	
Employee benefits	3,418	1,224	868	243	1,501	7,254	405	
Contractual services, materials and supplies	9,066	11,368	1,612	23,302	2,140	47,488	9,024	
Utilities	1,810	1,962	174	4,086	114	8,146	2,329	
Repairs and maintenance	1,101	1,150	205	144	647	3,247	1,602	
Insurance	468	72	189	6	146	881	2,710	
Insurance claims		9				9	15,143	
Other	951	1,710	775	819	381	4,636	396	
Depreciation and amortization	6,726	12,278	4,794	6,386	1,199	31,383	2,582	
Total operating expenses	33,233	34,127	11,224	35,721	10,205	124,510	35,477	
Operating income (loss)	4,161	10,429	17,938	17,209	(8,587)	41,150	(1,609)	
NON-OPERATING REVENUES (EXPENSES)								
Interest revenue	11,634	9,484	1,367	6,419	146	29,050	1,626	
Taxes				1,717		1,717		
Grants		438	1,347	248	2,656	4,689		
Interest expense	(6,041)	(8,011)	(9,023)	(12,615)		(35,690)	(254)	
Excess fees - City of Sanibel			(845)	(7)	41	(845)	(266)	
Gain (loss) on disposal of fixed assets	(215)	(194)				(375)		
Passenger facility charge	7,236				8	7,236	222	
Other revenues		532	8			548		
Other expenses	(13)	(12)	(13)	(8)		(46)	(2)	
Total non-operating revenues (expenses)	12,601	2,237	(7,159)	(4,246)	2,851	6,284	1,326	

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit	
Income (loss) before contributions and transfers	<u>16,762</u>	<u>12,666</u>	<u>10,779</u>	<u>12,963</u>	<u>(5,736)</u>	<u>47,434</u>
Capital contributions	10,361	14,429			6,576	31,366
Transfers in		58	77	154	3,021	3,310
Transfers out		(2)	(9,053)	(14)		(9,069)
Total contributions and transfers	<u>10,361</u>	<u>14,485</u>	<u>(8,976)</u>	<u>140</u>	<u>9,597</u>	<u>25,607</u>
Change in net assets	<u>27,123</u>	<u>27,151</u>	<u>1,803</u>	<u>13,103</u>	<u>3,861</u>	<u>73,041</u>
Total net assets - beginning - as restated	<u>184,815</u>	<u>255,872</u>	<u>8,827</u>	<u>93,050</u>	<u>9,867</u>	<u>552,431</u>
Total net assets - ending	<u>\$211,938</u>	<u>\$283,023</u>	<u>\$10,630</u>	<u>\$106,153</u>	<u>\$13,728</u>	<u>\$625,472</u>

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

Lee County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Port Authority	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities Internal Service Funds
		Water and Wastewater	Transportation Facilities	Solid Waste	Other Non-Major Transit			
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$42,417	\$46,257	\$29,039	\$55,553	\$1,650	\$174,916	\$34,113	
Cash received (returned) from customer deposits	(8)	(405)	139	(16)		(290)		
Payments to suppliers	(13,097)	(15,368)	(3,043)	(26,825)	(3,641)	(61,974)	(31,250)	
Payments to employees	(11,210)	(4,123)	(2,983)	(836)	(4,727)	(23,879)	(1,487)	
Payment for interfund services used	(1,368)	(1,204)	(603)	(273)	(1,107)	(4,555)	(334)	
Net cash provided by (used in) operating activities	16,734	25,157	22,549	27,603	(7,825)	84,218	1,042	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Non-capital grants		438	1,347	248	3,944	5,977	568	
Transfers in		50	76	144	3,020	3,290		
Transfers out			(8,759)	(898)		(8,759)		
Excess fees paid to other governments						(898)		
Net cash provided by (used in) noncapital financing activities	0	488	(8,234)	392	6,964	(390)	568	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from capital debt		804	72,223	80		73,107		
Proceeds from special assessments		1,042				1,042		
Capital contributions	9,585	6,689			6,555	22,829		
Proceeds from passenger facilities charges	7,236					7,236		
Additions to fixed assets	(24,694)	(12,303)	(1,675)	(5,682)	(3,185)	(47,539)	(3,368)	
Principal paid on bonds, loans, leases, and interfund loans	(5,265)	(6,387)	(6,101)	(6,755)	(1,950)	(26,458)	(245)	
Interest paid on bonds, loans, leases, and interfund loans	(24,736)	(7,672)	(10,568)	(12,157)		(55,133)	(186)	
Transfer to refunding escrow agent			(67,000)			(67,000)		
Proceeds from sale of fixed assets	3	3,208		1	49	3,261	219	
Net cash provided by (used in) capital and related financing	(37,871)	(14,619)	(13,121)	(24,513)	1,469	(88,655)	(3,580)	

Lee County, Florida

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended September 30, 2001

(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	
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale and maturities of investments	10,601			33,117		43,718	
Purchase of investments		(984)				(984)	
Interest on investments	27,143	10,010	1,420	6,445	144	45,162	1,790
Net cash provided by investing activities	37,744	9,026	1,420	39,562	144	87,896	1,790
Net increase (decrease) in cash and cash equivalents	16,607	20,052	2,614	43,044	752	83,069	(180)
Cash and equivalents at beginning of year	41,921	113,154	23,208	54,292	635	233,210	20,932
Cash and equivalents at end of year	\$58,528	\$133,206	\$25,822	\$97,336	\$1,387	\$316,279	\$20,752
Classified as:							
Current assets	\$33,405	\$56,989	\$6,470	\$71,351	\$232	\$168,447	\$20,427
Restricted assets	25,123	76,217	19,352	25,985	1,155	147,832	325
Totals	\$58,528	\$133,206	\$25,822	\$97,336	\$1,387	\$316,279	\$20,752
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions of property, plant, and equipment	\$750	\$7,770				\$8,520	
Increase in fair value of investments	\$2,173	\$6				\$2,182	
						\$3	

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds							Governmental Activities	
	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste		Other			Total Enterprise Funds
				Non-Major Transit	Major Transit	Internal Service Funds			
Operating income (loss)	\$4,161	\$10,429	\$17,938	\$17,209	(\$8,587)	\$41,150	(\$1,609)		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:									
Depreciation and amortization	6,726	12,278	4,794	6,386	1,199	31,383	2,582		
Other Revenues	(13)	534	8	2,976	8	3,526	222		
Other Expenses			(13)			(26)	(2)		
(Increase) decrease in accounts receivable	5,580	189	(7)	1,083	24	6,869	418		
(Increase) decrease in due from other funds		1,013	(2)	(1,436)	42	(383)	(401)		
(Increase) in inventories	(8)		(519)			(527)	(52)		
(Increase) decrease in other assets	(72)	(3)	(2)	26	(3)	(54)	(1)		
Increase (decrease) in contracts and accounts payable	396	152	196	1,276	(13)	2,007	272		
Increase in accrued liabilities	514	187	63	15	89	868	27		
Increase (decrease) in refunds and rebates	(699)					(699)			
Increase (decrease) in due to other funds	6	64	39	75	(642)	(458)	(247)		
Increase (decrease) in due to other governments	11	581	21	(7)	31	637	9		
Increase (decrease) in customer deposits	(8)	(405)	139	(16)		(290)			
Increase (decrease) in deferred revenues	91	(21)	(122)			(52)			
Increase in compensated absences	49	159	16	16	27	267	20		
Increase (decrease) in other liabilities							(196)		
Total adjustments	12,573	14,728	4,611	10,394	762	43,068	2,651		
Net cash provided by (used in) operating activities	\$16,734	\$25,157	\$22,549	\$27,603	(\$7,825)	\$84,218	\$1,042		

Lee County, Florida
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Agency Funds
ASSETS	
Cash and cash equivalents	\$13,224
Accounts receivable (net)	38
Due from other funds	3,800
Due from other governments	35
Total assets	17,097
 LIABILITIES	
Contracts and accounts payable	29
Due to individuals	2,069
Due to other funds	1,049
Due to other governments	8,004
Bonds and deposits	5,946
Total liabilities	\$17,097

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



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NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

Lee County (the County) was founded in 1887 as a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board), which is governed by State 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 combined 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 principals (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, a blended component unit, and Gulf Environmental Services, a discretely presented component unit, are included in the Lee County Comprehensive Annual Financial Report.

Blended component unit

The Lee County Port Authority is included in the County's reporting entity because of the significance of the operational and financial relationships with the County. This component unit has substantively the same governing body as the Board, and is accounted for as a Board enterprise fund.

The County viewed the Community Redevelopment Agency (CRA) as a potential component unit, but it was determined that CRA was part of the primary government and is combined with the Board's financial statements. The CRA has the same governing Board as the County and is accounted for as a special revenue fund.

Discretely presented component unit

Gulf Environmental Services, Inc. (GES) is an IRC Ruling 63-20, not-for-profit, private corporation that provides water and wastewater services to a certain unincorporated portion of the County. GES, as a private corporation, is legally separate from the County, but its Board of Directors is approved by the Board, as provided for by the terms and conditions under IRC Ruling 63-20. Although the Board has the authority to appoint and remove the Board of Directors for GES, no County employees or County officials are members of the GES Board of Directors, and the County has no authority over the day-to-day operations or finances of GES. GES is franchised by the County, allowing it to issue tax-exempt municipal bonds for the purposes of expansion and improvements, and to operate as a water and wastewater utility pursuant to state law.

Complete financial statements of the individual component units can be obtained as follows:

Lee County Port Authority
16000 Chamberlin Parkway, Suite 8671
Fort Myers, Florida 33913

Gulf Environmental Services
2172 McGregor Boulevard
Fort Myers, Florida 33901

B. Government-wide and fund financial statements

The County has implemented Governmental Accounting Standards Board Statements Number 33, Accounting and Financial Reporting for Non-exchange Transactions (GASB 33), Number 37, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments: Omnibus- an amendment of GASB Statements No. 21 and No. 34, Number 38, Certain Financial Statement Note Disclosures, and

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2001

Interpretation Number 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The County has also elected to early implement Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments (GASB 34) that requires a change in the reporting format. The government-wide financial statements and the major-fund financial statements along with the notes to the financial statements comprise the basic financial statements. This approach differs from the previous reporting model in that neither fiduciary funds nor component units that are fiduciary in nature are included.

The government-wide financial statements (the statement of net assets 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 and is reported separate from the component unit for which the County is accountable. 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 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 segment, 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 statement and the proprietary fund financial statement. The definition of a major fund is one that meets certain criteria set-forth in 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.

GASB 34 not only mandated changes in the financial statement format but also set-forth reporting changes. One such change is to capitalize infrastructure. This capitalization is required prospectively and retrospectively for fiscal years that ended after June 30, 1981. Even though GASB 34 does provide extra time to capture and value the retrospective infrastructure, the County has chosen to report it in fiscal year 2001. Although most of the infrastructure has been identified, valued, and recorded, a network of developer constructed roads that were given to the County in exchange for impact fee credits needs to be identified and will be recorded in fiscal year 2002. In valuing infrastructure retrospectively, actual costs were used for constructed assets whereas donated assets have been valued in current year's dollars and deflated using the Florida Department of Transportation's Price Trend Index of Florida Highway Construction.

GASB 34 also revised the method for recognizing contributed capital from being an amortized balance sheet item to revenue recognized in the year of contribution.

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, the interfund services between functions are not eliminated. The internal service activity has been eliminated except for the outside activity and is combined with the governmental activity on the government-wide financial statements. Internal service 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.

C. 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-

NOTES TO THE FINANCIAL STATEMENTS

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balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, 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. Bases of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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 imposed by the provider 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 are not related to operations such as interest expense and excess fees.

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 available if they are collected within sixty days after year-end. Primary revenues, such as property taxes, special assessments, intergovernmental 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.

The business-type activities reported in the government-wide financial statements and proprietary funds follow private sector standards issued prior to December 1, 1989, to the extent those standards do not conflict with Governmental Accounting Standards Board statements. However pursuant to Government Accounting Standards Board Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the County has elected not to apply accounting standards issued after November 30, 1989 by the Financial Accounting Standards Board.

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.

MSTU

The Municipal Service Taxing Unit (MSTU) is used to account for revenues and expenditures to be used in the unincorporated areas of the County for services rendered.

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

NOTES TO THE FINANCIAL STATEMENTS
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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 refuse disposal facilities to the general public.

The County reports the following other fund types:

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 County 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 insurance, radio communications, and fleet management services on a cost reimbursement basis.

Agency funds

The agency funds are used to account for assets held by the County as an agent for individuals, organizations, or other governments, such as impact fees collected for the Town of Fort Myers Beach and the City of Bonita Springs, or license plate tag fees collected on behalf of the State of Florida.

Prior to implementing GASB 34 infrastructure in enterprise funds was classified as "Improvements other than buildings". With the implementation of GASB 34, infrastructure was reclassified as "Infrastructure" and is reflected in the beginning capital asset balances for fiscal year 2001.

D. Budgetary information

Budgets and budgetary accounting

Budgets have been adopted by the Board for all Board funds except for agency and permanent funds.

The budgets of the Property Appraiser and the Tax Collector are approved by the Florida Department of Revenue. The Clerk of Circuit Court (to the extent of his function as ex-officio Clerk to the Board and amounts above his fee structure as Clerk to the Circuit and County Courts), Sheriff, and Supervisor of Elections prepare budgets for their general funds, which are submitted to and approved by the Board.

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 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.

Encumbrances

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. Under Florida Statutes, encumbrances lapse at fiscal year-end. Encumbrances outstanding at September 30, 2001, represented by purchase orders and other executing

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contracts, were \$99,453,863. It is the County's intention to substantially honor these encumbrances under authority provided in the subsequent year's budget.

E. Assets, liabilities, and net assets or equity

Cash and investments

The County considers cash and cash equivalents 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. When both restricted and unrestricted resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed.

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.

The County shows all investments at fair value, with the exception of repurchase agreements and the Local Government Surplus Funds Investment Pool Trust Fund (State Board of Administration). All fair valuations are based on quoted market prices. The repurchase agreements are stated at amortized cost, which approximates fair value. The fair value of the position in the Local Government Surplus Funds Investment Pool Trust Fund, an external 2A7-like investment pool, is the same as the value of the pool shares.

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 allowance for doubtful accounts, which generally is equivalent to the receivables that are over 90 days.

Property taxes are levied in November for the subsequent calendar year (see NOTE III) and the delinquent portion at year-end, if any, is recorded as a receivable.

Special assessments receivable that are not expected to be collected in the current year are reported as restricted assets. Delinquent special assessments receivable are expected to be recovered, ultimately through liens or foreclosures.

Due from/Due to

Activity between funds during the year is recorded by moving cash, however after September 30 cash can no longer move between funds therefore a "due from" and "due to" are used to record any activity representing current interfund loans. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net assets as "internal balances".

Inventories and prepaid items

Inventories, consisting primarily of materials and supplies, are stated at cost, which approximates fair market value. The "first-in, first-out" method of accounting is used to determine cost. All inventories are recorded as expenditures, or expenses, as they are used (consumption method).

Some payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in government-wide and fund financial statements.

Capital assets

Capital assets include property, plant, equipment, and infrastructure assets. Infrastructure assets are defined as public domain fixed 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 \$750. The threshold for

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capitalizing infrastructure is \$100,000. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated fair market 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>Assets</u>	<u>Years</u>
Buildings	30-50
Improvements other than buildings	6-50
Equipment	3-35
Furniture	4-20
Vehicles & rolling stock	3-10
Infrastructure	20-50

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

Intangible assets

On December 21, 1995, the Lee County Port Authority purchased the assets of Fort Myers Jet Center, Inc. for \$1.6 million and has classified as goodwill the excess of cost over the fair market value of assets acquired. The Port Authority is amortizing the goodwill over twenty years.

Deferred revenues

Deferred revenue represents revenues collected in advance of services performed. This revenue will be recognized when the services are rendered.

Compensated absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. The County's policy permits employees to either bank unused sick pay benefits or receive a cash buyout on an annual basis. Both the current and long-term portion of compensated absences are accrued and reported in the governmental-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 policy is pursuant to GASB Statement Number 16, Accounting for Compensated Absences.

Unamortized discount and issue costs

Discount and issue costs related to long-term debt are amortized over the life of the debt principally by the effective-interest method. Notes payable, general obligation bonds payable, and revenue bonds payable in the governmental-wide and proprietary fund financial statements are shown net of unamortized discount. Discount and issue costs related to general long-term debt in the governmental fund financial statements are recorded as expenditures when paid and therefore are not accounted for in subsequent periods.

Unamortized gains or losses

Gains and losses from debt refunding are reported in the accompanying financial statements as an addition or a deduction to bonds payable and will be charged to operating using the effective-interest method in the government-wide and proprietary fund financial statements.

Fund equity

In governmental fund financial statements reservations of fund balance indicate amounts that are limited for a specific purpose, not appropriable, or not available for expenditure. Reserved for inventory represents materials and supplies held for future use. Reserved for debt service is used to segregate resources accumulated for debt service, either current or future. Designations of fund balance represent tentative management plans. Unreserved, undesignated fund balance indicates funds that are available for current expenditure.

NOTE II. DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP for all governmental funds except as follows:

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- **General Fund** – Certain revenues are budgeted as reimbursements and capital leases are budgeted as current expenditures. In addition, bad debt expenditure for Emergency Medical Services is not budgeted.
- **MSTU** – Deferred revenues from grants and impact fees are budgeted as current year revenue.

The following adjustments were necessary to present these funds' actual data on a budgetary basis (Non-GAAP) for the fiscal year ended September 30, 2001, (dollars in thousands):

General Fund:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis) \$7,036

BASIS DIFFERENCE:

Miscellaneous revenue not budgeted-FMV adjustments	(1,281)
Expenditures associated with inventory	19
Capital lease recorded as current expenditures	(84)
Capital outlay not budgeted	107
Capital lease proceeds/transferred but not budgeted	(23)
Bad debt, not budgeted	<u>6,094</u>
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$11,868</u>

MSTU:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis) \$9,296

BASIS DIFFERENCE:

Miscellaneous revenue not budgeted-FMV adjustment	<u>(1,117)</u>
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$8,179</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 2001, 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 taxes receivable at September 30, 2001.

Important dates in the property tax cycle are as follows:

- Assessment roll certified- July 1
- Millage resolution approved- no later than 93 days following certification of 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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

NOTE IV. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Compliance with finance related legal and contractual provisions

The County has no violations of finance related legal and contractual provisions, except as disclosed in note VI.C, commitments and contingencies.

B. Excess of expenditures over appropriations

The County had no excess of expenditures over appropriations in individual funds.

C. Deficit fund net assets

The Self-Insurance Group Health and Dental Fund, an internal service fund, has a deficit net asset balance of (\$280,000). This deficit balance is due to the fund rate structure, which did not cover current loss claims experience, including the IBNR accrual. It is anticipated that the deficit will be resolved in the next fiscal year through a rate adjustment.

NOTE V. DETAILED NOTES ON ALL FUNDS

A. Cash and investments

Deposits

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities.

Financial institutions qualifying as public depositories shall deposit with the Treasurer eligible collateral having a market value equal to or in excess of the average daily balance times the depository collateral - pledging level required pursuant to Chapter 280 as computed and reported monthly or 25 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter

280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. The bank balance of deposits insured by Federal depository insurance or pursuant to Chapter 280, Florida Statutes was \$41,049,000 as of September 30, 2001.

Investments

County investments are made in accordance with the provisions of Section 218.415, Florida Statutes "Investment of Local Government Surplus Funds", Lee County Ordinance 93-08 "Authorizing the Investment of Surplus Public Funds in Shares of Investment Funds Created by the Florida Local Government Investment Trust; and Providing an Effective Date", Lee County Ordinance 01-08 "Establishing County Investment Policy Relating to the Duties of the Clerk of Courts; Providing for Investment Procedures and an Effective Date", and the Board of County Commissioners' Administrative Code 3-13 "Investment Policy for the Board of County Commissioners". Authorized investments include U.S. Government obligations, passbook savings accounts, tax-exempt State and municipal securities, certificates of deposit, repurchase agreements, bankers' acceptances, money market mutual funds, Local Government Surplus Funds Investment Pool Trust Fund (State Board of Administration), the Florida Local Government Investment Trust, and any other investments authorized by Florida Statute 218. There were no violations to this policy during the fiscal year.

The County's investments at September 30, 2001, consisted of the following:

Investments that are insured or registered, or securities held by the County or its agent in the County's name consisted of the following (dollars in thousands):

	<u>Fair Value</u>
U.S. Government agencies and instrumentalities	<u>\$235,473</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

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Investments that are uninsured and unregistered with securities held by the counterparty's trust department or agent in the County's name consisted of the following (dollars in thousands):

	<u>Fair Value</u>
U.S. Government securities	\$984
U.S. Government agencies and instrumentalities	17,368
Flex repurchase agreement	<u>269,846</u>
Total	<u>\$288,198</u>

The Local Government Surplus Funds Investment Pool Trust Fund and money market mutual funds are not categorized as they are not evidenced by securities that exist in physical or book entry form. These investments consisted of the following (dollars in thousands):

	<u>Fair Value</u>
Local Government Surplus Funds Investment Pool Trust Fund	\$419,132
Money market mutual funds	<u>91,103</u>
Total	<u>\$510,235</u>

The County invests funds throughout the year with the Local Government Surplus Funds Investments Pool Trust Fund, which is administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. As of September 30, 2001, the SBA contained floating rate notes totaling approximately \$145 million at cost. These derivative investments, whose market value can fluctuate based on changes in interest rates, represented approximately 1 percent of total SBA investments and were purchased by the SBA to add relative value to the SBA portfolio. The County's investment in the SBA represented approximately 3 percent of the SBA's total investments.

Total of investments (dollars in thousands) \$1,033,906

The unrealized gain on investments held at year-end was \$15,064,000. This calculation is independent of the calculation of the net change in the fair value of investments.

There were no losses during the period due to default by counterparties to investment transactions, and the County had no other types of investments during the period other than those enumerated above. The market value of securities underlying repurchase agreements met the required level during the year.

Reconciliation of cash and investments to the basic financial statements (dollars in thousands):

Cash and investments:

Change funds and petty cash	\$115
Cash on hand	1,490
Carrying value of deposits	27,599
Cash with fiscal agent	32,221
Investments previously disclosed	<u>1,033,906</u>
Total cash and investments	<u>\$1,095,331</u>

Cash and investments per the financial statements:

Primary government	
Current:	
Cash and cash equivalents	\$534,147
Cash and cash equivalents with fiscal agent	85,158
Restricted:	
Cash and cash equivalents	103,958
Cash and cash equivalents with fiscal agent	44,199
Investments	296,293
Investments with fiscal agent	18,352
Agency funds	
Current:	
Cash and cash equivalents	<u>13,224</u>
Total cash and investments	<u>\$1,095,331</u>

Discrete component unit

Deposits

At September 30, 2001, GES's carrying amount of deposits was \$1,030,000, and the bank balance was \$969,000, including an overnight repurchase agreement of \$379,000. Bank balances, excluding the overnight repurchase agreement, were insured up to federal depository insurance limits with the excess balance being uninsured and uncollateralized. Due to higher cash flows at certain times during the year,

NOTES TO THE FINANCIAL STATEMENTS
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GES's investment in overnight repurchase agreements was, at times, significantly higher than at year-end.

Investments

Authorized investments include U.S. Government obligations, passbook savings accounts, tax-exempt state and municipal securities, certificates of deposit, repurchase agreements, bankers' acceptances, money market mutual funds, Local Government Surplus Funds Investment Pool Trust Fund (State Board of Administration), the Florida Local Government Investment Trust, and any other investments authorized by bond resolutions. There were no violations to this policy during the fiscal year.

Cash and cash equivalents with fiscal agent are comprised of money market mutual funds that are not evidenced by securities that exist in physical or book entry form, and therefore, are not categorized.

GES's investments with fiscal agent at September 30, 2001 consisted of investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in GES's name.

	<u>Fair Value</u>
Overnight Repurchase Agreement	<u>\$379,000</u>

The net increase in the fair value of investments for the year ended September 30, 2001, was \$125,000. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the fiscal year. The unrealized gain on investments held at September 30, 2001 was \$95,000.

There were no losses during the period due to default by counterparties to investment transactions, and GES had no other types of investments during the period other than those enumerated above.

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

B. Receivables

At September 30, 2001, receivables for the County's major funds and all other funds in aggregate were as follows (dollars in thousands):

	General Fund	MSTU	Port Authority	Water and Wastewater	Trans Facilities	Solid Waste	Non-major and Other Funds
<i>Unrestricted:</i>							
Accounts	\$ 20,529	\$ 26	\$ 2,342	\$ 2,854		\$ 4,465	\$ 792
Grants			1,733			105	1,611
Notes	1,362					720	
Special assessments						3,745	17,707
Accrued interest	446	383		398	\$ 47	23	2,611
Less: allowance for bad debt	(16,629)		(171)	(211)		(1)	(6)
Total net unrestricted	<u>5,708</u>	<u>409</u>	<u>3,904</u>	<u>3,041</u>	<u>47</u>	<u>9,057</u>	<u>22,715</u>
<i>Restricted:</i>							
Accounts			898		1		
Grants			18		166		569
Special assessments				4,173			
Accrued interest			10,200	341	54		6
Total net restricted	<u>0</u>	<u>0</u>	<u>11,116</u>	<u>4,514</u>	<u>221</u>	<u>0</u>	<u>575</u>
Total net receivables	<u>\$ 5,708</u>	<u>\$ 409</u>	<u>\$ 15,020</u>	<u>\$ 7,555</u>	<u>\$ 268</u>	<u>\$ 9,057</u>	<u>\$ 23,290</u>

In 1992 the County made a fifteen year non-interest bearing intergovernmental loan to Hendry County for costs pertaining to the closure of the "Pioneer Plantation" Class I Landfill Site in Hendry County. This loan is carried in the Solid Waste Fund and the outstanding amount of the loan at September 30, 2001, was \$720,000. The loan was made to Hendry County for permitting an ash landfill site to be built in their county.

In 1992 the Port Authority inadvertently paid a \$244,093 invoice twice to a vendor, Lee Mar, which resulted in a receivable from the vendor. Although \$130,000 was recovered in 1992, no other payments have been made and a \$114,093 balance remains open. It has been determined that this balance will not be paid and will be removed from the accounts receivable balance in fiscal year 2002 after approval from the Board.

The County has certain loans outstanding totaling \$1.3 million that the County has a general reserve against in case they become uncollectible.

Discrete component unit

At September 30, 2001, accounts receivable for GES consisted of the following (dollars in thousands):

<i>Unrestricted:</i>	
Accounts	\$ 570
Less: allowance for bad debt	0
Total net receivables	<u>\$ 570</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

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C. Restricted assets and liabilities

Restricted assets of the proprietary funds represent monies to be restricted for debt service, renewal and replacement, capital improvements and construction, and customer deposits under the terms of outstanding bond agreements, resolutions, and other contractual agreements.

Restricted assets reported on the proprietary fund statement of net assets at September 30, 2001, were as follows (dollars in thousands):

	Port Authority	Water and Wastewater	Trans Facilities	Solid Waste	Other Non-Major Transit	Internal Service Funds	Total
Cash and cash equivalents	\$ 25,123	\$ 65,334	\$ 12,219	\$ 125	\$ 1,155	\$ 2	\$ 103,958
Cash and cash equivalents with fiscal agent		10,883	7,133	25,860		323	44,199
Investments	296,293						296,293
Investments with fiscal agent		984		17,368			18,352
Receivables (net):							899
Accounts	898		1				899
Grants	18		166		569		753
Special assessments		4,173					4,173
Accrued interest	10,200	341	54		6		10,601
Total	\$ 332,532	\$ 81,715	\$ 19,573	\$ 43,353	\$ 1,730	\$ 325	\$ 479,228

Assets restricted for debt service are for the payment of bond principal and interest and bond reserve requirements. Assets restricted for renewal and replacement are for the payment of unusual or extra-ordinary maintenance or repairs. Additionally, assets are restricted for capital improvements and construction. Customer deposits are advance payments held until certain conditions are met.

The assets were restricted for the following purposes at September 30, 2001, (dollars in thousands):

	Port Authority	Water and Wastewater	Trans Facilities	Solid Waste	Other Non-Major Transit	Internal Service Funds	Total
Debt service:							\$ 1,837
General obligation bonds		\$ 1,837					\$ 1,837
Revenue bonds	\$ 87,952	16,336	\$ 7,466	\$ 35,547		\$ 325	147,626
Renewal and replacement	531	9,080	1,659	1,500			12,770
Capital improvements and construction	244,049	50,831	7,982	6,306	\$ 1,730		310,898
Customer deposits		3,631	2,466				6,097
Total net restricted assets	\$ 332,532	\$ 81,715	\$ 19,573	\$ 43,353	\$ 1,730	\$ 325	\$ 479,228

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

C. Restricted assets and liabilities (continued)

Liabilities payable from restricted assets were at September 30, 2001, comprised of the following (dollars in thousands):

	Port Authority	Water and Wastewater	Trans Facilities	Solid Waste	Other Non-Major Transit	Internal Service Funds	Total
Contracts and accounts	\$ 1,329	\$ 1,619	\$ 313		\$ 93		\$ 3,354
Accrued liabilities		3,755	3,432	\$ 5,965	14	\$ 73	13,239
Due to other funds		1	3,425				3,426
Due to other governments			490		6		496
Customer deposits		3,158	471				3,629
Deferred revenues			1,025				1,025
Notes		469	1,684		689		2,842
General obligation bonds		1,108					1,108
Revenue bonds		4,806	2,491	7,289		190	14,776
Total	\$ 1,329	\$ 14,916	\$ 13,331	\$ 13,254	\$ 802	\$ 263	\$ 43,895

Discrete component unit

Restricted assets of GES represent monies required to be restricted for debt service, renewal and replacement, capital improvements and construction, and customer deposits under the terms of outstanding bond agreements, resolutions, and other contractual agreements.

Assets restricted for debt service are for the payment of bond principal and interest and bond reserve requirements. Assets restricted for renewal and replacement are for the payment of unusual or extra-ordinary maintenance or repairs. Additionally, assets are restricted for capital improvements and construction. Customer deposits are advance payments held until certain conditions are met.

The assets were restricted for the following purposes at September 30, 2001, (dollars in thousands):

Debt service:

Revenue bonds	\$ 4,124
Renewal and replacement	397
Capital improvements and construction	4,769
Customer deposits	374
Total	<u>\$ 9,664</u>

NOTES TO THE FINANCIAL STATEMENTS

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D. Capital assets

Capital asset activity for the fiscal year ended September 30, 2001, was as follows (dollars in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 185,132	\$ 31,218	\$ (2,120)	\$ 214,230
Construction in progress	101,251	83,581	(46,013)	138,819
Total capital assets not being depreciated	<u>286,383</u>	<u>114,799</u>	<u>(48,133)</u>	<u>353,049</u>
Capital assets being depreciated:				
Buildings	163,058	5,508	(2,302)	166,264
Improvements other than buildings	24,096	920	(4,350)	20,666
Machinery and equipment	119,684	31,543	(33,692)	117,535
Infrastructure	297,021	9,783		306,804
Total capital assets being depreciated	<u>603,859</u>	<u>47,754</u>	<u>(40,344)</u>	<u>611,269</u>
Less accumulated depreciation for:				
Buildings	51,256	5,718	(716)	56,258
Improvements other than buildings	9,624	1,067	(1,691)	9,000
Machinery and equipment	67,001	14,739	(16,756)	64,984
Infrastructure	67,761	8,294		76,055
Total accumulated depreciation	<u>195,642</u>	<u>29,818</u>	<u>(19,163)</u>	<u>206,297</u>
Total capital assets being depreciated, net	<u>408,217</u>	<u>17,936</u>	<u>(21,181)</u>	<u>404,972</u>
Total governmental activities capital assets, net	<u>\$ 694,600</u>	<u>\$ 132,735</u>	<u>\$ (69,314)</u>	<u>\$ 758,021</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 118,335	\$ 750		\$ 119,085
Port Authority	6,418	185		6,603
Water and Wastewater	44,195			44,195
Transportation Facilities	15,715			15,715
Solid Waste	65			65
Other non-major - Transit	<u>184,728</u>	<u>935</u>	<u>0</u>	<u>185,663</u>
Construction in progress				
Port Authority	31,619	30,489	(2,085)	60,023
Water and Wastewater	17,278	8,786	(3,942)	22,122
Transportation Facilities	879	1,588	(668)	1,799
Solid Waste	1,631	5,579	(32)	7,178
Other non-major - Transit	2,301	498	(2,490)	309
Total construction in progress	<u>53,708</u>	<u>46,940</u>	<u>(9,217)</u>	<u>91,431</u>
Total capital assets not being depreciated	<u>238,436</u>	<u>47,875</u>	<u>(9,217)</u>	<u>277,094</u>
Capital assets being depreciated:				
Buildings				
Port Authority	55,175		(902)	54,273
Water and Wastewater	12,722			12,722
Transportation Facilities	4,851			4,851
Solid Waste	83,019			83,019
Other non-major - Transit	1,782	2,490	(5)	4,267
Total buildings	<u>157,549</u>	<u>2,490</u>	<u>(907)</u>	<u>159,132</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

D. Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities (continued):				
Capital assets being depreciated (continued):				
Improvements other than buildings				
Port Authority	5,068			5,068
Water and Wastewater	141,472	9,354	(288)	150,538
Transportation Facilities	2,362			2,362
Solid Waste	10,634	7		10,641
Other non-major - Transit	67	4		71
Total improvements other than buildings	<u>159,603</u>	<u>9,365</u>	<u>(288)</u>	<u>168,680</u>
Machinery and equipment				
Port Authority	13,957	1,182	(238)	14,901
Water and Wastewater	11,758	3,672	(158)	15,272
Transportation Facilities	5,811	88	(20)	5,879
Solid Waste	86,493	167	(173)	86,487
Other non-major - Transit	12,743	2,690	(775)	14,658
Total machinery and equipment	<u>130,762</u>	<u>7,799</u>	<u>(1,364)</u>	<u>137,197</u>
Infrastructure				
Port Authority	74,337	2,085		76,422
Water and Wastewater	196,293	2,078		198,371
Transportation Facilities	125,238	668		125,906
Solid Waste	5,111			5,111
Total infrastructure	<u>400,979</u>	<u>4,831</u>	<u>0</u>	<u>405,810</u>
Total capital assets being depreciated	<u>848,893</u>	<u>24,485</u>	<u>(2,559)</u>	<u>870,819</u>
Less accumulated depreciation for:				
Buildings				
Port Authority	18,231	1,819	(738)	19,312
Water and Wastewater	5,821	312		6,133
Transportation Facilities	2,116	194		2,310
Solid Waste	15,860	2,768		18,628
Other non-major - Transit	756	50	(5)	801
Total buildings	<u>42,784</u>	<u>5,143</u>	<u>(743)</u>	<u>47,184</u>
Improvements other than buildings				
Port Authority	2,334	267		2,601
Water and Wastewater	25,763	4,406	(88)	30,081
Transportation Facilities	1,257	130		1,387
Solid Waste	1,229	384		1,613
Other non-major - Transit	40	5		45
Total improvements other than buildings	<u>30,623</u>	<u>5,192</u>	<u>(88)</u>	<u>35,727</u>
Machinery and equipment				
Port Authority	6,320	1,284	(185)	7,419
Water and Wastewater	6,365	783	(133)	7,015
Transportation Facilities	1,089	915	(18)	1,986
Solid Waste	18,028	3,062	(122)	20,968
Other non-major - Transit	6,530	1,145	(762)	6,913
Total machinery and equipment	<u>38,332</u>	<u>7,189</u>	<u>(1,220)</u>	<u>44,301</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

D. Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities (continued):				
Less accumulated depreciation for (continued):				
Infrastructure				37,927
Port Authority	34,569	3,358		54,035
Water and Wastewater	47,191	6,844		25,999
Transportation Facilities	22,444	3,555		759
Solid Waste	588	171		118,720
Total infrastructure	<u>104,792</u>	<u>13,928</u>	<u>0</u>	<u>245,932</u>
Total accumulated depreciation	<u>216,531</u>	<u>31,452</u>	<u>(2,051)</u>	<u>624,887</u>
Total capital assets being depreciated, net	<u>632,362</u>	<u>(6,967)</u>	<u>(508)</u>	<u>901,981</u>
Total business-type activities capital assets, net	<u>\$ 870,798</u>	<u>\$ 40,908</u>	<u>\$ (9,725)</u>	<u>\$ 901,981</u>

Interest costs related to construction are capitalized. In addition, earnings from the investment of tax-exempt bond proceeds earmarked for construction are also capitalized. Net interest expense capitalized for the year ended September 30, 2001, was \$3,981,000.

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

Governmental activities:	
General government	\$ 8,496
Public safety	3,646
Physical environment	336
Transportation	7,214
Economic environment	65
Human services	576
Culture and recreation	4,653
Total depreciation for governmental activities	<u>\$ 24,986</u>
Business-type activities:	
Airport	\$ 6,726
Water & Wastewater	12,278
Transit	1,199
Transportation Facilities	4,794
Solid Waste	6,386
Total depreciation for business-type activities	<u>\$ 31,383</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

D. Capital assets (continued)

Construction commitments

The County has active construction projects as of September 30, 2001. The material commitments for remaining contracts were as follows (dollars in thousands):

Project	Contract Amount	Amount Spent-to-date	Remaining Commitment	Retainage
Transportation	\$ 39,931	\$ 25,739	\$ 14,192	\$ 549
Water & wastewater	28,057	13,970	14,087	416
Solid waste	5,205	3,597	1,608	323
Airport	37,108	33,542	3,566	200
Transit	2,500	2,241	259	249
Library	11,500	7,026	4,474	173
Parks and recreation	9,776	5,928	3,848	52
Other	39,830	33,024	6,806	2,465
Total	<u>\$ 173,907</u>	<u>\$ 125,067</u>	<u>\$ 48,840</u>	<u>\$ 4,427</u>

Discrete component unit

Capital asset activity for the fiscal year ended September 30, 2001, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 4,216	\$ 1,486	\$ (2,017)	\$ 3,685
Total capital assets not being depreciated	<u>4,216</u>	<u>1,486</u>	<u>(2,017)</u>	<u>3,685</u>
Capital assets being depreciated:				
Improvements other than buildings	54,779	7,889	(25)	62,643
Machinery and equipment	67			67
Total capital assets being depreciated	<u>54,846</u>	<u>7,889</u>	<u>(25)</u>	<u>62,710</u>
Less accumulated depreciation for:				
Improvements other than buildings	4,150	2,131		6,281
Machinery and equipment	8	15		23
Total accumulated depreciation	<u>4,158</u>	<u>2,146</u>	<u>0</u>	<u>6,304</u>
Total capital assets being depreciated, net	<u>50,688</u>	<u>5,743</u>	<u>(25)</u>	<u>56,406</u>
Capital assets, net	<u>\$ 54,904</u>	<u>\$ 7,229</u>	<u>\$ (2,042)</u>	<u>\$ 60,091</u>

Interest costs related to plant construction are capitalized. In addition, earnings from the investment of tax-exempt bond proceeds earmarked for construction are also capitalized. Net interest expense capitalized for the year ended September 30, 2001, was \$220,000.

Construction commitments

GES has active construction projects as of September 30, 2001. The commitments for remaining contracts were as follows (dollars in thousands):

Project	Contract Amount	Amount Spent-to-date	Remaining Commitment	Retainage
Water & wastewater projects	<u>\$ 1,649</u>	<u>\$ 889</u>	<u>\$ 760</u>	<u>\$ 12</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2001

E. Interfund transactions

Due to/from other funds

Interfund balances for the year ended September 30, 2001, consisted of the following (dollars in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose for Balance</u>	<u>Amount</u>
General	General (Constitutional Officers)	Interest and fees	\$ 454
	MSTU	Interfund billing for services	15
	Non-major governmental funds	Interfund billing for services	213
	Fiduciary funds	Operations	1,049
	Internal service funds	Interfund billing for services	2
	Water & Wastewater	Interfund billing for services	4
	Solid Waste	Interfund billing for services	3
	Port Authority	Operations	6
	Transportation Facilities	Interfund billing for services, Operations	6
		Total due to general fund	
MSTU	General	Operations	207
	General (Constitutional Officers)	Ad valorem taxes & excess fees	276
	Non-major governmental funds	Operations	840
		Total due to MSTU	
Non-major governm't funds	General	Interfund billing for services	1
	General (Constitutional Officers)	Ad valorem taxes & excess fees	5,245
	MSTU	Operations	3,101
	Non-major governmental funds	Operations	1,864
	Water & Wastewater	Interfund billing for services	4
	Transportation Facilities	Operations	3,454
		Total due to non-major governmental funds	
Transit	General	Correct payment	8
	Non-major governmental funds	Operations	8
Transportation Facilities	General (Constitutional Officers)	Excess fees	2
	General	Transfer correction	1,260
Solid Waste	General (Constitutional Officers)	Excess fees	161
	Non-major governmental funds	Interfund billing for services	11
	Water & Wastewater	Interfund billing for services	6
		Total due to enterprise funds	
Internal service funds	General	Interfund billing for services	94
	General (Constitutional Officers)	Operations	3
	MSTU	Interfund billing for services	91
	Non-major governmental funds	Interfund billing for services	156
	Water & Wastewater	Interfund billing for services	50
	Transportation Facilities	Interfund billing for services	4
	Solid Waste	Interfund billing for services	6
	Internal service funds	Interfund billing for services	1
		Total due to internal service funds	
Fiduciary funds	General (Constitutional Officers)	Due from other Clerk funds	3,800
		Total due to fiduciary funds	<u>3,800</u>
Total			<u>\$ 22,405</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

E. Interfund transactions (continued)

Interfund transfers

Interfund transfers for the year ended September 30, 2001, consisted of the following (dollars in thousands):

	Transfers In							Total	
	General Fund	MSTU	Non-major Government Funds	Transit	Water and Wastewater	Trans Facilities	Solid Waste		Internal Service Funds
<i>Transfers out:</i>									
General fund		\$107	\$21,718	\$2,475			\$144	\$567	
MSTU	\$1,728		11,261		\$50				
Non-major government Water & Wastewater	751	29	17,192	546		\$77			
Trans Facilities								2	
Solid Waste								14	
Internal Service							10	3	\$284
Capital Asset Transfer*							7	185	
	\$2,479	\$136	\$59,225	\$3,021	\$58	\$77	\$154	\$771	\$284
									\$66,205

(*This represents assets that were transferred to/from proprietary funds to/from general fixed assets. Since the general fixed assets fund group are no longer reported as a fund group on the financial statements there are "uncategorized" transfers.)

The majority of interfund transfers were for recurring annual operating transfers. Non-recurring budgeted transfers during the year were made from the General Fund to the non-major governmental funds aggregating \$3,369. These transfers set up a new subfund for the Pollutant Storage Tanks program, provided funds for the DeLeon Park project and the Conservation 2020 sensitive land purchase program. The MSTU fund transferred \$2,000 to a non-major governmental fund to pay down its portion of the Public Works Building debt and Transportation Facilities transferred \$3,500 to a non-major governmental fund to fund the Veteran's Parkway Surfside to Chiquita Boulevard road extension project.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2001

F. Leases

Operating leases

The County is currently committed to various operating leases with terms in excess of one year. The future minimum rental payments as of September 30, 2001, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Amount</u>
2002	\$1,455
2003	1,040
2004	641
2005	434
2006	108
2007-2011	<u>36</u>
Total	<u>\$3,714</u>

For all operating leases, rental expense is recorded with separate amounts for minimum rentals, contingent rentals, and sublease rentals. The following schedule shows the total rental expense for all operating leases, including those with terms of less than one year, for the year ended September 30, 2001, (dollars in thousands):

Minimum rentals	\$2,461
Contingent rentals	39
Sublease rentals	<u>12</u>
Total rent expense	<u>\$2,512</u>

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

Capital leases

The County has entered into several capital lease arrangements outlined as follows:

- For the purpose of obtaining a Motorola 800mhz radio system. The annual interest rate is 5.01 percent with the lease maturing in fiscal year

2005. The outstanding balance as of September 30, 2001 was \$6,361,777.

- For the purpose of acquiring a Canon color copier. The annual interest rate is 4 percent with the lease maturing in fiscal year 2003. The outstanding balance as of September 30, 2001 was \$9,882.
- For the purpose of purchasing a Canon copier. The interest rate is 6 percent with the lease maturing in fiscal year 2003. The outstanding balance as of September 30, 2001 was \$10,143.
- The Lee County Transportation Facilities has entered into a capital lease obligation for the purpose of purchasing a postage machine. The annual interest rate is 12.5 percent with the lease maturing in fiscal year 2002. The outstanding balance as of September 30, 2001 was \$1,796.
- The Lee County Port Authority has entered into a capital lease obligation for the purpose of purchasing a fuel pump. This is an interest free lease with the lease maturing in fiscal year 2002. The outstanding balance as of September 30, 2001 was \$4,800.
- The Constitutional Officers, which are rolled-up with the BOCC financial statements, have entered into several capital lease obligations for the purpose of purchasing equipment. The annual interest rates range from 6.5 percent to 11.57 percent with the leases maturing in fiscal years 2003 through 2005. The outstanding balances as of September 30, 2001 were \$144,034.

The outstanding capital lease balances at September 30, 2001, were as follows (dollars in thousands):

Governmental Activities	\$6,526
Business-type Activities	<u>7</u>
Total	<u>\$6,533</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

F. Leases (continued)**Capital leases (continued)**

The assets acquired through capital leases at September 30, 2001, are as follows (dollars in thousands):

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Machinery and equipment	\$ 16,781	\$ 10,952	\$ 27,733

Capital leases are recorded at total present value of future minimum lease payments. The annual payment requirements and present values of these payments at September 30, 2001, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
2002	\$ 1,877	\$ 7	\$ 1,884
2003	1,859		1,859
2004	1,821		1,821
2005	1,811		1,811
Total payments	7,368	7	7,375
Less: Imputed interest	(842)		(842)
Total present value of net minimum lease payments	<u>\$ 6,526</u>	<u>\$ 7</u>	<u>\$ 6,533</u>

Discrete component unit**Operating leases**

On January 1, 1999 GES entered into a lease for office space under a non-cancelable operating lease. Total rental expense under this lease was \$63,000 for 2001. The monthly rent is adjusted on January 1 of each year for the change in the Consumer Price Index. The common area maintenance charges are also adjusted at January 1. The lease expires on December 31, 2002. Future minimum payments under this lease at September 30, 2001, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Amount</u>
2002	\$ 63
2003	16
Total	<u>\$ 79</u>

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2001

G. Long-term debt

General obligation bonds

General obligation bonds pledge the full faith and credit of the County, within the Districts. The County has issued all general obligation bonds for business-type activities. The County has set aside sufficient reserves to pay for general obligation debt allowing the County to utilize user fees to pay future debt service on the general obligation debt. The descriptions and balances of the outstanding general obligation bonds as of September 30, 2001, were as follows:

- South Fort Myers Sewer District General Obligation Bonds issued in 1977 for \$8,000,000 at an interest rate of 5 percent, collateralized by the full faith and credit of the South Fort Myers Sewer District. The outstanding balance was \$1,150,000.
- Fort Myers Beach and Sewer District General Obligation Bonds issued in 1978 for \$8,930,000 at interest rates ranging from 5.25 percent to 6.6 percent, collateralized by the full faith credit of the Fort Myers Beach Sewer District. The outstanding balance was \$2,420,000.

The annual debt service requirements for general obligation bonds at September 30, 2001, were as follows (dollars in thousands):

Fiscal Year	Business-type Activities	
	Principal	Interest
2002	\$1,110	\$197
2003	1,180	137
2004	620	73
2005	660	38
Total	<u>\$3,570</u>	<u>\$445</u>

Revenue bonds

The County issued revenue bonds for both governmental and business-type activities. The descriptions and balances of the outstanding revenue bonds as of September 30, 2001, were as follows:

- Series 1992 Capital Revenue Bonds for \$5,640,000 at interest rates ranging from 3.4

percent to 5.75 percent (effective interest rate of 5.98 percent), collateralized 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. The outstanding balance was \$4,380,000.

- Series 1993 Local Option Gas Tax Refunding Revenue Bonds for \$21,630,000 at interest rates ranging from 3.25 percent to 4.9 percent (effective interest rate of 4.69 percent), collateralized by a lien on and a pledge of local option gas tax revenues and the proceeds of collection of certain special assessments which may be levied by the County on benefited properties. The outstanding balance was \$9,170,000.
- Series 1993 Road Improvement Refunding Revenue Bonds for \$11,925,000 at interest rates ranging from 2.85 percent to 5.375 percent (effective interest rate of 5.18 percent), collateralized by a lien on and a pledge of the voted one-cent gas tax imposed by the County. The outstanding balance was \$7,340,000.
- Series 1993A Capital and Transportation Facilities Refunding Revenue Bonds for \$43,525,000 at interest rates ranging from 2.45 percent to 5.6 percent (effective interest rate of 5.66 percent), collateralized 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. The outstanding balance was \$41,710,000.
- Series 1993B Capital Refunding Revenue Bonds for \$36,237,940 at interest rates ranging from 2.45 percent to 5.25 percent on current interest paying bonds and 5.85 percent to 5.9 percent on capital appreciation bonds (effective interest rate of 5.66 percent), collateralized 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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, and sales tax. Interest on the capital appreciation bonds is compounded semi-annually and is payable at maturity or early redemption. Accreted interest at September 30, 2001 was \$3,658,705 and has been added to the balance due. The outstanding balance was \$29,436,645.

- Series 1993C Capital Refunding Revenue Bonds (Taxable) for \$26,790,000 at interest rates ranging from 3.9 percent to 6.3 percent (effective interest rate of 6 percent), collateralized 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. The outstanding balance was \$7,110,000.
- Series 1994 Tourist Development Tax Refunding Revenue Bonds for \$11,490,000 at interest rates ranging from 3 percent to 5.75 percent (effective interest rate of 5.73 percent), collateralized by a lien on and a pledge of the tourist development tax, gross revenues of the baseball stadium, and investment earnings. The outstanding balance was \$9,415,000.
- Series 1995 Five Cent Local Option Gas Tax Revenue Bonds for \$35,360,000 at interest rates ranging from 3.7 percent to 5.75 percent (effective interest rate of 5.68 percent), collateralized by a lien on and pledge of the local option gas tax revenues. The outstanding balance was \$31,245,000.
- Series 1995A Capital Revenue Bonds for \$23,330,000 at interest rates ranging from 3.75 percent to 4.9 percent (effective interest rate of 5.17 percent), collateralized 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. The outstanding balance was \$10,870,000.
- Series 1997A Capital Refunding Revenue Bonds for \$18,950,000 at interest rates ranging from 4.875 percent to 5.75 percent (effective interest rate of 5.14 percent), collateralized 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. The outstanding balance was \$18,950,000.
- Series 1997 Local Option Gas Tax Refunding Revenue Bonds for \$14,995,000 at interest rates ranging from 3.75 percent to 5 percent (effective interest rate of 4.74 percent), collateralized by a lien on and a pledge of local option gas tax revenues and the proceeds of collection of certain special assessments which may be levied by the County on benefited properties. The outstanding balance was \$14,810,000.
- Series 1999A Capital Refunding Revenue Bonds for \$36,190,000 at interest rates ranging from 4.4 percent to 5.25 percent (effective interest rate of 4.92 percent), collateralized 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. The outstanding balance was \$36,190,000.
- Series 2000 Capital Revenue Bonds for \$18,200,000 at interest rates ranging from 4.3 percent to 5.375 percent (effective interest rate of 5.12 percent), collateralized 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. The outstanding balance was \$18,015,000.
- Series 1993 Certificates of Participation for \$17,245,000 at interest rates ranging from 2.7 percent to 5.125 percent (effective interest rate of 5.09 percent), with certificate payments payable from non-ad valorem revenues of the

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

County and ad valorem tax revenues of the County, which are legally available to make lease payments under the Master Lease-Purchase Agreement. The outstanding balance was \$12,570,000.

- Series 1996 Certificates of Participation for \$12,125,000 at interest rates ranging from 3.6 percent to 5 percent (effective interest rate of 5.01 percent), with certificate payments payable from non-ad valorem revenues of the County and ad valorem tax revenues of the County, which are legally available to make lease payments under the Master Lease-Purchase Agreement. The outstanding balance was \$7,665,000.
- Series 1992A Airport Revenue Bonds for \$36,995,000 at interest rates ranging from 5.5 percent to 5.9 percent (effective interest rate of 6.8 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Port Authority. The outstanding balance was \$36,995,000.
- Series 1992B Taxable Airport Revenue Bonds for \$49,090,000 at interest rates ranging from 3.45 percent to 7.1 percent (effective interest rate of 6.7 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Port Authority. The outstanding balance was \$12,020,000.
- Series 1998 Passenger Facility Charge Revenue and Refunding Bonds for \$52,225,000 at interest rates ranging from 3.6 percent to 5 percent (effective interest rate of 5.21 percent), collateralized by a lien on and a pledge of the passenger facility charge revenues. The outstanding balance was \$46,115,000.
- Series 2000A (AMT) Airport Revenue Bonds, for \$291,155,000 at interest rates ranging from 5.4 percent to 6.125 percent (effective interest rate of 6.16 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Port Authority. The outstanding balance was \$291,155,000.
- Series 2000B (Non-AMT) Airport Revenue Bonds, for \$36,180,000 at an interest rate of 5.75 percent (effective interest rate of 6.1 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Port Authority. The outstanding balance was \$36,180,000.
- Series 1993 Water and Sewer Refunding Revenue Bonds for \$40,000,000 at interest rates ranging from 2.3 percent to 5.4 percent (effective interest rate of 5.84 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Water and Wastewater System as defined by the bond resolutions and certain special assessment collections of the System. The outstanding balance was \$14,755,000.
- Series 1999A Water and Sewer Revenue Bonds for \$134,615,000 at interest rates ranging from 3.15 percent to 5 percent (effective interest rate of 5.03 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Water and Wastewater System. The outstanding balance was \$132,300,000.
- Series 1993 Transportation Facilities Refunding Revenue Bonds for \$11,265,000 at interest rates ranging from 3 percent to 4.7 percent (effective interest rate of 7.39 percent), collateralized by a lien on and a pledge of the net revenues of the Sanibel Bridge and Cape Coral Bridge Facilities. The outstanding balance was \$3,830,000.
- Series 1995 Transportation Facilities Revenue Bonds for \$96,530,000 at interest rates ranging from 4.5 percent to 5.75 percent (effective interest rate of 6.22 percent), collateralized by a lien on and a pledge of net revenues of the Sanibel Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. The outstanding balance was \$92,525,000.
- Series 2001A Transportation Facilities Refunding Revenue Bonds for \$64,005,000 at interest rates ranging from 3 percent to 5.5 percent (effective interest rate of 6.274 percent), collateralized by a lien on and pledge of the net revenues of the Sanibel Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. The outstanding balance was \$64,005,000.

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

- Series 1991A Solid Waste System Revenue Bonds for \$179,245,000 at interest rates ranging from 6 percent to 7.25 percent (effective interest rate of 7.47 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Solid Waste System. The outstanding balance was \$138,910,000.
- Series 1991B Solid Waste System Revenue Bonds for \$18,000,000 at interest rates ranging from 6 percent to 7.25 percent (effective interest rate of 7.47 percent), collateralized by a lien on and a pledge of net revenues of the Lee County Solid Waste System. The outstanding balance was \$15,690,000.
- Series 1995 Solid Waste System Revenue Bonds for \$27,880,000 at interest rates ranging from 4 percent to 5.375 percent (effective interest rate of 5.83 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Solid Waste System. The outstanding balance was \$26,545,000.

The annual debt service requirements for revenue bonds at September 30, 2001, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 14,815	\$ 12,571	\$ 21,690	\$ 50,940	\$ 36,505	\$ 63,511
2003	15,525	11,812	23,570	49,640	39,095	61,452
2004	16,640	11,016	25,375	48,243	42,015	59,259
2005	17,450	10,183	27,890	46,711	45,340	56,894
2006	14,335	9,331	29,625	45,028	43,960	54,359
2007-2011	94,420	33,282	159,495	198,146	253,915	231,428
2012-2016	35,843	16,703	183,290	147,272	219,133	163,975
2017-2021	37,365	8,960	118,800	107,378	156,165	116,338
2022-2026	8,825	247	130,840	74,830	139,665	75,077
2027-2031			142,000	35,357	142,000	35,357
2032-2036			48,450	4,249	48,450	4,249
Total	<u>\$255,218</u>	<u>\$114,105</u>	<u>\$911,025</u>	<u>\$807,794</u>	<u>\$1,166,243</u>	<u>\$921,899</u>

<u>Fiscal Year(s)</u>	<u>Business-type Activities</u>							
	<u>Port Authority</u>		<u>Water and Wastewater</u>		<u>Transportation Facilities</u>		<u>Solid Waste</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 5,585	\$ 24,421	\$ 5,035	\$ 6,669	\$ 3,430	\$ 8,427	\$ 7,640	\$ 11,423
2003	5,920	24,082	4,695	6,476	4,425	8,230	8,530	10,852
2004	6,285	23,718	4,870	6,273	4,755	8,045	9,465	10,207
2005	7,435	23,327	5,065	6,056	4,940	7,843	10,450	9,485
2006	7,840	22,923	5,260	5,825	5,140	7,583	11,385	8,697
2007-2011	45,620	107,838	18,070	26,629	29,755	33,690	66,050	29,989
2012-2016	58,100	93,993	19,120	22,657	38,445	24,354	67,625	6,268
2017-2021	63,655	76,241	24,170	17,377	30,975	13,760		
2022-2026	74,425	57,351	30,495	10,716	25,920	6,763		
2027-2031	99,150	32,622	30,275	2,363	12,595	372		
2032-2036	48,450	4,249						
Total	<u>\$422,465</u>	<u>\$490,765</u>	<u>\$147,055</u>	<u>\$111,041</u>	<u>\$160,360</u>	<u>\$119,067</u>	<u>\$181,145</u>	<u>\$ 86,921</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

G. Long-term debt (continued)

Special assessment bonds

In order to fund construction of improvements in certain areas of the County, the County has issued various special assessment improvement bonds. Such bonds are collateralized by special assessments levied against the benefited property owners of certain municipal service benefit units (MSBU) of the County. All special assessment bond issues are for governmental activities. Information regarding special assessment bonds outstanding at September 30, 2001, was as follows:

- Special Assessment Improvement Revenue Bonds, Series 1990 for \$3,225,000 at interest rates ranging from 7.625 percent to 7.875 percent (effective interest rate of 7.75 percent). The outstanding balance was \$580,000.
- Capital Revenue Bonds, Series 1995B- MSBU for \$8,610,000 at interest rates ranging from 3.9 percent to 5.875 percent (effective interest rate of 5.17 percent). The outstanding balance was \$3,310,000.

The annual debt service requirements for special assessment bonds at September 30, 2001, were as follows (dollars in thousands):

Fiscal Year	Governmental Activities	
	Principal	Interest
2002	\$ 350	\$ 213
2003	365	197
2004	380	179
2005	400	161
2006	420	141
2007-2011	<u>1,975</u>	<u>356</u>
Total	<u>\$3,890</u>	<u>\$1,247</u>

Delinquent special assessments receivable related to the Special Assessment Improvement Revenue Bonds, Series 1990 and the Capital Revenue Bonds, Series 1995B, were \$22,000 and \$128,000, as of September 30, 2001.

Defeased bonds

In prior years, 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, 2001, consisted of the following (dollars in thousands):

Capital Bonds, Series 1979	\$ 9,825
Justice Center Complex, Inc., Improvement Revenue Bonds, Series 1981	37,920
Capital Refunding Bonds, Series 1983	8,205
Airport Revenue Bonds, Series 1980	22,355
Airport Revenue Bonds, Series 1983	16,060
Transportation Facilities Refunding Revenue Bonds, Series 1991	65,110
Sanibel Bridge Improvement Revenue Bond, Series 1979	<u>2,875</u>
Total	<u>\$ 162,350</u>

Bond resolutions

The resolution for the following bonds established certain accounts and determined the order in which certain revenues are to be deposited into those accounts. In addition, there are various other covenants established by the official statements and County resolutions, including such items as debt service coverage, reporting requirements, and maintenance of facilities. Management believes that it has complied, in all material respects, with these covenants. All required balances at September 30, 2001, were maintained on the following issues:

General obligation bonds

- South Fort Myers Sewer District General Obligation Bonds
- Fort Myers Beach Sewer District General Obligation Bonds

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

Revenue bonds

Capital Revenue Bonds, Series 1992
 Local Option Gas Tax Refunding Revenue Bonds, Series 1993
 Road Improvement Refunding Revenue Bonds, Series 1993
 Capital & Transportation Facilities Refunding Revenue Bond, Series 1993A
 Capital Refunding Revenue Bonds, Series 1993B
 Capital Refunding Revenue Bonds (Taxable), Series 1993C
 Tourist Development Tax Refunding Revenue Bonds, Series 1994
 Five Cent Local Option Gas Tax Revenue Bonds, Series 1995
 Capital Revenue Bonds, Series 1995A
 Capital Refunding Revenue Bonds, Series 1997A
 Local Option Gas Tax Refunding Revenue Bonds, Series 1997
 Capital Refunding Revenue Bonds, Series 1999A
 Capital Revenue Bonds, Series 2000
 Certificates of Participation, Series 1993
 Certificates of Participation, Series 1996
 Airport Revenue Bonds, Series 1992A
 Taxable Airport Revenue Bonds, Series 1992B
 Passenger Facility Charge Revenue & Refunding Bonds, Series 1998
 Airport Revenue Bonds, Series 2000A
 Airport Revenue Bonds, Series 2000B
 Water and Sewer Refunding Revenue Bonds, Series 1993
 Water and Sewer Revenue Bonds, Series 1999A
 Transportation Facilities Refunding Revenue Bonds, Series 1993
 Transportation Facilities Revenue Bonds, Series 1995
 Transportation Facilities Refunding Revenue Bonds, Series 2001A
 Solid Waste System Revenue Bonds, Series 1991A
 Solid Waste System Revenue Bonds, Series 1991B
 Solid Waste System Revenue Bonds, Series 1995

Special Assessment Bonds

Special Assessment Improvement Revenue Bonds, Series 1990
 Capital Revenue Bonds, Series 1995B- MSBU

Variable debt

The County has entered into loan agreements with the Florida Local Government Finance Commission (FLGFC) for both governmental and business-type activities. The descriptions and the outstanding balances of the variable debt at September 30, 2001, were as follows:

- Commercial paper loan A-11-1 for \$100,000 was issued to finance capital projects used in governmental activities. Payments are payable from non-ad valorem revenues and other legally available County funds not otherwise pledged. Principal is due at maturity and interest is payable monthly on the unpaid balance at variable rates, and for the year ended September 30, 2001 the rates ranged from 2.7 percent to 4.35 percent. The outstanding balance was \$100,000.
- Commercial paper loan A-11-2 for \$350,000 was issued to finance capital projects used in governmental activities. Payments are payable from non-ad valorem revenues and other legally available County funds not otherwise pledged. Principal is due at maturity and interest is payable monthly on the unpaid balance at variable rates, and for the year ended September 30, 2001 the rates ranged from 2.7 percent to 4.35 percent. The outstanding balance was \$350,000.
- Commercial paper loan A-7-1 for \$9,500,000 was issued to finance certain transportation related capital projects in business-type activities. The loan is to be repaid from toll revenues. Principal is due at maturity and interest is payable monthly on the unpaid balance at variable rates, and for the year ended September 30, 2001 the rates ranged from 2.7 percent to 4.35 percent. The outstanding balance was \$750,000.

The outstanding variable debt balances at September 30, 2001, were as follows (dollars in thousands):

Governmental Activities	\$ 450
Business-type Activities	750
Total	<u>\$1,200</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

Notes payable

The County has entered into loan agreements with several banks and government agencies. These loans and agreements are used for both governmental and business-type activities. The descriptions and outstanding balances at September 30, 2001, were as follows:

Bank of America

The County has entered into a loan agreement with Bank of America to provide long-term financing for certain capital projects. The loan is collateralized by special assessments levied against the benefited property owners of certain municipal service benefit units (MSBU) of the County. Interest is payable semi-annually. Principal is payable in equal annual installments maturing in fiscal years 2018 through 2020.

- Whiskey Creek district loan for \$140,864 at an interest rate of 5.8 percent. The outstanding balance was \$119,734.
- South Pebble/Broken Arrow district loan for \$359,627 at an interest rate of 5.74 percent. The outstanding balance was \$305,683.
- Diplomat Parkway district loan for \$3,659,238 at an interest rate of 5.49 percent. The outstanding balance was \$3,110,353.
- Pinecrest district loan for \$499,007 at an interest rate of 6.332 percent. The outstanding balance was \$474,124.

SunTrust Bank

The County has entered into a loan agreement with Bank of America to provide long-term financing for certain capital projects. The loan is collateralized by special assessments levied against the benefited property owners of certain municipal service benefit units (MSBU) of the County. Interest is payable semi-annually. Principal is payable in equal annual installments maturing in fiscal year 2005.

- University Overlay district loan for \$827,838 at an interest rate of 6.049 percent. The outstanding balance was \$662,270.

Florida Department of Environmental Protection

- On October 17, 1991, the Lee County Water and Wastewater System entered into an agreement with the Florida Department of Environmental Protection to borrow \$10,135,362 at interest rates of 3.57 percent and 3.66 percent. The first installment of \$725,661 was due on October 1, 1993 and thereafter the annual installments are \$720,926. The outstanding balance was \$6,905,347.
- On April 17, 2001, the Lee County Water and Wastewater System entered into an agreement with the Florida Department of Environmental Protection to borrow \$4,959,267 at an interest rate of 3.08 percent. The County received \$804,309 upon execution of this loan. Two more payments in the amounts of \$2,266,689 and \$1,462,380 will be received in fiscal year 2002. The 20 semiannual loan payments will commence on July 15, 2004, and semiannually thereafter on January 15 and July 15 of each year until all amounts due have been fully paid. The outstanding balance was \$804,309.

Florida Department of Transportation

- On November 2, 1995, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$500,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 3, 1996 per the Memorandum of Agreement. The loan has been expended on the design of the U.S. 41/Colonial Boulevard Interchange. The interest free loan is to be repaid in five annual installments of \$100,000 beginning on November 27, 1998. The outstanding balance was \$200,000.
- On June 11, 1997, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$4,000,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 22, 1999. The loan has been expended on the Midpoint

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

Corridor Extension II project. The interest free loan is to be repaid in six annual installments of \$666,667 beginning in fiscal year 2003 through 2008. The outstanding balance was \$4,000,000.

- On March 31, 1998, Lee County Transit entered into an agreement with the Florida Department of Transportation to borrow \$689,389 from the State Infrastructure Bank (SIB). The loan has been procured for the purchase of four trolley busses. The interest free loan is to be repaid in one installment in December, 2001. The outstanding balance was \$689,389.
- On June 8, 1998, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$500,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 22, 1999. The loan has been expended on the Westerly Corridor Extension project. The interest free loan is to be repaid in six annual installments of \$83,333 beginning in fiscal year 2003 through 2008. The outstanding balance was \$500,000.
- On April 20, 1999, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$1,000,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 22, 1999. The loan has been expended on the Westerly Corridor Extension project. The interest free loan is to be repaid in six annual installments of \$166,667 beginning in fiscal year 2003 through 2008. The outstanding balance was \$1,000,000.
- On April 20, 2001, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$6,000,000 from the State Infrastructure Bank (SIB). The loan has been procured for the extension of Veteran's Memorial Parkway. This interest free loan is to be repaid in five annual installments beginning in fiscal year 2002 through 2006. The outstanding balance was \$6,000,000.

The outstanding notes payable balances at September 30, 2001, were as follows (dollars in thousands):

Governmental Activities	\$ 4,672
Business-type Activities	<u>20,099</u>
Total	<u>\$24,771</u>

Other obligations

Self-insurance claims payable

Self-insurance claims payable are fully described in Note V-J. Since the self-insurance activity is accounted for in an internal service fund, it has been categorized in the governmental activity on the government-wide financial statement. The balance at September 30, 2001, consisted of the following (dollars in thousands):

Self-insurance group health & dental	\$2,825
Self-insurance general liability	<u>5,936</u>
Total self-insurance claims payable	<u>\$8,761</u>

Arbitrage rebate payable

Any excess earnings interest earnings on tax-exempt bond proceeds must be remitted to the federal government in five-year intervals. Even though a payment may not be required until several years into the future, the liability is recognized as it is probable and measurable. The liability is recorded in both governmental and business-type activities. The total obligations as of September 30, 2001, were as follows (dollars in thousands):

Governmental Activities	\$ 32
Business-type Activities	<u>4,706</u>
Total	<u>\$4,738</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

G. Long-term debt (continued)

Changes in long-term debt

Changes in bonded and other indebtedness of the County for the year ended September 30, 2001 was as follows (dollars in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
Revenue bonds	\$ 271,767		\$ (16,549)	\$ 255,218	\$ 14,815
Special assessment bonds	5,245		(1,355)	3,890	350
Less/plus deferred amounts:					
Unamort discount/premium	(32)		5	(27)	(5)
Unamortized loss/gain	(380)		59	(321)	(56)
Total Bonds Payable	276,600	0	(17,840)	258,760	15,104
Variable debt	100	\$ 350		450	
Notes payable	5,071		(399)	4,672	399
Other:					
Self-insurance claims payable	8,957		(196)	8,761	1,471
Arbitrage rebate payable	45		(13)	32	0
Capital leases	7,996	23	(1,493)	6,526	1,487
Compensated absences	12,247	1,614		13,861	435
Total governmental activity long-term liabilities	<u>\$ 311,016</u>	<u>\$ 1,987</u>	<u>\$ (19,941)</u>	<u>\$ 293,062</u>	<u>\$ 18,896</u>
<i>Business-type activities:</i>					
Port Authority					
Bonds payable:					
Revenue bonds	\$ 427,730		\$ (5,265)	\$ 422,465	
Less/plus deferred amounts:					
Unamort discount/premium	(7,083)		255	(6,828)	
Unamortized loss/gain	(791)		100	(691)	
Total Bonds Payable	419,856	0	(4,910)	414,946	\$ -
Arbitrage rebate payable	1,515	2,991		4,506	
Capital leases	17		(12)	5	5
Compensated absences	360	50		410	187
Total Port Authority long-term liabilities	<u>\$ 421,748</u>	<u>\$ 3,041</u>	<u>\$ (4,922)</u>	<u>\$ 419,867</u>	<u>\$ 192</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

G. Long-term debt (continued)

Changes in long-term debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Water and Wastewater					
Bonds payable:					
General obligation bonds	\$ 4,610		\$ (1,040)	\$ 3,570	\$ 1,110
Revenue bonds	151,950		(4,895)	147,055	5,035
Less/plus deferred amounts:					
Unamort discount/premium	(1,882)		189	(1,693)	(174)
Unamortized loss/gain	(242)		72	(170)	(57)
Total Bonds Payable	154,436	0	(5,674)	148,762	5,914
Notes payable	7,357	805	(452)	7,710	469
Arbitrage rebate payable	32	8		40	
Compensated absences	101	159		260	10
Total Water and Wastewater long-term liabilities	<u>\$ 161,926</u>	<u>\$ 972</u>	<u>\$ (6,126)</u>	<u>\$ 156,772</u>	<u>\$ 6,393</u>
Transportation Facilities					
Bonds payable:					
Revenue bonds	\$ 165,215	\$ 64,005	\$ (68,860)	\$ 160,360	\$ 3,430
Less/plus deferred amounts:					
Unamort discount/premium	(6,317)	2,218	3,542	(557)	93
Unamortized loss/gain	(4,464)	(6,557)	617	(10,404)	(1,032)
Total Bonds Payable	154,434	59,666	(64,701)	149,399	2,491
Variable debt	3,000		(2,250)	750	750
Notes payable	5,800	6,000	(100)	11,700	934
Arbitrage rebate payable	153	7		160	160
Capital leases	4		(2)	2	2
Compensated absences	209	16		225	10
Total Transportation Facilities long-term liabilities	<u>\$ 163,600</u>	<u>\$ 65,689</u>	<u>\$ (67,053)</u>	<u>\$ 162,236</u>	<u>\$ 4,347</u>

Lee County, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

G. Long-term debt (continued)

Changes in long-term debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Solid Waste					
Bonds payable:					
Revenue bonds	\$ 187,900		\$ (6,755)	\$ 181,145	\$ 7,640
Less/plus deferred amounts:					
Unamort discount/premium	(4,008)		356	(3,652)	(351)
Total Bonds Payable	183,892	0	(6,399)	177,493	7,289
Compensated absences	79	16		95	6
Total Solid Waste long-term liabilities	<u>\$ 183,971</u>	<u>\$ 16</u>	<u>\$ (6,399)</u>	<u>\$ 177,588</u>	<u>\$ 7,295</u>
Other non-major - Transit					
Notes payable	\$ 689			\$ 689	\$ 689
Compensated absences	256	\$ 27		283	17
Total other non-major - Transit long-term liabilities	<u>\$ 945</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 706</u>
Total business-type activities					
Bonds payable:					
General obligation bonds	\$ 4,610		\$ (1,040)	\$ 3,570	\$ 1,110
Revenue bonds	932,795	\$ 64,005	(85,775)	911,025	16,105
Less/plus deferred amounts:					
Unamort discount/premium	(19,290)	2,218	4,342	(12,730)	(432)
Unamortized loss/gain	(5,497)	(6,557)	789	(11,265)	(1,089)
Total Bonds Payable	912,618	59,666	(81,684)	890,600	15,694
Variable debt	3,000		(2,250)	750	750
Notes payable	13,846	6,805	(552)	20,099	2,092
Arbitrage rebate payable	1,700	3,006		4,706	160
Capital leases	21		(14)	7	7
Compensated absences	1,005	268		1,273	230
Total business-type activity long-term liabilities	<u>\$ 932,190</u>	<u>\$ 69,745</u>	<u>\$ (84,500)</u>	<u>\$ 917,435</u>	<u>\$ 18,933</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

G. Long-term debt (continued)

Discrete component unit

Bonds payable for GES at September 30, 2001, consisted of the following:

- Series 1998 Water and Sewer System Revenue Bonds for \$53,750,000 at interest rates ranging from 4.2 percent to 5 percent (effective interest rate of 5.7 percent), collateralized by a lien on and a pledge of the net revenues of the Gulf Environmental Services, Inc. Water and Wastewater System. The outstanding balance was \$53,750,000.

The following is a summary of bond transactions of GES for the year ended September 30, 2001, (dollars in thousands):

Bonds payable at beginning of year	\$53,750
Additions	0
Reductions	0
Ending balance	<u>\$53,750</u>
Less: unamortized discount	(1,832)
Bonds payable at end of year	<u>\$51,918</u>
Due within one year	<u>\$ 0</u>

The annual debt service requirements for revenue obligation bonds at September 30, 2001, were as follows (dollars in thousands):

Fiscal Year	Business-type Activities	
	Principal	Interest
2002		\$ 2,669
2003		2,669
2004	\$ 110	2,669
2005	115	2,664
2006	120	2,659
2007-2011	2,655	13,127
2012-2016	7,760	12,083
2017-2021	13,595	9,522
2022-2026	19,710	5,535
2027-2028	9,685	732
Total	<u>\$53,750</u>	<u>\$54,329</u>

H. State Board of Administration Bond

Section 206.47 of the Florida Statutes imposes an excise tax on motor fuel sold in Florida, known as the constitutional gas tax. This tax is collected by the Florida State Department of Revenue and is subsequently transmitted to the Florida State Board of Administration to reduce bonded indebtedness. The debt service related to bonded indebtedness, totaling \$1,535,000, is administered by the Florida State Board of Administration on behalf of the County. This indebtedness consists of Road and Bridge Bonds issued by the State of Florida, which are to be retired from the County's share of the gas tax.

Information regarding the Road and Bridge Bonds outstanding at September 30, 2001, was as follows:

Department of General Services Lee County Road and Bridge Bonds:

Issue date:	July 1, 1973
Interest rates:	4.25%-5.0%
Maturity:	2003
Original issue:	\$10,000,000
Outstanding as of 9/30/01:	\$ 1,535,000

The annual debt service requirements for the Road and Bridge Bonds payable (including interest) at September 30, 2001, were as follows (dollars in thousands):

Fiscal Year	Amount
2002	\$ 816
2003	<u>823</u>
Total debt service requirements	\$1,639
Less: interest	<u>(104)</u>
Total principal outstanding	<u>\$1,535</u>

This issue is not recorded in the County's financial system, as the principal and interest are required to be paid solely from the gross revenues of the constitutional gas tax administered by the State Board of Administration. Therefore, the bonds are not an indebtedness of the County.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

NOTE VI. OTHER INFORMATION

A. Retirement plan

Plan description and provisions

The County participates in the Florida Retirement System (FRS), a cost sharing, multiple-employer, public employee retirement system, which covers substantially all of the full-time and part-time employees. The FRS is noncontributory and is totally administered by the State of Florida. Benefits under the plan vest after six years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by Chapters 112 and 121, Florida Statutes.

Pension costs for the County as required and defined by State statute ranged between 7 percent and 19 percent of gross salaries for fiscal year 2001. For fiscal years ended September 30, 2001, 2000, and 1999, the County contributed 100 percent of the required contributions. These contributions aggregated \$15.1 million, \$15.1 million, and \$18 million, respectively, which represents 11 percent, 12 percent, and 16 percent of covered payroll.

A copy of the FRS's June 30, 2000 annual report can be obtained by writing to the Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560, or by phoning (850) 488-5706.

Other post employment benefits

The County provides post retirement health care benefits in accordance with Section 110.123, Florida Statutes to all employees who retire from the County. Currently, approximately 379 retirees meet the eligibility requirements. The County pays 50 percent of the premium cost for the retiree to participate in the Board's self-insurance fund. Expenditures for post retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported (IBNR) to the County. The post retirement health care benefits cannot be reasonably estimated as the claim information is estimated without separating the retirees from the active employees. The retirees currently make-up approximately 14 percent of the participants in the self-insurance fund.

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

The following schedule reflects the amounts of self-insurance and outside coverage as of September 30, 2001.

<u>Area Covered</u>	<u>Deductible Amount</u>	<u>Limits of Liability</u>
General liability	\$200,000	\$ 1,000,000
Automobile liability	200,000	1,000,000
Property/inland marine	75,000	150,000,000
Public official's liability	200,000	1,000,000
Worker's compensation	100,000	Statutory*
Crime coverage	25,000	1,000,000
Crime and security	25,000	1,000,000
Depositor's forgery	25,000	1,000,000

* Worker's compensation claims are regulated by Florida Statutes.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

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

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

The County remains liable for estimated additional assessments of \$114,476 arising from its years of

membership in SFIRMA, which has changed its name to Public Risk Management of Florida.

Additionally, the Board maintains 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, 2001, 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 SIR program and excess insurance provides coverage for all County 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 fund's claims liability for the years ended September 30, 2001 and 2000, 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 Fiscal Year End</u>
<i><u>Self-Insurance Group Health and Dental:</u></i>				
2001	\$2,421	\$14,352	(\$13,948)	\$2,825
2000	2,088	13,041	(12,708)	2,421
<i><u>Self-Insurance General Liability:</u></i>				
2001	\$6,536	\$595	(\$1,195)	\$5,936
2000	6,615	1,322	(1,401)	6,536

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

C. 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.

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. 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 Office of the State Courts Administrator is reviewing the Court Administrator's Mediation Fund, a non-major special revenue fund reported within the Clerk's financial records, as to intent, purpose and authority. The Mediation Fund schedules participating court appointed mediators and then bills, collects and remits the fees on behalf of the mediators. The mediator paid the fund 25% of fees collected. The funds retained by the Mediation Fund were used to pay mediator fees, where the litigating parties were indigent, as well as other expenses. The issue revolves around whether the Twentieth Judicial Circuit Administrator's office had authority under the Florida Statutes to operate and maintain the Mediation Fund and whether the monies held in the fund are "public" or "non-public" in nature. Specifically, the authority and legality of collecting the 25% fee based on fee paid mediators is being reviewed as is the nature and legality of expenditures from the fund. This issue is substantially dependent upon the resolution of the "public" versus "non-public" funds.

The Mediation Fund had cash and cash equivalents and fund balance of \$648,578, restricted for the fund's intended purpose, as of September 30, 2001. No contingent liability has been recorded as of September 30, 2001 as to whether the revenues

and/or disbursements are allowable or as to whether the fund balance should be due to some other party or fund. The ultimate resolution of the contingency is not presently determinable.

All activity of the fund was ceased as per the Chief Judge's order dated September 17, 2001. The activity of the fund is not considered material to the County's financial statements as of September 30, 2001.

Discrete component unit

GES 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. 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 GES. GES does not believe any contingent liabilities to be material.

On June 29, 1998, ST Environmental Services, Inc. (ST) was retained pursuant to contact with GES to provide for the operations and maintenance of GES's water and wastewater system. The term of the agreement is for a period of five years and includes two five-year optional renewal periods. ST is to be compensated for actual costs estimated to be \$1,750,000, plus certain (CPI and growth) adjustments and pass-through costs for the first two years of the contract. At the beginning of the third year of the contract, the annual fee will be fixed based on the prior year's actual costs, as defined in the contract, plus certain pass-through costs.

D. Restatements

As a result of adopting GASB Statements No. 33 and No. 34, certain amounts in the fiscal year 2000 financial statements have been restated to conform to current year presentation.

The Proprietary funds' beginning net assets was increased due to the elimination of contributed capital. The effect in Port Authority, Water and Wastewater, Transportation Facilities, Solid Waste,

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2001

and Transit was \$118,162,000, \$111,616,000, \$4,519,000, \$382,000, and \$9,573,000 respectively. The effect in Information Technology, Governmental Communications Systems, and Fleet Management was \$498,000, \$1,481,000, and \$60,000 respectively.

To conform with GASB 33, the beginning net assets of the Water and Wastewater fund was increased by \$5,270,000 to remove deferred revenues obtained from prepaid connection fees.

Certain special revenue funds, due to the incorporation of the City of Bonita Springs and the Town of Fort Myers Beach, were re-categorized from special revenue funds to agency funds.

Pursuant to GASB 34 prior expendable trust funds became special revenue funds and prior non-expendable trust funds became permanent funds.

Discrete component unit

Restatements

GES adopted the provisions of GASB Statement Nos. 33 and 34 as of October 1, 2000.

The adoption of GASB Statements Nos. 33 and 34 affected the classification of net assets and the presentation of capital contributions as a change in net assets.

As a result of the adoption of GASB 33, net assets as of the beginning of the year ended September 30, 2001, were increased by \$5,086,000 for connection fees previously deferred.

The adoption of GASB 34 had no effect on the basic financial statements except for the classification of net assets in accordance with this Statement.

E. Prior period adjustments

Solid Waste System

In prior years, excess fees received from the Tax Collector that pertained to Solid Waste were returned to the General Fund instead of Solid Waste. A prior period adjustment for \$1,259,441 was made

to return the money to Solid Waste from the General Fund.

General Fund

In prior years, excess fees received from the Tax Collector that pertained to Solid Waste were returned to the General Fund instead of Solid Waste. A prior period adjustment for \$1,259,441 was made to return the money to Solid Waste from the General Fund.

Transit

In fiscal year 1998, Transit entered into an agreement with the Florida Department of Transportation to borrow \$689,389 from the State Infrastructure Bank (SIB). This loan was treated as a grant and therefore no liability was recorded. The error was discovered in fiscal year 2001, the liability was recorded, and fund balance adjusted accordingly.

F. Litigation

The County is a defendant in various civil lawsuits in both state and federal courts on a variety of issues. The County is not in a position at this time to predict the outcome of the lawsuits and claims or the exact amount of costs and/or potential recovery. The County plans to contest these matters unless first settled.

G. Subsequent events

On November 6, 2001 the Lee County Board of County Commissioners closed on the Solid Waste System Refunding Revenue Bonds, Series 2001 for \$140,925,000. This refunded the Solid Waste System Revenue Bonds, Series 1991 A and B.



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**Supplemental Financial
Information**



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General Fund

Lee County, Florida
COMBINING SCHEDULE - BALANCE SHEET
GENERAL FUND
As of September 30, 2001
(amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser
ASSETS			
Cash and cash equivalents	\$64,046	\$13,239	\$684
Receivables (net)			
Accounts	5,171	33	57
Accrued interest	446		
Due from other funds	9,186	150	1
Due from other governments	103	76	
Inventory	138		
Prepays	13	14	
Total assets	79,103	13,512	742
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	2,220	39	18
Accrued liabilities	632	424	
Due to other funds	1,708	12,200	651
Due to other governments	921	402	73
Deposits	470	378	
Deferred revenues		69	
Other	41		
Total liabilities	5,992	13,512	742
Fund Balances:			
Reserved for inventory	138		
Unreserved, undesignated	72,973		
Total fund balances	73,111	0	0
Total liabilities and fund balances	\$79,103	\$13,512	\$742

<u>Sheriff</u>	<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Eliminations</u>	<u>Total</u>
\$3,640	\$106	\$4,580		\$86,295
		1		5,262
467			\$(8,052)	446
				1,752
				179
				138
	12	87		126
<u>4,107</u>	<u>118</u>	<u>4,668</u>	<u>\$(8,052)</u>	<u>94,198</u>
803	8	64		3,152
2,216	7	302		3,581
1,088	103	3,813	\$(8,052)	11,511
		489		1,885
				848
				69
				41
<u>4,107</u>	<u>118</u>	<u>4,668</u>	<u>\$(8,052)</u>	<u>21,087</u>
				138
				72,973
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,111</u>
<u>\$4,107</u>	<u>\$118</u>	<u>\$4,668</u>	<u>\$(8,052)</u>	<u>\$94,198</u>

Lee County, Florida
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
GENERAL FUND
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	<u>Board of County Commissioners</u>	<u>Clerk of Circuit Court</u>	<u>Property Appraiser</u>
REVENUES			
Taxes	\$121,669		
Licenses and permits	152		
Intergovernmental	31,135	\$539	\$537
Charges for services	21,196	8,250	540
Fines and forfeitures	1,927		
Miscellaneous	12,974	829	38
Total revenues	189,053	9,618	1,115
EXPENDITURES			
Current			
General government	33,155	21,771	6,096
Public safety	25,585		
Physical environment	2,535		
Economic environment	2,648		
Human services	11,200		
Culture and recreation	5,411		
Total expenditures	80,534	21,771	6,096
Excess (deficiencies) of revenues over (under) expenditures	108,519	(12,153)	(4,981)
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in	10,460	15,229	5,614
Operating transfers out	(111,943)	(3,076)	(633)
Proceeds from capital leases			
Total other financing sources and (uses)	(101,483)	12,153	4,981
Net change in fund balances	7,036	0	0
Fund balances - beginning	66,075	0	0
Fund balances - ending	\$73,111	\$0	\$0

<u>Sheriff</u>	<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Eliminations</u>	<u>Total</u>
				\$121,669
				152
				32,211
	\$7	\$14,515	\$(10,876)	33,632
				1,927
<u>820</u>	<u>9</u>	<u>783</u>		<u>15,453</u>
<u>820</u>	<u>16</u>	<u>15,298</u>	<u>(10,876)</u>	<u>205,044</u>
1,584	2,059	11,485	(10,876)	65,274
62,846				88,431
				2,535
				2,648
				11,200
				5,411
<u>64,430</u>	<u>2,059</u>	<u>11,485</u>	<u>(10,876)</u>	<u>175,499</u>
<u>(63,610)</u>	<u>(2,043)</u>	<u>3,813</u>	<u>0</u>	<u>29,545</u>
64,617	2,146		(95,587)	2,479
(1,030)	(103)	(3,813)	95,587	(25,011)
23				23
<u>63,610</u>	<u>2,043</u>	<u>(3,813)</u>	<u>0</u>	<u>(22,509)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,036</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,075</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$73,111</u>

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

For the Year Ended September 30, 2001
 (amounts expressed in thousands)

	Non - GAAP Board of County Commissioners		Clerk of Circuit Court	
	Budget	Actual	Budget	Actual
	REVENUES			
Taxes	\$116,758	\$121,669		
Licenses and permits	157	152		
Intergovernmental	31,295	31,135	\$642	\$539
Charges for services	16,381	21,196	7,799	8,250
Fines and forfeitures	1,894	1,927		
Miscellaneous	10,019	11,693	788	829
Total revenues	176,504	187,772	9,229	9,618
EXPENDITURES				
Current:				
General government	34,857	31,774	24,458	21,771
Public safety	23,977	20,853		
Physical environment	2,826	2,535		
Economic environment	2,898	2,648		
Human services	12,095	11,200		
Culture and recreation	5,606	5,411		
Total expenditures	82,259	74,421	24,458	21,771
Excess (deficiencies) of revenues over (under) expenditures	94,245	113,351	(15,229)	(12,153)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	6,291	10,460	15,229	15,229
Operating transfers out	(112,263)	(111,943)		(3,076)
Total other financing sources (uses)	(105,972)	(101,483)	15,229	12,153
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	(11,727)	11,868	0	0
Fund balances - beginning	67,186	51,495		
Fund balances - ending	\$55,459	\$63,363	\$0	\$0

Non-GAAP Property Appraiser		Non-GAAP Sheriff		Supervisor of Elections	
Budget	Actual	Budget	Actual	Budget	Actual
\$609	\$537				
100	539				\$6
	38	\$368	\$820		9
<u>709</u>	<u>1,114</u>	<u>368</u>	<u>820</u>	<u>0</u>	<u>15</u>
6,323	6,095	1,466	1,583	\$2,146	2,058
		63,520	62,824		
<u>6,323</u>	<u>6,095</u>	<u>64,986</u>	<u>64,407</u>	<u>2,146</u>	<u>2,058</u>
<u>(5,614)</u>	<u>(4,981)</u>	<u>(64,618)</u>	<u>(63,587)</u>	<u>(2,146)</u>	<u>(2,043)</u>
5,614	5,614	64,618	64,617	2,146	2,146
	(633)		(1,030)		(103)
<u>5,614</u>	<u>4,981</u>	<u>64,618</u>	<u>63,587</u>	<u>2,146</u>	<u>2,043</u>
0	0	0	0	0	0
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

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

For the Year Ended September 30, 2001
 (amounts expressed in thousands)

	Non-GAAP Tax Collector		Eliminations	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services	\$14,147	\$14,515		(\$10,876)
Fines and forfeitures				
Miscellaneous	934	783		
Total revenues	15,081	15,298	0	(10,876)
EXPENDITURES				
Current:				
General government	12,859	11,485		(10,876)
Public safety				
Physical environment				
Economic environment				
Human services				
Culture and recreation				
Total expenditures	12,859	11,485	0	(10,876)
Excess (deficiencies) of revenues over (under) expenditures	2,222	3,813	0	0
OTHER FINANCING SOURCES (USES)				
Operating transfers in				(95,587)
Operating transfers out	(2,222)	(3,813)		95,587
Total other financing sources (uses)	(2,222)	(3,813)	0	0
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances - beginning			0	0
Fund balances - ending	\$0	\$0	\$0	\$0

Total		
Budget	Actual	Variance - Positive (Negative)
\$116,758	\$121,669	\$4,911
157	152	(5)
32,546	32,211	(335)
38,427	33,630	(4,797)
1,894	1,927	33
12,109	14,172	2,063
<u>201,891</u>	<u>203,761</u>	<u>1,870</u>
82,109	63,890	18,219
87,497	83,677	3,820
2,826	2,535	291
2,898	2,648	250
12,095	11,200	895
5,606	5,411	195
<u>193,031</u>	<u>169,361</u>	<u>23,670</u>
<u>8,860</u>	<u>34,400</u>	<u>25,540</u>
93,898	2,479	(91,419)
<u>(114,485)</u>	<u>(25,011)</u>	<u>89,474</u>
<u>(20,587)</u>	<u>(22,532)</u>	<u>(1,945)</u>
(11,727)	11,868	23,595
<u>67,186</u>	<u>51,495</u>	<u>(15,691)</u>
<u>\$55,459</u>	<u>\$63,363</u>	<u>\$7,904</u>



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Nonmajor Governmental Funds

Special Revenue Funds

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

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

Municipal Service Benefit Unit Districts- To account for revenues and expenditures to be used for costs incurred on behalf of the special unit districts, such as release of liens, recording fees, legal advertisements, and other related costs.

Disposal Company Trust- To account for the operational assets and liabilities of the corporation, Three "S" Disposal, Incorporated, as the court - appointed receiver of a Bonita Springs wastewater treatment facility.

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.

Community Redevelopment Agency- To account for ad valorem taxes and other financial resources that are to be used for redevelopment projects.

Flint Pen Acquisition- To account for the revenues and expenditures to be used for the acquisition and development of the Flint Pen Strand.

Hickey Creek Mitigation Trust- To account for revenues and expenditures from agreements between the County, Florida Communities Trust, and the Florida Game and Fresh Water Fish Commission to purchase and operate the Hickey Creek Mitigation Park.

Special Revenue Projects- To account for proceeds of specific revenue sources that are restricted for expenditures for various projects.

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

Surface Water Management- To account for revenues and expenditures used for canal and pipe/ditch maintenance operations, and engineering and project management services for capital improvement 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.

Special Revenue Funds (continued)

Tourist Development Trust Fund- To account for the three percent tax on rents for temporary lodgings. This tax, approved by a voter referendum in 1982, is restricted for promotion of tourism, beach and shoreline improvements, stadium debt service, and operations in Lee County.

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

Hazardous Materials Response Team- 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 to capital improvements within designated community park districts.

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

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

Impact Fees- EMS- To account for revenues received from impact fees that are restricted for the purpose of providing emergency medical services within designated districts.

Clerk of Circuit Court's Special Revenues- To account for revenues and expenditures of the Clerk's court projects.

Sheriff's Special Revenue- 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 fund's debt principal, interest, and related costs.

Local Option Gas Tax Revenue Bonds- To account for payment of the 1993 and 1997 Bonds. Funding is from local option gas tax revenue.

Certificates of Participation- To account for payment of the 1993 and 1996 Certificates. Funding is from non - ad valorem revenues and ad valorem tax revenues.

Road Improvement Revenue Bonds- To account for payment of the 1993 Bonds. Funding is from the voted one-cent gas tax imposed by the County.

Tourist Development Tax Revenue Bonds- To account for payment of the 1994 Bonds. Funding is from tourist development tax revenues and revenues derived from the operation of the baseball stadium.

Debt Service Funds (continued)

Five Cent Local Option Gas Tax Revenue Bonds- To account for payment of the 1995 Bonds. Funding is from the five-cent local option gas tax revenue.

Capital Revenue Bonds- To account for payment of the 1992, 1993A, B, & C, 1995A & B, 1997A & B, 1999A, and 2000 Bonds. Funding is from ambulance service receipts, building and zoning permits and fees, data processing fees, excess County Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, sales tax, and special assessment tax.

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

Special Assessment Improvement Revenue Bonds- To account for payment of the 1990 Bonds. Funding is from special assessment tax revenue.

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 financial resources to be used for the acquisition or construction of major non - transportation related capital facilities.

Transportation Capital Improvements- To account for financial resources to be used for the acquisition or construction of major transportation - related infrastructure.

Local Option Gas Tax Revenue Bonds- To account for bond proceeds to be used for acquisition or construction of transportation - related improvements.

Capital Revenue Bonds- Construction- To account for bond proceeds to be used to construct various capital projects.

MSBU Construction Projects- To account for financial resources to be used for improvement projects in Municipal Service Benefit Units which are financed through special assessments.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Sheriff's Claibourne and Foulds Trust- To account for donated assets held by the Sheriff in the capacity as trustee. The principal may not be expended in the course of operations. The interest on the principal is to be used as a meritorious award to law enforcement officers.

Lee County, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Special Revenue Funds		
	Impact Fees - Fire	Municipal Service Benefit Unit Districts	Disposal Company Trust
ASSETS			
Cash and cash equivalents	\$733	\$1,473	\$38
Cash and cash equivalents with fiscal agent			
Receivables (net)			
Accounts			
Special assessments			
Accrued interest	4	12	
Due from other funds		17	
Due from other governments			
Inventory			
Prepays			
Total assets	<u><u>737</u></u>	<u><u>1,502</u></u>	<u><u>\$38</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	235	105	
Accrued liabilities			
Due to other funds	13	3	
Due to other governments	469		
Deposits and overbids			
Deferred revenues			
Total liabilities	<u>717</u>	<u>108</u>	<u>0</u>
Fund Balances:			
Reserved for:			
Inventory			
Debt service			
Claibourne & Foulds Trust			
Unreserved, designated for debt service			
Unreserved, undesignated, reported in:			
Special revenue funds	20	1,394	38
Capital projects funds			
Total fund balances	<u>20</u>	<u>1,394</u>	<u>38</u>
Total liabilities and fund balances	<u><u>\$737</u></u>	<u><u>\$1,502</u></u>	<u><u>\$38</u></u>

Special Revenue Funds

Special Assessment Districts	Law Enforcement Trust	Community Redevelopment Agency	Flint Pen Acquisition	Hickey Creek Mitigation Trust
\$6,393	\$52	\$5,698	\$149	\$1,205
8,649				
565		39	1	8
386	41			
<u>15,993</u>	<u>93</u>	<u>5,737</u>	<u>150</u>	<u>1,213</u>
38		127		
2				1
33	28		2	
1				
<u>8,319</u>				
<u>8,393</u>	<u>28</u>	<u>127</u>	<u>2</u>	<u>1</u>
7,600	65	5,610	148	1,212
<u>7,600</u>	<u>65</u>	<u>5,610</u>	<u>148</u>	<u>1,212</u>
<u>\$15,993</u>	<u>\$93</u>	<u>\$5,737</u>	<u>\$150</u>	<u>\$1,213</u>

(continued)

Lee County, Florida
COMBINING BALANCE SHEET (continued)
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Special Revenue Funds		
	Special Revenue Projects	Human Services Grants	Surface Water Management
ASSETS			
Cash and cash equivalents	\$3,739	\$1,418	\$2,227
Cash and cash equivalents with fiscal agent			
Receivables (net)			
Accounts	9	8	
Special assessments			
Accrued interest	24	8	6
Due from other funds	88		
Due from other governments	250	230	
Inventory			4
Prepays	1	5	
Total assets	<u><u>4,111</u></u>	<u><u>1,669</u></u>	<u><u>2,237</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	107	144	8
Accrued liabilities	12	12	26
Due to other funds	27	42	683
Due to other governments	5	6	13
Deposits and overbids			
Deferred revenues	258		
Total liabilities	<u>409</u>	<u>204</u>	<u>730</u>
Fund Balances:			
Reserved for:			
Inventory			4
Debt service			
Claibourne & Foulds Trust			
Unreserved, designated for debt service			
Unreserved, undesignated, reported in:			
Special revenue funds	3,702	1,465	1,503
Capital projects funds			
Total fund balances	<u>3,702</u>	<u>1,465</u>	<u>1,507</u>
Total liabilities and fund balances	<u><u>\$4,111</u></u>	<u><u>\$1,669</u></u>	<u><u>\$2,237</u></u>

Special Revenue Funds

Lee County Library	E 9-1-1	Tourist Development Trust Fund	Transportation Trust	Hazardous Materials Response Team
\$20,362	\$2,559	\$5,625	\$5,033	\$2,795
	144	6	129	
157	17	41	44	20
165		300	1,694	7
			553	
			1,358	
<u>13</u>		<u>35</u>	<u>1</u>	
<u>20,697</u>	<u>2,720</u>	<u>6,007</u>	<u>8,812</u>	<u>2,822</u>
2,455	69	440	449	25
130	5	19	188	3
4	3		121	
53	3	8	84	1
<u>2,642</u>	<u>80</u>	<u>467</u>	<u>842</u>	<u>29</u>
			1,358	
18,055	2,640	5,540	6,612	2,793
<u>18,055</u>	<u>2,640</u>	<u>5,540</u>	<u>7,970</u>	<u>2,793</u>
<u>\$20,697</u>	<u>\$2,720</u>	<u>\$6,007</u>	<u>\$8,812</u>	<u>\$2,822</u>

(continued)

Lee County, Florida
COMBINING BALANCE SHEET (continued)
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Special Revenue Funds		
	Impact Fees - Community Parks	Impact Fees - Regional Parks	Impact Fees - Roads
ASSETS			
Cash and cash equivalents	\$7,879	\$1,243	\$54,208
Cash and cash equivalents with fiscal agent Receivables (net)			
Accounts			
Special assessments			
Accrued interest	50	11	353
Due from other funds			
Due from other governments			
Inventory			
Prepays		1,072	
Total assets	7,929	2,326	54,561
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	39	63	327
Accrued liabilities			
Due to other funds	18	10	295
Due to other governments			
Deposits and overbids			
Deferred revenues	5,663	466	33,120
Total liabilities	5,720	539	33,742
Fund Balances:			
Reserved for:			
Inventory			
Debt service			
Claibourne & Foulds Trust			
Unreserved, designated for debt service			
Unreserved, undesignated, reported in:			
Special revenue funds	2,209	1,787	20,819
Capital projects funds			
Total fund balances	2,209	1,787	20,819
Total liabilities and fund balances	\$7,929	\$2,326	\$54,561

Special Revenue Funds			Debt Service Funds	
Impact Fees - EMS	Clerk of Circuit Court's Special Revenues	Sheriff's Special Revenue	Local Option Gas Tax Revenue Bonds	Certificates of Participation
\$558	\$653	\$211	\$722	\$1
		47	2,777	1,570
4	5,154	30		
	4	199	595	
<u>562</u>	<u>5,811</u>	<u>487</u>	<u>4,094</u>	<u>1,571</u>
		86		
		8		
1		62		
<u>430</u>	<u>7</u>	<u>331</u>		
<u>431</u>	<u>7</u>	<u>487</u>	<u>0</u>	<u>0</u>
			2,777	1,570
			1,317	1
131	5,804			
<u>131</u>	<u>5,804</u>	<u>0</u>	<u>4,094</u>	<u>1,571</u>
<u>\$562</u>	<u>\$5,811</u>	<u>\$487</u>	<u>\$4,094</u>	<u>\$1,571</u>

(continued)

Lee County, Florida
COMBINING BALANCE SHEET (continued)
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Debt Service Funds		
	Road Improvement Revenue Bonds	Tourist Development Tax Revenue Bonds	Five Cent Local Option Gas Tax Revenue Bonds
ASSETS			
Cash and cash equivalents	\$210	\$6,221	\$3
Cash and cash equivalents with fiscal agent	961	649	1,786
Receivables (net)			
Accounts			
Special assessments			
Accrued interest			
Due from other funds			
Due from other governments	209	25	
Inventory			
Prepays			
Total assets	1,380	6,895	1,789
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable			
Accrued liabilities			
Due to other funds		480	
Due to other governments			
Deposits and overbids			
Deferred revenues			
Total liabilities	0	480	0
Fund Balances:			
Reserved for:			
Inventory			
Debt service	961	1,560	1,786
Claibourne & Foulds Trust			
Unreserved , designated for debt service	419	4,855	3
Unreserved , undesignated, reported in:			
Special revenue funds			
Capital projects funds			
Total fund balances	1,380	6,415	1,789
Total liabilities and fund balances	\$1,380	\$6,895	\$1,789

Debt Service Funds			Capital Projects Funds	
Capital Revenue Bonds	MSBU Projects Commercial Loan	Special Assessment Improvement Revenue Bonds	Capital Improvement	Transportation Capital Improvements
\$2,454 10,058	\$644	\$507	\$52,234	\$70,533
3,782 218 2,000	5,052 1	224 13	400 284 164	465 3,471 494
<u>18,512</u>	<u>5,697</u>	<u>744</u>	<u>53,082</u>	<u>74,963</u>
72	11	8	1,607 3 188 1	1,002 331
<u>3,638</u> <u>3,710</u>	<u>4,961</u> <u>4,972</u>	<u>199</u> <u>207</u>	<u>1,799</u>	<u>1,333</u>
10,743 4,059	534 191	345 192		
<u>14,802</u> <u>\$18,512</u>	<u>725</u> <u>\$5,697</u>	<u>537</u> <u>\$744</u>	<u>51,283</u> <u>51,283</u> <u>\$53,082</u>	<u>73,630</u> <u>73,630</u> <u>\$74,963</u>

(continued)

Lee County, Florida
COMBINING BALANCE SHEET (continued)
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Capital Projects Funds	
	Local Option Gas Tax Revenue Bonds	Capital Revenue Bonds - Construction
ASSETS		
Cash and cash equivalents	\$5,319	\$7,741
Cash and cash equivalents with fiscal agent		
Receivables (net)		
Accounts		
Special assessments		
Accrued interest		
Due from other funds		31
Due from other governments		
Inventory		
Prepays		
Total assets	5,319	7,772
LIABILITIES AND FUND BALANCES		
Liabilities:		
Contracts and accounts payable	193	4,114
Accrued liabilities		
Due to other funds	6	379
Due to other governments		
Deposits and overbids		
Deferred revenues		
Total liabilities	199	4,493
Fund Balances:		
Reserved for:		
Inventory		
Debt service		
Claibourne & Foulds Trust		
Unreserved, designated for debt service		
Unreserved, undesignated, reported in:		
Special revenue funds		
Capital projects funds	5,120	3,279
Total fund balances	5,120	3,279
Total liabilities and fund balances	\$5,319	\$7,772

<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	
<u>MSBU Construction Projects</u>	<u>Sheriff's Claibourne and Foulds Trust</u>	<u>Total</u>
\$610	\$3	\$271,453
1		17,802
		343
		17,707
1		2,461
		13,669
		2,723
		1,362
		<u>1,127</u>
<u>612</u>	<u>3</u>	<u>328,647</u>
		11,714
81		409
272		3,092
		644
	2	2
		<u>57,392</u>
<u>353</u>	<u>2</u>	<u>73,253</u>
		1,362
		20,276
	1	1
		11,037
		89,147
259		<u>133,571</u>
<u>259</u>	<u>1</u>	<u>255,394</u>
<u>\$612</u>	<u>\$3</u>	<u>\$328,647</u>

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Special Revenue Funds		
	Impact Fees - Fire	Municipal Service Benefit Unit Districts	Disposal Company Trust
REVENUES			
Taxes		\$2,562	
Licenses and permits			
Intergovernmental			
Charges for services			
Fines and forfeitures			
Impact fees	\$1,940		
Special assessments			
Miscellaneous	41	242	\$3
Total revenues	1,981	2,804	3
EXPENDITURES			
Current			
General government	47	74	
Public safety	1,966	546	
Physical environment			
Transportation		2,399	
Economic environment			
Human services			
Culture and recreation			
Capital outlay			
General government			
Physical environment			
Transportation			
Culture and recreation			
Debt service			
Principal retirement			
Interest and fiscal charges			
Total expenditures	2,013	3,019	0
Excess (deficiencies) of revenues over (under) expenditures	(32)	(215)	3
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in		46	
Operating transfers out			
Proceeds from long-term debt			
Total other financing sources (uses)	0	46	0
Net change in fund balance	(32)	(169)	3
Fund balances - beginning - as restated	52	1,563	35
Fund balances - ending	\$20	\$1,394	\$38

Special Revenue Funds

Special Assessment Districts	Law Enforcement Trust	Community Redevelopment Agency	Flint Pen Acquisition	Hickey Creek Mitigation Trust
	\$66			
\$1,079				
856	4	\$468	\$13	\$95
<u>1,935</u>	<u>70</u>	<u>468</u>	<u>13</u>	<u>95</u>
278			136	
	73			
317		1,286		
				124
<u>595</u>	<u>73</u>	<u>1,286</u>	<u>136</u>	<u>124</u>
<u>1,340</u>	<u>(3)</u>	<u>(818)</u>	<u>(123)</u>	<u>(29)</u>
571				
(454)		(30)		
<u>117</u>	<u>0</u>	<u>(30)</u>	<u>0</u>	<u>0</u>
1,457	(3)	(848)	(123)	(29)
6,143	68	6,458	271	1,241
<u>\$7,600</u>	<u>\$65</u>	<u>\$5,610</u>	<u>\$148</u>	<u>\$1,212</u>

(continued)

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Special Revenue Funds		
	Special Revenue Projects	Human Services Grants	Surface Water Management
REVENUES			
Taxes			
Licenses and permits			
Intergovernmental	\$4,341	\$2,927	
Charges for services	446	182	\$97
Fines and forfeitures			
Impact fees			
Special assessments			
Miscellaneous	316	318	525
Total revenues	5,103	3,427	622
EXPENDITURES			
Current			
General government			
Public safety	303		
Physical environment	447		2,688
Transportation			
Economic environment	3,339	3,325	
Human services	55		
Culture and recreation	22		
Capital outlay			
General government			
Physical environment			
Transportation			
Culture and recreation			
Debt service			
Principal retirement			
Interest and fiscal charges			
Total expenditures	4,166	3,325	2,688
Excess (deficiencies) of revenues over (under) expenditures	937	102	(2,066)
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in	94	340	2,621
Operating transfers out	(5)	(29)	
Proceeds from long-term debt			
Total other financing sources (uses)	89	311	2,621
Net change in fund balance	1,026	413	555
Fund balances - beginning - as restated	2,676	1,052	952
Fund balances - ending	\$3,702	\$1,465	\$1,507

Special Revenue Funds

Lee County Library	E 9-1-1	Tourist Development Trust Fund	Transportation Trust	Hazardous Material Response Team
\$24,471		\$11,815		\$991
1,477			\$112	
29	\$2,302		5,859	
140			1,377	
<u>1,930</u>	<u>183</u>	<u>448</u>	<u>1,633</u>	<u>224</u>
<u>28,047</u>	<u>2,485</u>	<u>12,263</u>	<u>8,981</u>	<u>1,215</u>
2,359		354	859	30
	1,590			624
		6,513	17,271	
23,477				
<u>25,836</u>	<u>1,590</u>	<u>6,867</u>	<u>18,130</u>	<u>654</u>
<u>2,211</u>	<u>895</u>	<u>5,396</u>	<u>(9,149)</u>	<u>561</u>
155		861	8,023	7
		(5,308)		
<u>155</u>	<u>0</u>	<u>(4,447)</u>	<u>8,023</u>	<u>7</u>
2,366	895	949	(1,126)	568
15,689	1,745	4,591	9,096	2,225
<u>\$18,055</u>	<u>\$2,640</u>	<u>\$5,540</u>	<u>\$7,970</u>	<u>\$2,793</u>

(continued)

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Special Revenue Funds		
	Impact Fees - Community Parks	Impact Fees - Regional Parks	Impact Fees - Roads
REVENUES			
Taxes			
Licenses and permits			
Intergovernmental			
Charges for services			
Fines and forfeitures			
Impact fees	\$508	\$795	\$6,883
Special assessments			
Miscellaneous	535	100	4,467
Total revenues	<u>1,043</u>	<u>895</u>	<u>11,350</u>
EXPENDITURES			
Current			
General government	69	29	333
Public safety			
Physical environment			
Transportation			5,848
Economic environment			
Human services			
Culture and recreation	450	1,066	
Capital outlay			
General government			
Physical environment			
Transportation			
Culture and recreation			
Debt service			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>519</u>	<u>1,095</u>	<u>6,181</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>524</u>	<u>(200)</u>	<u>5,169</u>
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in		300	
Operating transfers out			(702)
Proceeds from long-term debt			
Total other financing sources (uses)	<u>0</u>	<u>300</u>	<u>(702)</u>
Net change in fund balance	<u>524</u>	<u>100</u>	<u>4,467</u>
Fund balances - beginning - as restated	<u>1,685</u>	<u>1,687</u>	<u>16,352</u>
Fund balances - ending	<u>\$2,209</u>	<u>\$1,787</u>	<u>\$20,819</u>

Special Revenue Funds			Debt Service Funds	
Impact Fees - EMS	Clerk of Circuit Court's Special Revenues	Sheriff's Special Revenue	Local Option Gas Tax Revenue Bonds	Certificates of Participation
			\$7,383	
	\$825 915	\$2,228		
\$39				
40	471	1,476	71	\$13
79	2,211	3,704	7,454	13
3	1,743			
36		3,704		
			2,115	1,040
			1,194	866
39	1,743	3,704	3,309	1,906
40	468	0	4,145	(1,893)
	753 (72)		1,157 (5,158)	1,980
0	681	0	(4,001)	1,980
40	1,149	0	144	87
91	4,655	0	3,950	1,484
\$131	\$5,804	\$0	\$4,094	\$1,571

(continued)

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Debt Service Funds		
	Road Improvement Revenue Bonds	Tourist Development Tax Revenue Bonds	Five Cent Local Option Gas Tax Revenue Bonds
REVENUES			
Taxes	\$2,566		
Licenses and permits			
Intergovernmental			
Charges for services		\$300	
Fines and forfeitures			
Impact fees			
Special assessments			
Miscellaneous	24	285	\$37
Total revenues	<u>2,590</u>	<u>585</u>	<u>37</u>
EXPENDITURES			
Current			
General government			
Public safety			
Physical environment			
Transportation			
Economic environment			
Human services			
Culture and recreation			
Capital outlay			
General government			
Physical environment			
Transportation			
Culture and recreation			
Debt service			
Principal retirement	735	375	890
Interest and fiscal charges	390	527	1,731
Total expenditures	<u>1,125</u>	<u>902</u>	<u>2,621</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,465</u>	<u>(317)</u>	<u>(2,584)</u>
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in		1,533	2,600
Operating transfers out	(1,423)	(480)	
Proceeds from long-term debt			
Total other financing sources (uses)	<u>(1,423)</u>	<u>1,053</u>	<u>2,600</u>
Net change in fund balance	42	736	16
Fund balances - beginning - as restated	<u>1,338</u>	<u>5,679</u>	<u>1,773</u>
Fund balances - ending	<u>\$1,380</u>	<u>\$6,415</u>	<u>\$1,789</u>

Debt Service Funds			Capital Projects Funds	
Capital Revenue Bonds	MSBU Projects Commercial Loa	Special Assessment Improvement Revenue Bonds	Capital Improvement	Transportation Capital Improvement
			\$27,315	\$5,450
			298	
			925	135
			117	69
\$260	\$786	\$324		
761	91	71	5,412	9,632
<u>1,021</u>	<u>877</u>	<u>395</u>	<u>34,067</u>	<u>15,286</u>
			2,106	
			2,880	
			222	5,821
			1,686	
			35,240	
			1,197	
			25	4,667
			2,554	
9,015	398	375	1,405	
8,452	280	76	389	
<u>17,467</u>	<u>678</u>	<u>451</u>	<u>47,704</u>	<u>10,488</u>
<u>(16,446)</u>	<u>199</u>	<u>(56)</u>	<u>(13,637)</u>	<u>4,798</u>
18,976	22		7,602	11,583
(72)	(449)	(8)	(1,161)	(3,222)
<u>18,904</u>	<u>(427)</u>	<u>(8)</u>	<u>6,441</u>	<u>8,361</u>
2,458	(228)	(64)	(7,196)	13,159
<u>12,344</u>	<u>953</u>	<u>601</u>	<u>58,479</u>	<u>60,471</u>
<u>\$14,802</u>	<u>\$725</u>	<u>\$537</u>	<u>\$51,283</u>	<u>\$73,630</u>

(continued)

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS (continued)
 For the Year Ended September 30, 2001
 (amounts expressed in thousands)

	Capital Projects Funds		
	Local Option Gas Tax Revenue Bonds	Capital Revenue Bonds - Construction	Commercial Paper Projects
REVENUES			
Taxes			
Licenses and permits			
Intergovernmental			
Charges for services			
Fines and forfeitures			
Impact fees			
Special assessments			
Miscellaneous	\$335	\$940	\$6
Total revenues	<u>335</u>	<u>940</u>	<u>6</u>
EXPENDITURES			
Current			
General government			
Public safety			
Physical environment			
Transportation			
Economic environment			
Human services			
Culture and recreation			
Capital outlay			
General government		20,657	6
Physical environment			
Transportation	2,212		
Culture and recreation			
Debt service			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>2,212</u>	<u>20,657</u>	<u>6</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,877)</u>	<u>(19,717)</u>	<u>0</u>
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in			
Operating transfers out			
Proceeds from long-term debt			
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>(1,877)</u>	<u>(19,717)</u>	<u>0</u>
Fund balances - beginning - as restated	<u>6,997</u>	<u>22,996</u>	<u>0</u>
Fund balances - ending	<u><u>\$5,120</u></u>	<u><u>\$3,279</u></u>	<u><u>\$0</u></u>

<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
MSBU Construction Projects	Sheriff's Claibourne and Foulds Trust	
		\$82,553
		410
		18,717
		5,834
		206
		10,165
\$6		2,455
14		32,080
<u>20</u>	<u>0</u>	<u>152,420</u>
		8,420
	\$1	8,843
		6,015
		31,878
		14,463
		55
		26,825
		55,903
148		1,197
		7,052
		2,554
13		16,348
<u>161</u>	<u>1</u>	<u>13,918</u>
<u>(141)</u>	<u>(1)</u>	<u>(41,051)</u>
1		59,225
(22)		(18,595)
350		350
<u>329</u>	<u>0</u>	<u>40,980</u>
188	(1)	(71)
71	2	255,465
<u>\$259</u>	<u>\$1</u>	<u>\$255,394</u>

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES- BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS**
 For the Year Ended September 30, 2001
 (dollars in thousands)

	Non - GAAP Impact Fees - Fire		Non - GAAP Municipal Service Benefit Unit Districts	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes			\$2,534	\$2,562
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Impact fees	\$1,973	\$1,940		
Special assessments				
Miscellaneous	14	28	11	213
Total revenues	<u>1,987</u>	<u>1,968</u>	<u>2,545</u>	<u>2,775</u>
EXPENDITURES				
Current:				
General government	48	47	98	74
Public safety	2,115	1,966	556	546
Physical environment				
Transportation			2,757	2,399
Economic environment				
Human services				
Culture and recreation				
Total expenditures	<u>2,163</u>	<u>2,013</u>	<u>3,411</u>	<u>3,019</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(176)</u>	<u>(45)</u>	<u>(866)</u>	<u>(244)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in			30	46
Operating transfers out				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>30</u>	<u>46</u>
Net change in fund balance	<u>(176)</u>	<u>(45)</u>	<u>(836)</u>	<u>(198)</u>
Fund balances - beginning	<u>176</u>	<u>52</u>	<u>1,563</u>	<u>1,563</u>
Fund balances - ending	<u>\$0</u>	<u>\$7</u>	<u>\$727</u>	<u>\$1,365</u>

Non - GAAP Disposal Company Trust		Non - GAAP Special Assessment Districts		Law Enforcement Trust		Non - GAAP Community Redevelopment Agency	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
				\$21	\$66		
\$1	\$2	\$572	\$1,175	5	4	\$17	\$362
1	2	289	695	26	70	17	362
		861	1,870				
3		382	278	52	73		
		580	317			6,445	1,286
3	0	962	595	52	73	6,445	1,286
(2)	2	(101)	1,275	(26)	(3)	(6,428)	(924)
		646	623			(30)	(30)
0	0	(638)	(506)	0	0	(30)	(30)
(2)	2	8	117	(26)	(3)	(6,458)	(954)
35	35	(93)	1,392	69	67	6,458	6,458
\$33	\$37	13,012	6,143	\$43	\$64	\$0	\$5,504
		\$12,919	\$7,535				

(continued)

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL (continued)
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2001
(dollars in thousands)

	Non - GAAP Flint Pen Acquisition		Non - GAAP Hickey Creek Mitigation Trust	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Impact fees				
Special assessments				
Miscellaneous	\$21	\$11	\$25	\$72
Total revenues	<u>21</u>	<u>11</u>	<u>25</u>	<u>72</u>
EXPENDITURES				
Current:				
General government	284	136		
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation			138	124
Total expenditures	<u>284</u>	<u>136</u>	<u>138</u>	<u>124</u>
Excess (deficiencies) of revenues				
over (under) expenditures	<u>(263)</u>	<u>(125)</u>	<u>(113)</u>	<u>(52)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in				
Operating transfers out				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(263)	(125)	(113)	(52)
Fund balances - beginning	<u>271</u>	<u>271</u>	<u>1,241</u>	<u>1,241</u>
Fund balances - ending	<u><u>\$8</u></u>	<u><u>\$146</u></u>	<u><u>\$1,128</u></u>	<u><u>\$1,189</u></u>

Non - GAAP Special Revenue Projects		Non - GAAP Human Services Grants		Non - GAAP Surface Water Management		Non - GAAP Lee County Library	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
						\$23,992	\$24,471
\$4,745	\$4,341	\$5,751	\$2,927			1,452	1,477
273	446	329	183		\$97	15	29
						125	140
<u>105</u>	<u>242</u>	<u>25</u>	<u>285</u>	<u>\$171</u>	<u>469</u>	<u>688</u>	<u>1,493</u>
<u>5,123</u>	<u>5,029</u>	<u>6,105</u>	<u>3,395</u>	<u>171</u>	<u>566</u>	<u>26,272</u>	<u>27,610</u>
100						2,359	2,359
303	303						
535	447			3,040	2,688		
5,853	3,339	7,186	3,325				
519	55	177					
22	22					33,284	23,476
<u>7,332</u>	<u>4,166</u>	<u>7,363</u>	<u>3,325</u>	<u>3,040</u>	<u>2,688</u>	<u>35,643</u>	<u>25,835</u>
<u>(2,209)</u>	<u>863</u>	<u>(1,258)</u>	<u>70</u>	<u>(2,869)</u>	<u>(2,122)</u>	<u>(9,371)</u>	<u>1,775</u>
358	94	537	341	2,621	2,621	4	158
(5)	(5)	(31)	(31)			(4)	(4)
<u>353</u>	<u>89</u>	<u>506</u>	<u>310</u>	<u>2,621</u>	<u>2,621</u>	<u>0</u>	<u>154</u>
<u>(1,856)</u>	<u>952</u>	<u>(752)</u>	<u>380</u>	<u>(248)</u>	<u>499</u>	<u>(9,371)</u>	<u>1,929</u>
<u>2,820</u>	<u>2,819</u>	<u>1,052</u>	<u>1,052</u>	<u>948</u>	<u>952</u>	<u>15,713</u>	<u>15,713</u>
<u>\$964</u>	<u>\$3,771</u>	<u>\$300</u>	<u>\$1,432</u>	<u>\$700</u>	<u>\$1,451</u>	<u>\$6,342</u>	<u>\$17,642</u>

(continued)

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL (continued)
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2001
(dollars in thousands)

	Non - GAAP E 9 - 1 - 1		Non - GAAP Tourist Development Trust Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes			\$11,815	\$11,815
Licenses and permits				
Intergovernmental				
Charges for services	\$1,880	\$2,302		
Fines and forfeitures				
Impact fees				
Special assessments				
Miscellaneous	79	128	200	333
Total revenues	<u>1,959</u>	<u>2,430</u>	<u>12,015</u>	<u>12,148</u>
EXPENDITURES				
Current:				
General government			354	354
Public safety	2,118	1,590		
Physical environment				
Transportation				
Economic environment			7,310	6,513
Human services				
Culture and recreation				
Total expenditures	<u>2,118</u>	<u>1,590</u>	<u>7,664</u>	<u>6,867</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(159)</u>	<u>840</u>	<u>4,351</u>	<u>5,281</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	172	159	886	861
Operating transfers out	(172)	(159)	(5,308)	(5,308)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(4,422)</u>	<u>(4,447)</u>
Net change in fund balance	<u>(159)</u>	<u>840</u>	<u>(71)</u>	<u>834</u>
Fund balances - beginning	<u>1,745</u>	<u>1,745</u>	<u>4,591</u>	<u>4,591</u>
Fund balances - ending	<u>\$1,586</u>	<u>\$2,585</u>	<u>\$4,519</u>	<u>\$5,425</u>

Non - GAAP Transportation Trust		Non - GAAP Hazardous Materials Response Team		Non - GAAP Impact Fees - Community Parks		Non - GAAP Impact Fees - Regional Parks	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
		\$976	\$990				
\$108	\$113						
5,639	5,859						
1,372	1,377						
				\$2,110	\$2,858	\$954	\$1,261
<u>2,079</u>	<u>1,491</u>	<u>92</u>	<u>167</u>	<u>94</u>	<u>369</u>	<u>80</u>	<u>83</u>
<u>9,198</u>	<u>8,840</u>	<u>1,068</u>	<u>1,157</u>	<u>2,204</u>	<u>3,227</u>	<u>1,034</u>	<u>1,344</u>
1,062	859	30	30	69	69	30	29
		1,077	623				
20,283	17,271						
<u>21,345</u>	<u>18,130</u>	<u>1,107</u>	<u>653</u>	<u>3,417</u>	<u>450</u>	<u>1,455</u>	<u>1,066</u>
				<u>3,486</u>	<u>519</u>	<u>1,485</u>	<u>1,095</u>
<u>(12,147)</u>	<u>(9,290)</u>	<u>(39)</u>	<u>504</u>	<u>(1,282)</u>	<u>2,708</u>	<u>(451)</u>	<u>249</u>
8,201	8,023		6	96	96	300	300
				(96)	(96)		
<u>8,201</u>	<u>8,023</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>300</u>	<u>300</u>
<u>(3,946)</u>	<u>(1,267)</u>	<u>(39)</u>	<u>510</u>	<u>(1,282)</u>	<u>2,708</u>	<u>(151)</u>	<u>549</u>
<u>7,803</u>	<u>9,096</u>	<u>2,225</u>	<u>2,225</u>	<u>5,140</u>	<u>4,998</u>	<u>1,687</u>	<u>1,612</u>
<u>\$3,857</u>	<u>\$7,829</u>	<u>\$2,186</u>	<u>\$2,735</u>	<u>\$3,858</u>	<u>\$7,706</u>	<u>\$1,536</u>	<u>\$2,161</u>

(continued)

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL (continued)
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2001
(dollars in thousands)

	Non - GAAP Impact Fees - Roads		Non - GAAP Impact Fees - EMS	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Impact fees	\$8,153	\$11,245	\$125	\$145
Special assessments	1,099	3,372	13	28
Miscellaneous	<u>9,252</u>	<u>14,617</u>	<u>138</u>	<u>173</u>
Total revenues				
EXPENDITURES				
Current:				
General government	338	333	3	4
Public safety			313	36
Physical environment				
Transportation	27,441	5,848		
Economic environment				
Human services				
Culture and recreation				
Total expenditures	<u>27,779</u>	<u>6,181</u>	<u>316</u>	<u>40</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(18,527)</u>	<u>8,436</u>	<u>(178)</u>	<u>133</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	(703)	(702)		
Operating transfers out	(703)	(702)	0	0
Total other financing sources (uses)	<u>(703)</u>	<u>(702)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>(19,230)</u>	<u>7,734</u>	<u>(178)</u>	<u>133</u>
Fund balances - beginning	45,110	41,525	416	416
Fund balances - ending	<u>\$25,880</u>	<u>\$49,259</u>	<u>\$237</u>	<u>\$549</u>

Clerk of Circuit Court's Special Revenues		Total		
Budget	Actual	Budget	Actual	Variance - Positive (Negative)
		\$39,317	\$39,838	\$521
		108	113	5
\$933	\$825	18,520	15,429	(3,091)
913	915	4,782	5,349	567
		146	206	60
		13,315	17,449	4,134
		572	1,175	603
367	471	5,475	10,318	4,843
2,213	2,211	82,235	89,877	7,642
5,743	1,743	10,903	6,315	4,588
		6,534	5,137	1,397
		3,575	3,135	440
		51,061	25,835	25,226
		26,794	14,463	12,331
		696	55	641
		38,316	25,138	13,178
5,743	1,743	137,879	80,078	57,801
(3,530)	468	(55,644)	9,799	65,443
868	753	14,719	14,081	(638)
(71)	(72)	(7,058)	(6,913)	145
797	681	7,661	7,168	(493)
(2,733)	1,149	(47,983)	16,967	64,950
2,733	4,649	114,808	107,223	(7,585)
\$0	\$5,798	\$66,823	\$124,190	\$57,367

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS**
 For the Year Ended September 30, 2001
 (amounts expressed in thousands)

	Non - GAAP Local Option Gas Tax Revenue Bonds		Non - GAAP Certificates of Participation	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$6,927	\$7,383		
Charges for services				
Special assessments				
Miscellaneous	75	72	\$2	\$13
Total revenues	<u>7,002</u>	<u>7,455</u>	<u>2</u>	<u>13</u>
EXPENDITURES				
Debt Service				
Principal retirement	2,115	2,115	1,040	1,040
Interest and fiscal charges	1,196	1,194	868	867
Total expenditures	<u>3,311</u>	<u>3,309</u>	<u>1,908</u>	<u>1,907</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>3,691</u>	<u>4,146</u>	<u>(1,906)</u>	<u>(1,894)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,112	1,157	1,994	1,980
Operating transfers out	(5,159)	(5,158)		
Total other financing sources (uses)	<u>(4,047)</u>	<u>(4,001)</u>	<u>1,994</u>	<u>1,980</u>
Net change in fund balance	(356)	145	88	86
Fund balances - beginning	<u>3,950</u>	<u>3,950</u>	<u>1,484</u>	<u>1,484</u>
Fund balances - ending	<u>\$3,594</u>	<u>\$4,095</u>	<u>\$1,572</u>	<u>\$1,570</u>

Non - GAAP Road Improvement Revenue Bonds		Tourist Development Tax Revenue Bonds		Five Cent Local Option Gas Tax Revenue Bonds		Non - GAAP Capital Revenue Bonds	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$2,724	\$2,566	\$300	\$300				
25	25	243	285	\$37	\$37	\$396	\$682
<u>2,749</u>	<u>2,591</u>	<u>543</u>	<u>585</u>	<u>37</u>	<u>37</u>	<u>780</u>	<u>761</u>
735	735	375	375	890	890	9,354	9,015
390	390	527	527	1,731	1,731	8,576	8,452
<u>1,125</u>	<u>1,125</u>	<u>902</u>	<u>902</u>	<u>2,621</u>	<u>2,621</u>	<u>17,930</u>	<u>17,467</u>
<u>1,624</u>	<u>1,466</u>	<u>(359)</u>	<u>(317)</u>	<u>(2,584)</u>	<u>(2,584)</u>	<u>(16,754)</u>	<u>(16,024)</u>
(1,601)	(1,423)	2,596	2,756	2,414	2,600	18,855	18,976
<u>(1,601)</u>	<u>(1,423)</u>	<u>(1,709)</u>	<u>(1,703)</u>	<u>2,414</u>	<u>2,600</u>	<u>(89)</u>	<u>(72)</u>
23	43	887	1,053	(170)	16	18,766	18,904
<u>1,338</u>	<u>1,338</u>	<u>528</u>	<u>736</u>	<u>1,773</u>	<u>1,773</u>	<u>2,012</u>	<u>2,880</u>
<u>\$1,361</u>	<u>\$1,381</u>	<u>5,679</u>	<u>5,679</u>	<u>1,773</u>	<u>1,773</u>	<u>11,560</u>	<u>12,344</u>
		<u>\$6,207</u>	<u>\$6,415</u>	<u>\$1,603</u>	<u>\$1,789</u>	<u>\$13,572</u>	<u>\$15,224</u>

(continued)

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL (continued)
DEBT SERVICE FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Non - GAAP MSBU Projects Commercial Loan		Non - GAAP Special Assessment Improvement Revenue Bonds	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes				
Charges for services				
Special assessments	\$731	\$757	\$69	\$385
Miscellaneous	21	91	69	72
Total revenues	<u>752</u>	<u>848</u>	<u>138</u>	<u>457</u>
EXPENDITURES				
Debt Service				
Principal retirement	398	399	376	375
Interest and fiscal charges	282	280	81	76
Total expenditures	<u>680</u>	<u>679</u>	<u>457</u>	<u>451</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>72</u>	<u>169</u>	<u>(319)</u>	<u>6</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in		22	429	409
Operating transfers out	(449)	(449)	(418)	(417)
Total other financing sources (uses)	<u>(449)</u>	<u>(427)</u>	<u>11</u>	<u>(8)</u>
Net change in fund balance	<u>(377)</u>	<u>(258)</u>	<u>(308)</u>	<u>(2)</u>
Fund balances - beginning	<u>846</u>	<u>953</u>	<u>774</u>	<u>602</u>
Fund balances - ending	<u>\$469</u>	<u>\$695</u>	<u>\$466</u>	<u>\$600</u>

Total		
Budget	Actual	Variance - Positive (Negative)
\$9,651	\$9,949	\$298
300	300	0
1,196	1,824	628
<u>1,252</u>	<u>1,356</u>	<u>104</u>
<u>12,399</u>	<u>13,429</u>	<u>1,030</u>
15,283	14,944	339
<u>13,651</u>	<u>13,517</u>	<u>134</u>
<u>28,934</u>	<u>28,461</u>	<u>473</u>
<u>(16,535)</u>	<u>(15,032)</u>	<u>1,503</u>
27,400	27,900	500
<u>(9,425)</u>	<u>(9,222)</u>	<u>203</u>
<u>17,975</u>	<u>18,678</u>	<u>703</u>
1,440	3,646	2,206
<u>27,404</u>	<u>28,123</u>	<u>719</u>
<u><u>\$28,844</u></u>	<u><u>\$31,769</u></u>	<u><u>\$2,925</u></u>

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Non - GAAP Capital Improvement		Non - GAAP Transportation Capital Improvements	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$26,742	\$27,314	\$4,769	\$5,450
Licenses and permits	235	298		
Intergovernmental	23,185	925	6,056	135
Charges for services	99	117	68	69
Special assessments				
Miscellaneous	3,749	4,414	6,672	8,197
Total revenues	<u>54,010</u>	<u>33,068</u>	<u>17,565</u>	<u>13,851</u>
EXPENDITURES				
Current				
General government	2,982	2,106		
Physical environment	32,190	2,881		
Transportation	380	222	9,395	5,821
Culture and recreation	3,158	1,686		
Capital Outlay				
General government	44,236	35,240		
Physical environment	10,472	1,196		
Transportation	1,070	25	45,844	4,667
Culture and recreation	8,466	2,554		
Debt Service				
Principal retirement	1,405	1,405		
Interest and fiscal charges	389	389		
Total expenditures	<u>104,748</u>	<u>47,704</u>	<u>55,239</u>	<u>10,488</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(50,738)</u>	<u>(14,636)</u>	<u>(37,674)</u>	<u>3,363</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	8,404	8,961	9,070	11,583
Operating transfers out	(2,545)	(2,520)	(3,235)	(3,222)
Proceeds from long-term debt				
Total other financing sources (uses)	<u>5,859</u>	<u>6,441</u>	<u>5,835</u>	<u>8,361</u>
Net change in fund balance	<u>(44,879)</u>	<u>(8,195)</u>	<u>(31,839)</u>	<u>11,724</u>
Fund balances - beginning	<u>58,479</u>	<u>58,479</u>	<u>60,471</u>	<u>60,471</u>
Fund balances - ending	<u>\$13,599</u>	<u>\$50,284</u>	<u>\$28,632</u>	<u>\$72,195</u>

Local Option Gas Tax Revenue Bonds		Capital Revenue Bonds - Construction		Commercial Paper Projects		Non - GAAP MSBU Construction Projects	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>\$490</u>	<u>\$335</u>	<u>\$1,305</u>	<u>\$940</u>	<u>\$ (983)</u>	<u>\$6</u>	<u>\$45</u>	<u>\$6</u>
<u>490</u>	<u>335</u>	<u>1,305</u>	<u>940</u>	<u>(983)</u>	<u>6</u>	<u>45</u>	<u>18</u>
		24,182	20,657	7	6		
6,770	2,212					1,646	149
<u>6,770</u>	<u>2,212</u>	<u>24,182</u>	<u>20,657</u>	<u>7</u>	<u>6</u>	<u>35</u>	<u>13</u>
						<u>276</u>	<u>162</u>
<u>(6,280)</u>	<u>(1,877)</u>	<u>(22,877)</u>	<u>(19,717)</u>	<u>(990)</u>	<u>0</u>	<u>1,957</u>	<u>162</u>
						<u>(1,912)</u>	<u>(144)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	265	1
						(28)	(22)
						<u>1,486</u>	<u>350</u>
						<u>1,723</u>	<u>329</u>
<u>(6,280)</u>	<u>(1,877)</u>	<u>(22,877)</u>	<u>(19,717)</u>	<u>(990)</u>	<u>0</u>	<u>(189)</u>	<u>185</u>
<u>6,997</u>	<u>6,997</u>	<u>22,996</u>	<u>22,996</u>	<u>990</u>	<u>0</u>	<u>393</u>	<u>71</u>
<u>\$717</u>	<u>\$5,120</u>	<u>\$119</u>	<u>\$3,279</u>	<u>\$0</u>	<u>\$0</u>	<u>\$204</u>	<u>\$256</u>

(continued)

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL (continued)
CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Total		Variance - Positive (Negative)
	Budget	Actual	
REVENUES			
Taxes	\$31,511	\$32,764	\$1,253
Licenses and permits	235	298	63
Intergovernmental	29,241	1,060	(28,181)
Charges for services	167	186	19
Special assessments		6	6
Miscellaneous	<u>11,278</u>	<u>13,904</u>	<u>2,626</u>
Total revenues	<u>72,432</u>	<u>48,218</u>	<u>(24,214)</u>
EXPENDITURES			
Current			
General government	2,982	2,106	876
Physical environment	32,190	2,881	29,309
Transportation	9,775	6,043	3,732
Culture and recreation	3,158	1,686	1,472
Capital Outlay			
General government	68,425	55,903	12,522
Physical environment	10,472	1,196	9,276
Transportation	55,330	7,053	48,277
Culture and recreation	8,466	2,554	5,912
Debt Service			
Principal retirement	1,440	1,405	35
Interest and fiscal charges	<u>665</u>	<u>402</u>	<u>263</u>
Total expenditures	<u>192,903</u>	<u>81,229</u>	<u>111,674</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(120,471)</u>	<u>(33,011)</u>	<u>87,460</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	17,739	20,545	2,806
Operating transfers out	(5,808)	(5,764)	44
Proceeds from long-term debt	<u>1,486</u>	<u>350</u>	<u>(1,136)</u>
Total other financing sources (uses)	<u>13,417</u>	<u>15,131</u>	<u>1,714</u>
Net change in fund balance	<u>(107,054)</u>	<u>(17,880)</u>	<u>89,174</u>
Fund balances - beginning	<u>150,326</u>	<u>149,014</u>	<u>(1,312)</u>
Fund balances - ending	<u><u>\$43,271</u></u>	<u><u>\$131,134</u></u>	<u><u>\$87,863</u></u>

Enterprise Funds

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL WITH RECONCILIATION TO GAAP
ENTERPRISE FUNDS**
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Port Authority		Water and Wastewater		Transportation Facilities	
	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES						
User fees	\$16,881	\$16,451	\$43,070	\$44,202	\$29,675	\$29,162
Tolls						
Rentals and franchise fees	1,694	1,825	30	66		
Concessions	19,254	20,141				
Miscellaneous	48	153	262	288		
Total operating revenues	37,877	38,570	43,362	44,556	29,675	29,162
Less: Rebates	(1,016)	(1,176)				
Net operating revenues	36,861	37,394	43,362	44,556	29,675	29,162
OPERATING EXPENSES						
Salaries and wages	9,685	9,643	4,195	4,195	3,000	2,591
Employee benefits	3,937	3,418	1,224	1,224	992	868
Contractual services, materials, and supplies	10,563	9,066	20,797	11,368	2,081	1,612
Utilities	1,951	1,810	2,714	1,962	210	174
Repairs and maintenance	1,261	1,101	1,216	1,150	519	205
Insurance	706	468	129	72	189	189
Insurance claims			9	9		
Other	1,923	951	1,710	1,710	790	775
Total operating expenses	30,026	26,457	31,994	21,690	7,781	6,414
Operating income (loss)	6,835	10,937	11,368	22,866	21,894	22,748
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	25,074	24,759	3,862	7,223	544	1,037
Taxes			591	438	5,996	1,347
Grants			1,360	1,042		
Special Assessment Collections			5,203	14,429		
Capital Contributions	26,135	10,361				
Bond proceeds			804	804	66,223	66,223
Other debt proceeds			(7,553)	(7,553)	6,000	6,000
Interest expense	(24,737)	(24,736)			(9,655)	(8,223)
Excess fees - City of Sanibel					(845)	(845)
Capital outlay	(73,714)	(27,686)	(59,551)	(12,303)	(12,241)	(1,675)
Principal retirement	(5,265)	(5,265)	(6,387)	(6,387)	(6,102)	(6,101)
Payment to refunding escrow agent					(67,000)	(67,000)
Proceeds from disposal of property, plant, and equipment		3		3,208		
Passenger facility charges	7,084	7,236				8
Other revenues			190	532		
Other expenses	(2)	(13)	(12)	(12)	(13)	(13)
Total non - operating revenues (expenses)	(45,425)	(15,341)	(61,493)	1,421	(17,093)	(9,242)
Income (loss) before operating transfers	(38,590)	(4,404)	(50,125)	24,287	4,801	13,506
Operating transfers in	46,472	54,000	22,612	23,357	32,387	31,407
Operating transfers out	(48,150)	(54,000)	(23,307)	(23,307)	(40,382)	(40,382)
Total transfers	(1,678)	0	(695)	50	(7,995)	(8,975)
Change in net assets	(40,268)	(4,404)	(50,820)	24,337	(3,194)	4,531
Total net assets - beginning	350,318	366,843	95,454	116,350	10,038	15,701
Total net assets - ending	\$310,050	\$362,439	\$44,634	\$140,687	\$6,844	\$20,232
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net assets, budgetary basis		(\$4,404)		\$24,337		\$4,531
Add: Capital outlay		27,686		12,303		1,675
Fair market value adjustment		2,173		2,261		330
Principal retirement		5,265		6,387		6,101
Capitalized interest		3,981				
Fixed asset transfers				6		
Payment to escrow agent						67,000
Less: Depreciation and amortization		(6,726)		(12,278)		(4,794)
Compensated absences		(50)		(159)		(16)
Amortization of discount and issuance costs		(584)		(458)		(800)
Special assessment collections				(1,042)		
Bond proceeds						(66,223)
Other debt proceeds				(804)		(6,000)
Proceeds from sale of assets (FMB)				(3,208)		
Net book value of property, plant, and equipment disposed		(218)		(194)		(1)
Fixed asset transfers						
Adjustment for prior period						
Change in net assets		\$27,123		\$27,151		\$1,803

Solid Waste		Transit		Total		Variance
Budget	Actual	Budget	Actual	Budget	Actual	Positive (Negative)
\$41,540	\$45,262	\$1,050	\$1,608	\$102,541	\$107,523	\$4,982
740	862		10	29,675	29,162	(513)
				2,464	2,763	299
6,571	8,457			19,254	20,141	887
<u>48,851</u>	<u>54,581</u>	<u>1,050</u>	<u>1,618</u>	<u>160,815</u>	<u>168,487</u>	<u>7,672</u>
(399)	(392)			(1,415)	(1,568)	(153)
<u>48,452</u>	<u>54,189</u>	<u>1,050</u>	<u>1,618</u>	<u>159,400</u>	<u>166,919</u>	<u>7,519</u>
813	720	4,474	4,050	22,167	21,199	968
256	243	1,702	1,501	8,111	7,254	857
23,597	23,302	2,318	2,140	59,356	47,488	11,868
4,395	4,086	184	114	9,454	8,146	1,308
144	144	810	647	3,950	3,247	703
34	6	147	146	1,205	881	324
				9	9	0
<u>1,009</u>	<u>819</u>	<u>409</u>	<u>381</u>	<u>5,841</u>	<u>4,636</u>	<u>1,205</u>
<u>30,248</u>	<u>29,320</u>	<u>10,044</u>	<u>8,979</u>	<u>110,093</u>	<u>92,860</u>	<u>17,233</u>
<u>18,204</u>	<u>24,869</u>	<u>(8,994)</u>	<u>(7,361)</u>	<u>49,307</u>	<u>74,059</u>	<u>24,752</u>
4,647	5,489	48	115	34,175	38,623	4,448
1,636	1,717			1,636	1,717	81
299	248	3,962	2,656	10,848	4,689	(6,159)
		5,887	6,576	1,360	1,042	(318)
				37,225	31,366	(5,859)
				66,223	66,223	0
				6,804	6,804	0
(11,931)	(11,930)			(53,876)	(52,442)	1,434
				(845)	(845)	0
(11,610)	(5,682)	(4,199)	(3,185)	(161,315)	(50,531)	110,784
(6,755)	(6,755)			(24,509)	(24,508)	1
				(67,000)	(67,000)	0
	1		49	0	3,261	3,261
			8	7,084	7,236	152
(7)	(8)			190	548	358
<u>(23,721)</u>	<u>(16,920)</u>	<u>5,698</u>	<u>6,219</u>	<u>(142,034)</u>	<u>(33,863)</u>	<u>108,171</u>
(5,517)	7,949	(3,296)	(1,142)	(92,727)	40,196	132,923
22,538	21,480	3,026	3,020	127,035	133,264	6,229
<u>(22,538)</u>	<u>(21,336)</u>			<u>(134,377)</u>	<u>(139,025)</u>	<u>(4,648)</u>
0	144	3,026	3,020	(7,342)	(5,761)	1,581
(5,517)	8,093	(270)	1,878	(100,069)	34,435	134,504
<u>93,643</u>	<u>115,919</u>	<u>2,368</u>	<u>2,435</u>	<u>551,821</u>	<u>617,248</u>	<u>65,427</u>
<u>\$88,126</u>	<u>\$124,012</u>	<u>\$2,098</u>	<u>\$4,313</u>	<u>\$451,752</u>	<u>\$651,683</u>	<u>\$199,931</u>
	\$8,093		\$1,878		\$34,435	
	5,682		3,185		50,531	
	930		31		5,725	
	6,755				24,508	
			1		3,981	
					7	
					67,000	
	(6,386)		(1,199)		(31,383)	
	(15)		(27)		(267)	
	(685)				(2,527)	
					(1,042)	
					(66,223)	
					(6,804)	
	(8)		(8)		(3,208)	
					(429)	
	(4)				(4)	
	(1,259)				(1,259)	
<u>\$13,103</u>		<u>\$3,861</u>		<u>\$73,041</u>		



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Internal Service Funds

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 Lee 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's risk management department for group health and dental insurance. Such costs are billed to other departments at estimated cost of operations.

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

Lee County, Florida
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

As of September 30, 2001

(amounts expressed in thousands)

ASSETS	Governmental				Fleet Management	Total
	Information Technology	Governmental Communications Network	Self - Insurance Group Health and Dental	General Liability		
Current Assets:						
Cash and cash equivalents	\$1,888	\$4,081	\$2,443	\$7,819	\$4,196	\$20,427
Receivables (net)	17	142	246	55	52	512
Due from other funds		15	3		387	405
Inventories					286	286
Other	1				1	2
Total current assets	1,906	4,238	2,692	7,874	4,922	21,632
Noncurrent Assets:						
Restricted:						
Cash and cash equivalents					2	2
Cash and cash equivalents with fiscal agent					323	323
Capital assets:						
Land		91			510	510
Buildings	36	2			3,233	3,324
Improvements other than buildings	6,647	7,851	3	23	41	79
Equipment		766			7,475	21,999
Construction in progress	(3,170)	(6,759)	(1)	(3)	(5,937)	(15,870)
Less accumulated depreciation					44	44
Unamortized bond costs (net)	3,513	1,951	2	20	5,691	11,177
Total noncurrent assets	5,419	6,189	2,694	7,894	10,613	32,809
Total assets						
LIABILITIES						
Current liabilities:						
Contracts and accounts payable	1,777	219	132	117	190	2,435
Accrued liabilities		4	2	4	21	31
Due to other funds		1	1	2	2	3
Due to other governments		2		2	8	13
Self-insurance claims payable			706	765		1,471
Compensated absences		3	1	1	9	14
Total current liabilities	1,777	229	842	889	230	3,967

Lee County, Florida
COMBINING STATEMENT OF NET ASSETS (continued)
INTERNAL SERVICE FUNDS

As of September 30, 2001

(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self - Insurance		Fleet Management	Total
			Group Health and Dental	General Liability		
Current liabilities payable from restricted assets:						
Accrued liabilities						
Revenue bonds - current					73	73
Total current liabilities payable from restricted assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>263</u>	<u>190</u>
Noncurrent liabilities:						
Self-insurance claims payable			2,119	5,171		7,290
Compensated absences		23	13	11	117	164
Revenue bonds payable					2,518	2,518
Total noncurrent liabilities	<u>0</u>	<u>23</u>	<u>2,132</u>	<u>5,182</u>	<u>2,635</u>	<u>9,972</u>
Total liabilities	<u>1,777</u>	<u>252</u>	<u>2,974</u>	<u>6,071</u>	<u>3,128</u>	<u>14,202</u>
NET ASSETS						
Invested in capital assets, net of related debt	3,513	1,951	2	20	2,659	8,145
Restricted for:						
Debt service					252	252
Unrestricted (deficit)	129	3,986	(282)	1,803	4,574	10,210
Total net assets	<u>\$3,642</u>	<u>\$5,937</u>	<u>\$(280)</u>	<u>\$1,823</u>	<u>\$7,485</u>	<u>\$18,607</u>

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self - Insurance		Fleet Management	Total
			Group Health and Dental	General Liability		
OPERATING REVENUES						
User fees	\$10,042	\$1,456	\$14,829	\$2,464	\$5,077	\$33,868
Total operating revenues	10,042	1,456	14,829	2,464	5,077	33,868
OPERATING EXPENSES						
Salaries and wages		147	103	170	866	1,286
Employee benefits		42	31	52	280	405
Contractual services, materials and supplies	6,977	75	541	259	1,172	9,024
Utilities	2,223	49	2	2	55	2,329
Repairs and maintenance	202	278			1,122	1,602
Insurance		2	948	1,744	16	2,710
Insurance claims			13,948	1,195		15,143
Other	165	41	56	32	102	396
Depreciation	1,113	251		1	1,217	2,582
Total operating expenses	10,680	885	15,627	3,455	4,830	35,477
Operating income (loss)	(638)	571	(798)	(991)	247	(1,609)
NON-OPERATING REVENUES (EXPENSES)						
Interest revenue	187	312	164	630	333	1,626
Interest expense	(36)				(218)	(254)
Gain (loss) on disposal of fixed assets	(441)	(7)			182	(266)
Other revenues	79	87	48		8	222
Other expenses					(2)	(2)
Total non-operating revenues (expenses)	(211)	392	212	630	303	1,326
Income (loss) before transfers	(849)	963	(586)	(361)	550	(283)
Transfers in	716				55	771
Transfers out	(245)		(1)	(1)	(52)	(299)
Total transfers	471	0	(1)	(1)	3	472
Change in net assets	(378)	963	(587)	(362)	553	189
Total net assets - beginning - as restated	4,020	4,974	307	2,185	6,932	18,418
Total net assets - ending	\$3,642	\$5,937	\$(280)	\$1,823	\$7,485	\$18,607

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$10,124	\$1,533	\$15,051	\$2,464	\$4,941	\$34,113
Payments to suppliers	(9,337)	(443)	(15,317)	(3,782)	(2,371)	(31,250)
Payments to employees		(165)	(131)	(198)	(993)	(1,487)
Payment for interfund services used	(2)	(72)		(44)	(216)	(334)
Net cash provided by (used in) operating activities	785	853	(397)	(1,560)	1,361	1,042
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	568					568
Net cash provided by (used in) noncapital financing activities	568	0	0	0	0	568
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Additions to fixed assets	(1,461)	(729)	(1)	(17)	(1,160)	(3,368)
Principal paid on bonds, loans, leases, and interfund loans	(5)				(240)	(245)
Interest paid on bonds, loans, leases, and interfund loans	(36)				(150)	(186)
Proceeds from sale of fixed assets	1				218	219
Net cash provided by (used in) capital and related financing	(1,501)	(729)	(1)	(17)	(1,332)	(3,580)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	221	335	174	705	355	1,790
Net cash provided by (used in) investing activities	221	335	174	705	355	1,790
Net increase (decrease) in cash and cash equivalents	73	459	(224)	(872)	384	(180)
Cash and equivalents at beginning of year	1,815	3,622	2,667	8,691	4,137	20,932
Cash and equivalents at end of year	\$ 1,888	\$ 4,081	\$ 2,443	\$ 7,819	\$ 4,521	\$ 20,752
Classified as:						
Current assets	\$ 1,888	\$ 4,081	\$ 2,443	\$ 7,819	\$ 4,196	\$ 20,427
Restricted assets					325	325
Totals	\$ 1,888	\$ 4,081	\$ 2,443	\$ 7,819	\$ 4,521	\$ 20,752

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (638)	\$ 571	\$ (798)	\$ (991)	\$ 247	\$ (1,609)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation	1,113	251		1	1,217	2,582
Other revenues	79	87	48		8	222
Other expenses					(2)	(2)
(Increase) decrease in accounts receivable	3	4	177		234	418
(Increase) decrease in due from other funds		(14)	(3)		(384)	(401)
(Increase) decrease in inventories					(52)	(52)
(Increase) decrease in other assets	(1)					(1)
Increase (decrease) in contracts and accounts payable	229	169	(228)	38	64	272
Increase (decrease) in accrued liabilities		3	2	4	18	27
Increase (decrease) in due to other funds		(225)		(7)	(15)	(247)
Increase (decrease) in due to other governments		1	1	1	6	9
Increase (decrease) in compensated absences		6		(6)	20	20
Increase (decrease) in other liabilities			404	(600)		(196)
Total adjustments	1,423	282	401	(569)	1,114	2,651
Net cash provided by (used in) operating activities	\$ 785	\$ 853	\$ (397)	\$ (1,560)	\$ 1,361	\$ 1,042

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL WITH RECONCILIATION TO GAAP
INTERNAL SERVICE FUNDS**
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Information Technology		Governmental Communications Network	
	Budget	Actual	Budget	Actual
OPERATING REVENUES				
User fees				
Total operating revenues	\$9,584	\$10,042	\$1,712	\$1,456
	<u>9,584</u>	<u>10,042</u>	<u>1,712</u>	<u>1,456</u>
OPERATING EXPENSES				
Salaries and wages			171	141
Employee benefits			52	42
Contractual services, materials, and supplies	7,023	6,977	145	75
Utilities	2,223	2,223	112	49
Repairs and maintenance	354	202	568	278
Insurance			2	2
Insurance claims				
Other	201	165	90	41
Total operating expenses	<u>9,801</u>	<u>9,567</u>	<u>1,140</u>	<u>628</u>
Operating income (loss)	<u>(217)</u>	<u>475</u>	<u>572</u>	<u>828</u>
NON - OPERATING REVENUES (EXPENSES)				
Interest revenue	90	149	100	230
Interest expense	(36)	(36)		
Capital outlay	(1,461)	(1,461)	(1,183)	(729)
Principal retirement	(5)	(5)		
Proceeds from disposal of property, plant, and equipment		1		
Other revenues		79	69	87
Other expenses				
Total non - operating revenues (expenses)	<u>(1,412)</u>	<u>(1,273)</u>	<u>(1,014)</u>	<u>(412)</u>
Income (loss) before operating transfers	<u>(1,629)</u>	<u>(798)</u>	<u>(442)</u>	<u>416</u>
Operating transfers in	1,147	568		
Operating transfers out				
Total transfers	<u>1,147</u>	<u>568</u>	<u>0</u>	<u>0</u>
Change in net assets	<u>(482)</u>	<u>(230)</u>	<u>(442)</u>	<u>416</u>
Total net assets - beginning	<u>317</u>	<u>2,455</u>	<u>3,514</u>	<u>2,613</u>
Total net assets - ending	<u>(<u>\$165</u>)</u>	<u><u>\$2,225</u></u>	<u><u>\$3,072</u></u>	<u><u>\$3,029</u></u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP				
Change in net assets, budgetary basis		(\$230)		\$416
Add: Capital outlay		1,461		729
Compensated absences				
Inventory				
Claims payable reserve				
Fair market value adjustment		38		82
Principal retirement		5		
Less: Depreciation and amortization		(1,113)		(251)
Compensated absences				(6)
Amortization of discount and issuance costs				
Net book value of property, plant, and equipment disposed		(442)		(7)
Claims payable reserve				
Fixed asset transfers		(97)		
Change in net assets		<u>(<u>\$378</u>)</u>		<u><u>\$963</u></u>

(continued)

Lee County, Florida
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL WITH RECONCILIATION TO GAAP (continued)**
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2001
(amounts expressed in thousands)

	Self-Insurance Group Health and Dental		Self-Insurance General Liability	
	Budget	Actual	Budget	Actual
OPERATING REVENUES				
User fees	\$12,925	\$14,829	\$2,442	\$2,464
Total operating revenues	12,925	14,829	2,442	2,464
OPERATING EXPENSES				
Salaries and wages	103	103	176	176
Employee benefits	32	31	56	52
Contractual services, materials, and supplies	561	541	268	259
Utilities			3	2
Repairs and maintenance	1			
Insurance	948	948	1,744	1,744
Insurance claims	13,660	13,544	8,417	1,795
Other	64	56	76	32
Total operating expenses	15,369	15,223	10,740	4,060
Operating income (loss)	(2,444)	(394)	(8,298)	(1,596)
NON - OPERATING REVENUES (EXPENSES)				
Interest revenue		130	550	482
Interest expense				
Capital outlay	(1)	(1)	(17)	(17)
Principal retirement				
Proceeds from disposal of property, plant, and equipment				
Other revenues	335	48	15	
Other expenses				
Total non - operating revenues (expenses)	334	177	548	465
Income (loss) before operating transfers	(2,110)	(217)	(7,750)	(1,131)
Operating transfers in				
Operating transfers out				
Total transfers	0	0	0	0
Change in net assets	(2,110)	(217)	(7,750)	(1,131)
Total net assets - beginning	2,134	3,953	7,911	6,440
Total net assets - ending	\$24	\$3,736	\$161	\$5,309
RECONCILIATION OF BUDGETARY BASIS TO GAAP				
Change in net assets, budgetary basis		(\$217)		(\$1,131)
Add: Capital outlay		1		17
Compensated absences				6
Inventory				
Claims payable reserve				600
Fair market value adjustment		34		148
Principal retirement				
Less: Depreciation and amortization				(1)
Compensated absences				
Amortization of discount and issuance costs				
Net book value of property, plant, and equipment disposed				
Claims payable reserve		(404)		
Fixed asset transfers		(1)		(1)
Change in net assets		(\$587)		(\$362)

Fleet Management		Total		
Budget	Actual	Budget	Actual	Variance Positive (Negative)
\$4,922	\$5,077	\$31,585	\$33,868	\$2,283
<u>4,922</u>	<u>5,077</u>	<u>31,585</u>	<u>33,868</u>	<u>2,283</u>
857	846	1,307	1,266	41
305	280	445	405	40
1,172	1,172	9,169	9,024	145
58	55	2,396	2,329	67
1,177	1,173	2,100	1,653	447
16	16	2,710	2,710	0
		22,077	15,339	6,738
108	102	539	396	143
<u>3,693</u>	<u>3,644</u>	<u>40,743</u>	<u>33,122</u>	<u>7,621</u>
<u>1,229</u>	<u>1,433</u>	<u>(9,158)</u>	<u>746</u>	<u>9,904</u>
112	249	852	1,240	388
(146)	(146)	(182)	(182)	0
(1,277)	(1,160)	(3,939)	(3,368)	571
(240)	(240)	(245)	(245)	0
235	218	235	219	(16)
8	8	427	222	(205)
(3)	(2)	(3)	(2)	1
<u>(1,311)</u>	<u>(1,073)</u>	<u>(2,855)</u>	<u>(2,116)</u>	<u>739</u>
(82)	360	(12,013)	(1,370)	10,643
385	156	1,532	724	(808)
<u>(385)</u>	<u>(156)</u>	<u>(385)</u>	<u>(156)</u>	<u>229</u>
0	0	1,147	568	(579)
(82)	360	(10,866)	(802)	10,064
<u>4,046</u>	<u>4,669</u>	<u>17,922</u>	<u>20,130</u>	<u>2,208</u>
<u>\$3,964</u>	<u>\$5,029</u>	<u>\$7,056</u>	<u>\$19,328</u>	<u>\$12,272</u>
	\$360		(\$802)	
	1,160		3,368	
	51		6	
	84		51	
	240		600	
	(1,217)		386	
	(20)		245	
	(72)		(2,582)	
	(33)		(26)	
			(72)	
			(482)	
			(404)	
			(99)	
	<u>\$553</u>		<u>\$189</u>	



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Fiduciary Funds

Trust and agency funds are used to account for assets held by the County in a trustee capacity, or as an agent for individuals, private organizations, other governments, and other funds. The County currently reports only agency funds.

Town of Fort Myers Beach- To account for impact fees that are collected on behalf of the Town of Ft. Myers Beach per an inter-local agreement.

City of Bonita Springs- To account for impact fees that are collected on behalf of the City of Bonita Springs per an inter-local agreement.

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

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

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

Tax Collector- To account for the assets held by the Tax Collector as an agent for individuals, organizations, or other governments. These funds are: 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 ASSETS
FIDUCIARY FUNDS
As of September 30, 2001
(amounts expressed in thousands)

	Agency Funds						
	Board Of County Commissioners						
	Town of Ft. Myers Beach	City of Bonita Springs	BOCC Cash Bonds	Clerk of Circuit Court	Sheriff	Tax Collector	Total
ASSETS							
Cash and cash equivalents	\$10	\$835	\$962	\$3,952	\$890	\$6,575	\$13,224
Accounts receivable (net)						38	38
Due from other funds				3,800			3,800
Due from other governments						35	35
Total assets	10	835	962	7,752	890	6,648	17,097
LIABILITIES							
Contracts and accounts payable		29			750	581	2,069
Due to individuals				738	110	407	1,049
Due to other funds		806		1,498	30	5,660	8,004
Due to other governments	10		962	4,984			5,946
Bonds and deposits							
Total liabilities	\$10	\$835	\$962	\$7,752	\$890	\$6,648	\$17,097



Statistical Section

STATISTICAL SECTION

(unaudited)

The statistical data presents physical, economic, social, and political characteristics of the County. It is intended to provide users with a more broad and complete understanding of the County and its financial affairs than is possible from the financial statements and supporting schedules included in the financial section.

COMMENTS RELATIVE TO STATISTICAL SECTION

The following statistical tables recommended by the Governmental Accounting Standards Board are not included for the reasons stated below:

- Table of Computation of Legal Debt Margin is omitted as the Constitution of the State of Florida (FS 200.181) and Lee County set no legal debt limit.
- Ten - year comparative summaries of specific information regarding the Public Employee Retirement System (PERS) has not been presented as Lee County participates in a multiple -employer PERS administered by the State of Florida. Separate actuarial valuations for each participating employer are not available.
- Special assessment billing information is not available through fiscal year 1996 due to the multiple payment options utilized by the Tax Collector which did not provide annual billing information.
- Table of Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita is omitted as the County has no general bonded debt.
- Table of Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures is omitted as the County has no general bonded debt.

Lee County, Florida

TABLE 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Culture Recreation	Capital Outlay	Debt Service	Total
1992	\$56,907	\$53,733	\$5,688	\$16,199	\$9,732	\$11,266	\$17,013	\$51,854	\$21,890	\$244,282
1993	54,415	56,024	5,583	15,646	9,880	12,932	19,983	43,602	28,880	246,945
1994	52,769	62,483	6,085	22,068	8,803	12,714	23,137	45,202	20,310	253,571
1995	54,694	67,739	5,846	22,332	8,607	8,463	23,766	46,420	21,247	259,114
1996	53,975	69,255	5,727	21,503	10,453	9,390	26,834	62,248	46,778	306,163
1997	55,776	75,671	5,033	21,321	15,241	10,207	26,159	57,781	29,852	297,041
1998	67,921	77,227	5,762	20,756	13,060	10,825	28,246	34,590	31,692	290,079
1999	76,455	86,405	6,212	19,227	14,773	11,747	26,326	42,565	30,522	314,232
2000	73,883	100,399	4,602	22,342	19,241	10,586	35,759	59,326	34,185	360,323
2001	79,313	105,151	8,659	31,878	17,111	11,255	42,244	66,706	30,266	392,583

*Includes general, special revenue, debt service, and capital projects funds.

Source: Lee County Finance Department

Lee County, Florida

TABLE 2

GENERAL REVENUES BY SOURCE*

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Inter - Governmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Total
1992	\$127,020	\$3,960	\$35,350	\$27,432	\$3,100	\$29,330	\$226,192
1993	131,130	4,788	39,560	25,834	2,740	23,768	227,820
1994	140,983	5,060	42,895	27,659	2,377	28,047	247,021
1995	154,405	5,283	44,308	24,354	2,627	34,843	265,820
1996	149,201	5,783	52,592	24,560	2,800	40,744	275,680
1997	153,519	6,220	52,372	31,383	1,839	38,699	284,032
1998	177,170	6,852	55,746	32,295	1,843	43,995	317,901
1999	188,775	7,644	63,662	34,735	1,851	43,766	340,433
2000	212,291	8,677	65,003	41,491	2,135	59,987	389,584
2001	224,830	8,578	61,291	43,170	2,133	63,274	403,276

*Includes general, special revenue, debt service, and capital projects funds.

SOURCE: Lee County Finance Department

Lee County, Florida

TABLE 3

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(dollars in thousands)

<u>Fiscal Year</u>	<u>Total Tax Levy¹</u>	<u>Tax Collections²</u>	<u>Percent of Levy Collected</u>
1992	\$111,612	\$106,761	95.65
1993	114,517	109,973	96.03
1994	118,776	113,588	95.63
1995	130,226	127,673	98.04
1996	123,985	119,898	96.70
1997	128,910	125,984	97.73
1998	145,036	142,690	98.38
1999	155,025	149,167	96.22
2000	181,814	174,167	95.79
2001	192,595	184,800	95.95

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. 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 be 100 percent of tax levy. Taxes become delinquent on April 1 of each year, and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year (the proceeds of which are included in this column).

SOURCE: Lee County Tax Collector
Lee County Property Appraiser

Lee County, Florida

TABLE 4

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Real Property		Personal Property		Other ¹		Total		Percentage of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$17,097,965	\$21,310,363	\$1,320,556	\$1,351,391	\$2,757	\$2,757	\$18,421,278	\$22,664,511	81.28
1993	17,451,175	21,897,802	1,389,837	1,421,003	2,670	2,670	18,843,682	23,321,475	80.80
1994	17,923,440	22,559,507	1,456,189	1,488,057	2,152	2,152	19,381,781	24,049,716	80.59
1995	18,410,668	23,218,244	1,503,604	1,537,770	1,712	1,712	19,915,984	24,757,726	80.44
1996	19,093,017	24,129,666	1,551,154	1,564,775	2,390	2,390	20,646,561	25,696,831	80.35
1997	19,727,809	24,993,846	1,593,061	1,610,307	2,632	2,632	21,323,502	26,606,785	80.14
1998	20,553,615	25,918,488	1,641,130	1,652,412	2,458	2,458	22,197,203	27,573,358	80.50
1999	21,686,608	27,273,553	1,684,923	1,693,589	2,586	2,586	23,374,117	28,969,728	80.68
2000	23,443,998	29,370,905	1,810,781	1,830,755	2,713	2,713	25,257,492	31,204,373	80.94
2001	25,923,714	32,342,750	1,990,902	2,121,860	2,711	2,711	27,917,328	34,467,322	80.99

¹ Railroad and telegraph companies.

Source: Lee County Property Appraiser

Lee County, Florida

TABLE 5

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

Last Ten Fiscal Years

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
County - wide millages:										
School districts	8.798	8.798	9.201	9.235	9.372	9.348	9.245	9.306	8.941	8.798
General revenue	4.785	4.785	4.685	4.685	5.150	4.475	4.475	4.475	4.475	4.328
Debt service	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Capital improvements	0.432	0.432	0.532	0.532	0.472	0.272	0.772	0.853	1.012	1.012
Lee County Transportation	0.000	0.000	0.000	0.073	0.073	0.113	0.000	0.000	0.000	
Lee County Hyacinth Control	0.040	0.040	0.040	0.040	0.040	0.040	0.039	0.039	0.038	0.036
Lee County Mosquito Control	0.040	0.040	0.398	0.398	0.397	0.397	0.392	0.393	0.379	0.360
West Coast Inland Waterway	0.030	0.030	0.022	0.020	0.020	0.019	0.030	0.040	0.040	0.040
County - wide total	14.125	14.125	14.878	14.983	15.524	14.664	14.953	15.106	14.865	14.573
Municipalities:										
Cape Coral	5.537	5.537	5.800	5.800	6.200	6.267	6.267	6.893	6.847	6.779
Sanibel	2.407	2.398	2.228	2.180	2.170	2.118	2.069	2.351	2.281	2.057
Fort Myers	5.530	5.530	5.410	5.587	5.660	5.660	5.736	5.782	5.782	5.782
Fort Myers Beach	0.000	0.000	0.000	0.000	0.000	1.060	1.096	1.096	1.096	1.096
Bonita Springs									1.220	1.220
Lee County special districts:										
MSTU (Unincorporated)	0.670	0.670	0.670	0.670	0.670	1.160	1.160	1.160	1.211	1.211
Lee County Library	0.459	0.459	0.477	0.477	0.477	0.576	0.575	0.576	0.963	0.963
Other special districts ¹	.041-5.32	.041-5.32	.024-6.314	.045-6.67	.034-6.70	.036-5.73	.035-5.728	.009-5.142	.060-6.000	.008-6.000

¹ Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

NOTE: Not included in the tabulation are the following special districts which do not levy a millage rate but tax according to acreage or other units:

- East County Water Control
- Mullock Creek Drainage
- San Carlos Estates Drainage
- County Line Drainage
- Gateway Services District Unit

Source: Lee County Tax Collector

Lee County, Florida

TABLE 6

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
(in dollars)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessments Billed*</u>	<u>Collected</u>	<u>Assessments Outstanding</u>
1992		\$3,342,475	\$18,748,197
1993		3,412,937	23,815,080
1994		3,507,579	20,610,332
1995		3,630,810	34,518,456
1996		2,596,651	30,600,465
1997	\$2,201,089	5,209,357	29,065,354
1998	2,997,042	4,822,816	29,795,387
1999	2,822,608	4,825,154	24,549,324
2000	1,018,092	2,163,359	17,077,305
2001	1,119,139	3,245,033	17,550,921

*See page 138.

Source: Lee County Tax Collector
Lee County Finance Department
MSTBU

Lee County, Florida

TABLE 7

COMPUTATION OF DIRECT AND UNDERLYING BONDED DEBT
(dollars in thousands)

September 30, 2001

Direct Bonded Debt:

Non Self - Supporting Bonded Debt:

Capital Revenue Bonds, Series 1992	\$4,380
Local Option Gas Tax Refunding Revenue Bonds, Series 1993	9,170
Road Improvement Refunding Revenue Bonds, Series 1993	7,340
Capital and Transportation Facilities Refunding Revenue Bonds, Series 1993A	41,710
Capital Refunding Revenue Bonds, Series 1993B	25,778
Capital Refunding Revenue Bonds (Taxable), Series 1993C	7,110
Tourist Development Tax Refunding Revenue Bonds, Series 1994	9,415
Five Cent Local Option Gas Tax Revenue Bonds, Series 1995	31,245
Capital Revenue Bonds, Series 1995A	10,870
Capital Refunding Revenue Bonds, Series 1997A	18,950
Local Option Gas Tax Refunding Revenue Bonds, Series 1997	14,810
Capital Refunding Revenue Bonds, Series 1999A	36,190
Capital Revenue Bonds, Series 2000	18,015
Certificates of Participation, Series 1993	12,570
Certificates of Participation, Series 1996	7,665
Special Assessment Improvement Revenue Bonds, Series 1990	580
Capital Revenue Bonds, Series 1995B - MSBU	3,310
	<u>\$259,108</u>

Self - Supporting Bonded Debt:

Airport Revenue Bonds, Series 1992A	\$36,995
Taxable Airport Revenue Bonds, Series 1992B	12,020
Passenger Facility Charge Revenue and Refunding Bonds, Series 1998	46,115
Airport Revenue Bonds, Series 2000A	291,155
Airport Revenue Bonds, Series 2000B	36,180
Water and Wastewater Refunding Revenue Bonds, Series 1993	14,755
Water and Wastewater Revenue Bonds, Series 1999A	132,300
Transportation Facilities Refunding Revenue Bonds, Series 1993	3,830
Transportation Facilities Revenue Bonds, Series 1995	92,525
Transportation Facilities Refunding Revenue Bonds, Series 2001A	64,005
Solid Waste System Revenue Bonds, Series 1991A	138,910
Solid Waste System Revenue Bonds, Series 1991B	15,690
Solid Waste System Revenue Bonds, Series 1995	26,545
	<u>\$911,025</u>

Total self - supporting bonded debt

\$911,025

Total direct bonded debt

\$1,170,133

Less: Self - supporting bonded debt

911,025

Net direct bonded debt

\$259,108

Lee County, Florida

TABLE 7

COMPUTATION OF DIRECT AND UNDERLYING BONDED DEBT
(dollars in thousands)

September 30, 2001

Underlying Debt:

Board of County Commissioners:	
Non self - supporting bonded debt	\$3,570
Total Board of County Commissioners	<u>3,570</u>
East County Water Control District:	
Non self - supporting bonded debt	11,280
Total East County Water Control District	<u>11,280</u>
City of Fort Myers:	
Non self - supporting bonded debt	97,546
Self - supporting bonded debt	104,512
Total City of Fort Myers	<u>202,058</u>
City of Cape Coral:	
Non self - supporting bonded debt	15,380
Self - supporting bonded debt	152,165
Total City of Cape Coral	<u>167,545</u>
City of Sanibel:	
Non self - supporting bonded debt	2,262
Self - supporting bonded debt	5,635
Total City of Sanibel	<u>7,897</u>
Lee County School District:	
Self - supporting bonded debt	196,835
Total Lee County School District	<u>196,835</u>
Total underlying bonded debt	589,185
Less: Self - supporting bonded debt	<u>459,147</u>
Net underlying bonded debt	<u>\$130,038</u>
Total net direct and net underlying bonded debt	<u><u>\$389,146</u></u>

Source: East County Water Control District
 City of Fort Myers
 City of Cape Coral
 City of Sanibel
 Lee County School District
 Lee County Finance Department

Lee County, Florida

TABLE 8(A)

**REVENUE BOND COVERAGE - LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS, SERIES 1993 AND 1997
GENERAL LONG - TERM DEBT ACCOUNT GROUP**

Last Nine Fiscal Years
(dollars in thousands)

County Fiscal Year ¹	Local Option Gas Tax Revenues	Maximum Annual Debt Service	Debt Service Coverage Ratio	State Fiscal Year ²	Number of Gallons ⁴		
					Motor Fuel	Diesel Fuel ³	Total Gallons
1993	\$6,957	\$3,446	2.02	1993	176,670,133	21,584,644	198,254,777
1994	7,389	3,445	2.15	1994	181,072,643	23,624,129	204,696,772
1995	7,141	3,445	2.07	1995	182,854,725	23,859,417	206,714,142
1996	7,036	3,445	2.04	1996	186,822,344	24,382,000	211,204,344
1997	6,372	3,312	1.92	1997	190,380,896	26,653,933	217,034,829
1998	7,011	3,312	2.12	1998	196,277,167	26,809,598	223,086,765
1999	7,386	3,312	2.23	1999	210,503,207	28,670,595	239,173,802
2000	7,588	3,312	2.29	2000	221,552,425	29,792,591	251,345,016
2001	7,383	3,306	2.23	2001	228,825,414	30,105,009	258,930,423

¹ County fiscal year ended September 30.

² State fiscal year ended June 30.

³ Diesel fuel is defined to mean all petroleum distillates commonly known as diesel #2 or any other product blended with diesel or any product placed into the storage tank of a diesel - powered motor vehicle.

⁴ Number of gallons sold in Lee County.

NOTE: Ten years of data are not provided, as the bonds were issued in 1993 and 1997.

SOURCE: Lee County Finance Department Lee County Budget Services

Lee County, Florida

TABLE 8(B)

REVENUE BOND COVERAGE
LEE COUNTY PORT AUTHORITY

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Revenues ¹	Operating Expenses ²	Net Available for Debt Service	Debt Service Requirements			Coverage ³
				Principal	Interest	Total	
1992	\$27,741	\$13,947	\$13,794	\$1,375	\$8,308	\$9,683	1.42
1993	27,791	14,130	13,661	3,930	5,927	9,857	1.39
1994	28,544	15,428	13,116	4,750	4,820	9,570	1.37
1995	31,878	15,161	16,717	4,965	4,618	9,583	1.74
1996	32,490	18,228	14,262	5,200	4,377	9,577	1.49
1997	33,016	19,573	13,443	5,495	4,140	9,635	1.40
1998	34,204	21,555	12,649	2,890	3,770	6,660	1.90
1999	36,831	22,525	14,306	3,070	3,589	6,659	2.15
2000	45,132	23,819	21,313	3,275	3,386	6,661	3.20
2001	50,204	26,507	23,697	3,495	3,164	6,659	3.56

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the County airports, with the exception of passenger facility charges.

² As defined by bond resolutions - Generally, current operating expense which does not include interest expense, depreciation, or rebates.

³ Annual coverage represents the relationship between available funds and amount due on principal and interest in the current fiscal year.

SOURCE: Lee County Finance Department

Lee County, Florida

TABLE 8(C)

REVENUE BOND COVERAGE - SERIES 1998
LEE COUNTY PORT AUTHORITY
 Last Four Fiscal Years
 (dollars in thousands)

Fiscal Year	Revenues ¹	Operating Expenses	Net Available for Debt Service	Debt Service Requirements			Coverage ²
				Principal	Interest	Total	
1998	\$6,098	N/A	\$6,098	\$995	\$1,229	\$2,224	2.74
1999	6,616	N/A	6,616	1,640	2,422	4,062	1.63
2000	6,724	N/A	6,724	1,705	2,362	4,067	1.65
2001	7,236	N/A	7,236	1,770	2,293	4,063	1.78

¹ As defined by bond resolutions - Generally, all passenger facility charge revenues.

² Annual coverage represents the relationship between available funds and amount due on principal and interest in the current fiscal year.

NOTE: Ten years of data are not provided, as the bonds were issued in 1998.

SOURCE: Lee County Finance Department

Lee County, Florida

TABLE 8(D)

**REVENUE BOND COVERAGE
LEE COUNTY WATER AND WASTEWATER SYSTEM**

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Revenues ¹	Operating Expenses ²	Net Available for Debt Service	Debt Service Requirements			Coverage ³
				Principal	Interest	Total	
1992	\$23,853	\$12,955	\$10,898	\$1,875	\$4,466	\$6,341	1.72
1993	32,183	13,698	18,485	7,480	2,492	9,972	1.85
1994	27,393	15,293	12,100	3,260	2,651	5,911	2.05
1995	31,594	13,832	17,762	6,325	2,496	8,821	2.01
1996	31,147	13,089	18,058	5,830	2,132	7,962	2.27
1997	31,518	12,188	19,330	6,885	1,868	8,753	2.21
1998	32,898	15,074	17,824	4,140	1,583	5,723	3.11
1999	37,982	18,470	19,512	4,195	1,395	5,590	3.49
2000	53,089	21,192	31,897	3,940	7,431	11,371	2.81
2001	55,010	21,849	33,161	5,935	7,220	13,155	2.52

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Water and Wastewater System.

² As defined by bond resolutions - Generally, current operating expense which does not include interest expense or depreciation.

³ Annual coverage represents the relationship between available funds and amount due on principal and interest in the current fiscal year.

SOURCE: Lee County Finance Department

Lee County, Florida

TABLE 8(E)

**REVENUE BOND COVERAGE
LEE COUNTY TRANSPORTATION FACILITIES**

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Revenues ¹	Operating Expenses ²	Net Available for Debt Service	Debt Service Requirements			Coverage ³
				Principal	Interest	Total	
1992	\$16,865	\$3,269	\$13,596	\$1,200	\$5,559	\$6,759	2.01
1993	17,097	3,628	13,469	1,290	5,427	6,717	2.01
1994	17,591	2,955	14,636	1,470	5,169	6,639	2.20
1995	20,316	3,257	17,059	1,650	4,897	6,547	2.61
1996	20,853	3,523	17,330	1,750	9,797	11,547	1.50
1997	21,189	4,662	16,527	1,855	10,138	11,993	1.38
1998	28,930	7,914	21,016	1,975	10,035	12,010	1.75
1999	29,082	6,405	22,677	3,150	9,920	13,070	1.74
2000	29,833	5,873	23,960	3,580	9,764	13,344	1.80
2001	31,884	6,430	25,454	3,750	9,590	13,340	1.91

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Transportation Facilities.

² As defined by bond resolutions - Generally, current operating expense which does not include interest expense or depreciation.

³ Annual coverage represents the relationship between available funds and amount due on principal and interest in the current fiscal year.

SOURCE: Lee County Finance Department

Lee County, Florida

TABLE 8(F)

REVENUE BOND COVERAGE
LEE COUNTY SOLID WASTE SYSTEM
 Last Seven Fiscal Years
 (dollars in thousands)

Fiscal Year	Revenues ¹	Operating Expenses ²	Net Available for Debt Service	Debt Service Requirements			Coverage ³
				Principal	Interest	Total	
1995	\$42,666	\$25,668	\$16,998	\$0	\$13,362	\$13,362	1.27
1996	47,233	24,020	23,213	19,360	13,749	33,109	0.70
1997	48,685	24,636	24,049	2,850	13,396	16,246	1.48
1998	52,574	26,329	26,245	3,950	13,189	17,139	1.53
1999	52,418	26,640	25,778	5,115	12,908	18,023	1.43
2000	56,667	27,101	29,566	5,950	12,558	18,508	1.60
2001	60,204	29,335	30,869	6,755	12,149	18,904	1.63

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Waste - to - Energy Facility.

² As defined by bond resolutions - Generally, current operating expense which does not include interest expense or depreciation.

³ Annual coverage represents the relationship between available funds and amount due on principal and interest in the current fiscal year.

NOTE: Prior to 1995, the Waste - to - Energy Facility was under construction and therefore did not produce any revenue.

SOURCE: Lee County Finance Department

Lee County, Florida

TABLE 9

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Population ¹	Per Capita Income ²	Median Age ³	Education in Years of Formal Schooling ⁴		School Enrollment ⁴	Unemployment Rates (Percentage) ⁵	
				County	State		County	State
1992	353,251	\$19,615	N/A	N/A	45,056	7.4	8.3	7.5
1993	360,759	20,390	N/A	N/A	45,329	5.7	7.0	6.9
1994	371,727	21,244	N/A	N/A	48,520	4.9	6.6	6.1
1995	382,830	21,908	43.2	N/A	50,537	4.2	5.5	5.6
1996	391,257	24,957	43.5	N/A	51,469	3.8	5.1	5.4
1997	402,838	25,825	43.8	N/A	53,523	3.4	4.8	4.9
1998	413,952	26,819	43.0	N/A	54,710	3.0	4.3	4.5
1999	427,180	28,267	43.4	N/A	56,919	2.6	3.9	4.2
2000	440,888	29,035	44.4	N/A	58,700	2.6	3.6	4.0
2001	454,198	30,938	44.8	N/A	60,553	2.7	3.9	4.6

N/A Data not available.

Source: ¹ University of Florida, Bureau of Economic and Business Research for 1991 - 2000; Florida Legislature, Legislative Division of Economic and Demographic Research for 1999 only

² University of Florida (1991 - 1995), Bureau of Economic and Business Research, Long - Term Economic Forecast: July 1997
 1996 - Current dollars expressed in 1995 dollars, Woods and Poole Profile, Lee County
 1997 - Current dollars expressed in 1996 dollars, Woods and Poole Profile, Lee County
 1998 - Current dollars expressed in 1997 dollars, Woods and Poole Profile, Lee County
 1999 - Current dollars expressed in 1998 dollars, Woods and Poole Profile, Lee County
 2000 - Current dollars expressed in 1999 dollars, Woods and Poole Profile, Lee County

³ Woods and Poole MSA Profile

⁴ District School Board of Lee County

⁵ Florida Agency for Workforce Innovation, Office of Labor Market Statistics. Fiscal years 1991 - 2000 are calendar year averages. Fiscal year 2000 is a seven month preliminary average for County and State unemployment rates and an eight month National average through August.

Lee County, Florida

TABLE 10

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
Last Ten Fiscal Years
(dollars in thousands)

Year ¹	Dollar Value of Permits Issued			Total	Bank Deposits	Value of Real Property		
	Residential	Non Residential ²				Residential	Non-Residential ³	Non-Taxable
1992	\$268,670	\$147,617		\$416,287	\$5,415,324	\$15,972,897	\$4,890,039	\$1,034,867
1993	390,712	188,477		579,189	4,972,000	16,554,042	4,946,477	1,058,987
1994	413,900	176,913		590,813	3,670,063	17,026,651	5,057,701	1,133,892
1995	482,176	166,665		648,841	3,788,037	17,819,873	5,151,963	1,157,829
1996	567,780	157,455		725,235	4,935,455	17,751,047	6,378,619	1,485,798
1997	548,691	238,054		786,745	5,093,131	18,564,963	6,428,881	1,242,624
1998	877,321	284,231		1,161,552	5,330,555	19,321,101	6,597,387	1,738,998
1999	494,461	419,379		913,840	5,628,240	20,479,360	6,794,193	1,923,873
2000	775,672	713,803		1,489,475	5,703,502	22,179,167	7,191,738	1,983,406
2001	664,595	458,155		1,122,750	6,321,701	24,644,249	7,698,502	2,123,583

¹ Permits issued are based on calendar year. Bank deposits are based on calendar year, except 1994, which is based on fiscal year ended September 30. Fiscal years 2000 and 2001 are based on information as of June 30.

² Includes additions and alterations regardless of category.

³ Includes vacant, commercial, industrial, agricultural, miscellaneous, institutional, and government properties.

Source:
Lee County Division of Codes and Building Services
FDIC
Lee County Property Appraiser

Lee County, Florida

TABLE 11

PRINCIPAL TAXPAYERS

(dollars in thousands)

September 30, 2001

Taxpayer	Type of Business	2001 Assessed Valuation	Percentage of Total Assessed Valuation of \$27,917,328
1. Florida Power & Light	Electric Utility	\$324,964	1.164
2. Sprint - Florida	Communications	228,713	0.819
3. Lee County Electric Coop	Electric Utility	190,743	0.683
4. Edison Mall Business Trust	Developer	88,347	0.316
5. Merry Land & Investment Co., Inc.	Developer	53,283	0.191
6. Gatorland Vistas	Developer	42,652	0.153
7. AT&T Communications	Communications	41,834	0.150
8. Wal-Mart Stores	Retail	41,038	0.147
9. US Home Corporation	Developer	38,274	0.137
10. Comcast Cablevision	Utility	<u>31,344</u>	<u>0.112</u>
Total		<u>\$1,081,192</u>	<u>3.872</u>

Source: Lee County Property Appraiser

Lee County, Florida

TABLE 12
PLEGGED REVENUES AND DEBT SERVICE COVERAGE
(dollars in thousands)

September 30, 2001

The following table represents (i) pledged revenues received by the County during the fiscal years ended September 30, 1992 through 2001, (ii) pledged revenues estimated to be received by the County during the fiscal year ending September 30, 2001, and (iii) pledged revenues projected to be received by the County during the fiscal years ending September 30, 2003 through 2004, along with the corresponding coverage of principal and interest requirements of the outstanding bonds for such fiscal years.

	Historical										Estimated		Projected	
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Revenues														
Ambulance service receipts	\$4,525	\$4,450	\$4,628	\$4,965	\$4,813	\$7,643	\$6,441	\$4,753	\$6,446	\$6,567	\$7,754	\$7,909	\$8,067	
Building and zoning permits and fees	5,212	6,355	5,653	6,010	6,556	7,063	8,045	8,764	10,275	10,372	9,060	9,241	9,426	
Excess County Officer fees	2,661	3,537	3,621	2,704	3,739	2,390	5,114	7,919	6,857	7,810	4,630	4,769	4,912	
Franchise fees														
Race track funds ¹	46	41	43	44	46	43	45	49	53	223	223	223	223	
Cable television	426	468	501	571	646	725	643	677	854	1,698	2,275	2,468	2,678	
First guaranteed entitlement	579	579	579	579	579	579	579	579	579	579	579	579	579	
License fees (Mobile home/Alcohol insurance)	668	717	826	713	775	819	763	671	612	752	767	783	798	
Pledged gas taxes ²														
Constitutional gas tax	2,761	2,835	2,912	2,986	2,877	3,440	3,369	3,482	3,697	3,791	3,886	3,983	4,082	
County (7th cent) gas tax	875	813	1,150	1,479	1,425	1,342	1,545	1,810	1,965	2,034	2,084	2,137	2,190	
Ninth cent (voted) gas tax ³	1,389	1,407	1,332	926	968	954	1,163	1,278	1,326	1,436	1,440	1,511	1,511	
Sales tax	15,103	16,520	18,214	18,948	20,090	21,062	23,314	25,907	28,002	29,756	31,244	32,806	34,447	
Investment earnings	1,649	1,742	1,052	1,640	2,127	2,484	2,802	2,231	3,712	4,018	2,600	2,600	2,600	
Data processing fees	4,786	2,846	4,425	3,367	3,307	2,788	3,123	5,860	7,419	6,952	8,243	8,490	8,745	
Total pledged revenues ⁴	\$40,680	\$42,310	\$44,936	\$44,932	\$47,948	\$51,332	\$56,946	\$63,980	\$71,797	\$75,988	\$74,785	\$77,499	\$80,258	
Maximum annual debt service coverage	\$13,291	\$13,176	\$13,176	\$13,176	\$16,766	\$16,766	\$16,558	\$16,526	\$18,130	\$18,130	\$18,130	\$18,130	\$18,130	
Debt service coverage	3.06%	3.21%	3.41%	3.41%	2.86%	3.06%	3.44%	3.87%	3.96%	4.19%	4.13%	4.27%	4.43%	

1 Amount of race track funds available after payment of annual debt service on the County's Series 1972 Bonds.

2 Pledged gas taxes are available only to pay debt service on that portion of bonds issued for road or transportation purposes. The County estimates that approximately 16.3 percent of the debt service on the bonds may be paid from pledged gas taxes. The pledged gas taxes shown here reflect the total amount of pledged gas taxes received by the County and have not been adjusted to reflect the portion of the amounts received which may be used to pay debt service on bonds issued for such purposes.

3 Amount of 9th cent gas taxes available after payment of annual debt service on the County's Road Improvement Refunding Revenue Bonds, Series 1993.

4 This table does not reflect revenues received from special assessments which are deposited into the Series 1995B and 1997B Special Assessment Redemption Accounts and used for the redemption of Series 1995B and 1997B bonds.

SOURCE: Lee County Finance Department for historical figures; Division of Budget Services for estimated and projected figures.

Lee County, Florida

TABLE 13

MISCELLANEOUS STATISTICS

September 30, 2001

GENERAL INFORMATION

Lee County (the County) is located on the west coast of Florida and encompasses several islands in the Gulf of Mexico. Named in honor of General Robert E. Lee, the County is bordered by Charlotte County to the north, Hendry County to the east, and Collier County to the south. The County has five municipalities: Fort Myers, Cape Coral, Fort Myers Beach, Bonita Springs, and Sanibel.

INCORPORATION

A bill creating Lee County was passed by the Senate on May 2, 1887, and was signed by the Governor one week later. In 1923, the Senate and legislature took away portions of Lee County and created Collier County.

GOVERNMENT STRUCTURE

Governing body:	Lee County Board of County Commissioners
Number of seats:	5
Length of term:	4 years
Chairman:	Chosen by fellow commissioners
Chief administrative position:	County Manager
Meeting room:	Old Lee County Courthouse

AD VALOREM TAX STRUCTURE (based on taxes that will be levied in fiscal year 2002 for tax roll year 2001)

Board of County Commissioners	\$219,693,894
School Board	270,260,283
Special Districts	87,625,549
Municipalities	61,024,125
MSTU - Dependent - County	4,629,969
Non ad valorem	<u>42,094,254</u>
Total	<u>\$685,328,074</u>

SOURCE: Lee County Property Appraiser

POPULATION PROJECTIONS BY AGE

Age	2001	%	2002	%
00 - 17	84,241	19.4	90,726	19.6
18 - 24	28,471	6.6	29,246	6.3
25 - 44	102,775	23.7	107,342	23.1
45 - 64	111,406	25.7	119,588	25.8
65 +	<u>106,238</u>	<u>24.6</u>	<u>117,065</u>	<u>25.2</u>
Total	<u>433,131</u>	<u>100.0</u>	<u>463,967</u>	<u>100.0</u>

SOURCE: Florida Legislature, Office of Economic and Demographic Research

EMPLOYERS

Lee County's Ten Largest Employers

<u>Name of Firm</u>	<u>Industry</u>	<u>Number of Employees</u>
The Lee County School Board	Education	8,026
Lee Memorial Health Systems	Health care/hospitals	5,300
Publix Super Markets	Grocery stores	3,752
Wal-Mart Corporation	Discount retailer	1,850
Lee County Government*	Government	1,740
Southwest Florida Regional Medical Center	Health care/hospitals	1,600
City of Cape Coral	Government	1,411
MeriStar Corporation	Resort services	1,270
WCI Communities	Developer	1,007
Florida Gulf Coast University	State university	996

* Including Lee County Port Authority personnel

SOURCE: Lee County Finance Department
Lee County Office of Economic Development

TRANSPORTATION

Airports

Southwest Florida International Airport (RSW)
Page Field General Aviation Airport (FMY)

The Southwest Florida International Airport opened on May 14, 1983. It is located on a 5,016 acre site seven miles southeast of the center of Fort Myers, three miles from Interstate 75. An additional 5,736 acres have been set aside for environmental mitigation.

The Page Field General Aviation Airport is situated on a 670 acre site in Fort Myers and is presently used for general aviation purposes.

	<u>Southwest Florida International Airport</u>	<u>Page Field General Aviation Airport</u>
Runway length	12,000 by 150 feet	6,400 by 150 feet
Runway length		5,000 by 150 feet
Main terminal	329,453 square feet	
Cargo buildings	37,500 square feet	
Maintenance building	12,000 square feet	
Inspection station	38,000 square feet	
Training facility	8,500 square feet	

<u>Calendar Year</u>	<u>Enplanements</u>	<u>Deplanements</u>	<u>Total</u>	<u>Air Freight (in thousands of pounds)</u>	<u>Air Mail</u>
1992	1,763,521	1,709,140	3,472,661	14,505.9	6,225.1
1993	1,876,588	1,841,170	3,717,758	16,996.3	6,637.6
1994	2,024,906	1,980,161	4,005,067	19,071.3	8,449.4
1995	2,072,457	2,025,807	4,098,264	19,556.6	8,471.2
1996	2,188,127	2,129,220	4,317,347	24,536.2	9,017.9
1997	2,262,360	2,215,505	4,477,865	25,651.7	8,355.1
1998	2,358,258	2,308,949	4,667,207	28,533.4	4,196.1
1999	2,470,114	2,427,139	4,897,253	29,799.7	3,255.3
2000	2,632,093	2,575,119	5,207,212	31,676.0	3,166.2
2001	2,760,542	2,702,529	5,463,071	32,080.6	2,644.2

TRANSPORTATION (continued)

Airports (continued)

The Southwest Florida International Airport is presently served by the following airlines:

<u>Major Carriers</u>	<u>Domestic Charters</u>	<u>International Charters</u>	<u>Commuter Airlines</u>	<u>All - Cargo Carriers</u>
Air Tran	Southeast	Air Canada	American Eagle	United Parcel Service
American	Sun Country	Canadian 3000	Comair	Federal Express
Am Trans Air	Miami Air	LTU Airways	Cape Air	Airborne Express
Continental	Southwest Airlines	Air Transit	Gulfstream	
Delta	Champion Airlines	Condor	Florida Air	
Midwest Exp	Casino Express		Lynx Air	
Northwest	Omni			
Trans World Airlines	Ryan			
United				
USAir				
Spirit				
America West				
JetBlue				

SOURCE: Lee County Port Authority

Highways

Interstate 75 is presently the principal north - south highway. It is a four - lane road stretching from the Canadian border at Sault Ste. Marie, Michigan, to Fort Lauderdale, Florida, on the east coast of Florida. U.S. Highway 41, also a north - south highway, is a limited - access, four - lane road for most of the distance between Bradenton to the north and Naples to the south, connecting the Fort Myers SMSA with Tampa to the north and Miami via the route of the Tamiami Trail. State Road 80 connects with U.S. Highway 27 in the central part of the state, providing additional access to the Orlando/central Florida area and the east coast from Palm Beach, north.

Bus Service

Greyhound Bus Lines, with a terminal in Fort Myers, offers daily scheduled service for nationwide thru - line and charter service. Local bus service is provided by Lee Tran, a transit system operated by the County.

Truck Line

Approximately thirty interstate and intrastate truck lines serve Lee County.

SOURCE: Business Development Corporation

Rail Transportation

Rail transportation for both freight and passenger excursions is provided by Seminole Gulf Railway. The rail line is approximately ninety miles long and connects Lee County with the national rail system in Arcadia. Seminole Gulf provides connecting truck distribution services to off - rail system accounts.

SOURCE: Seminole Gulf Railway

TRANSPORTATION (continued)

Water Transportation

Florida's fifth largest deep - water port is located at Boca Grande on Charlotte Harbor in the northeast section of the County. The port is 32 feet deep and approximately 300 feet in width. Currently, the major activity at Boca Grande is the receipt of fuel oil from ocean - going tankers which is transferred to barges for delivery to the Florida Power and Light generating plant in Fort Myers. The Okeechobee Waterway provides a navigable link between the Gulf of Mexico and the Atlantic Ocean via the Caloosahatchee River, Lake Okeechobee, and the St. Lucie Canal.

BANKING

Financial services for Lee County are provided by approximately 25 banks, 6 savings and loan associations, and 2 credit unions with a combined total of approximately 167 branches throughout Lee County.

SOURCE: Economic Development Office
Lee County Finance Department

EDUCATIONAL INFORMATION

	<u>Number of Attendance Centers</u>	<u>Number of Teachers</u>	<u>Number of Students</u>
Public elementary schools	34	1,327	28,929
Public middle schools	12	698	14,726
Public high schools	7	619	17,878
Public exceptional student centers	9	112	1,232
Public vocational/technical schools	2	73	1,036
Alternative schools	2	31	N/A
Private schools	36	N/A	N/A

SOURCE: School Board of Lee County

Colleges

Edison Community College
Florida Gulf Coast University

Both institutions are located in Fort Myers. Edison Community College offers certificates and associate degrees while Florida Gulf Coast University offers bachelor and graduate degrees.

CULTURE AND ENTERTAINMENT

Barbara B. Mann Performing Arts Hall

The hall, located on the ECC campus in Fort Myers, offers entertainment by local and nationally known artists. Its total seating capacity is 1,757 seats.

Lee Civic Center

The 8,000 seat Civic Center in North Fort Myers hosts year - round top entertainment and sporting events.

CULTURE AND ENTERTAINMENT (continued)

Southwest Florida Symphony Orchestra and Chorus

The Symphony annually performs classical, popular, and educational concerts throughout the community.

Edison, Ford, and Murphy - Burroughs Homes

In the County's early years, Thomas Edison, Henry Ford, and other famous figures called Fort Myers home during the winter months. The Edison estate consists of the home with original furnishings, botanical gardens, and a laboratory - museum. The Ford home, adjacent to Edison's, was renovated in 1989 and opened to the public in 1990. The Murphy - Burroughs home, built in 1899, is an example of an historic building from Lee County's first building boom.

Stadium/Sports Complex

Construction of a \$15 million facility was completed in 1991. The stadium is built on eighty acres near Southwest Florida International Airport. A 20 year lease with the 1991 World Champion Minnesota Twins was signed in 1989. The complex has four practice fields and one soccer field. The stadium seats 7,500.

Lee County Arts Center

Operated by the Lee County Alliance of the Arts, the center shows work of local artists and craftsmen, holds art classes, and has a small theater for performing artists. The Alliance of the Arts opened the William R. Frizzell Cultural Center and the Claiborne and Ned Foulds Theatre in February 1992.

Fort Myers Historical Museum

Memorabilia and artifacts of local significance are on display for the general public, including exhibits of Caloosa Indian articles.

Harborside Convention Hall

The 3,002 seat multi - purpose events facility provides convention, trade show, sporting, banquet, and concert venues.

City of Palms Park

This 6,990 seat stadium is the winter home of the Boston Red Sox, and is owned by the City of Fort Myers.

TECO Arena

This state - of - the - art sports and entertainment facility is home to the East Coast Hockey League's Florida Everblades. Total seating capacity is 7,153 seats for hockey games, and 8,500 + for concerts or other events.

SOURCE: Lee Cares
Business Development Corporation Research
City of Fort Myers
Florida Everblades

RECREATION

Number of parks	50
Number of racquetball and tennis courts (maintained by the County)	52
Number of libraries	11
Number of gulf beaches.....	5

Lee County has over 45 marinas and 32 golf courses that are open to the public.

SOURCE: Lee County Parks and Recreation
Lee County Division of Libraries

HEALTH CARE

<u>Medical Facilities</u>	<u>Number of Beds</u>	<u>Physicians on Staff</u>	<u>Number of Employees</u>
East Pointe Hospital	88	165	250
Southwest Florida Regional Medical Center	400	592	1,004
Gulf Coast Hospital	120	130	240
Lee Memorial - Cape Coral	281	*	*
Lee Memorial - Cleveland	427	766	5,338*
Lee Memorial - Health Park	220	*	*
Hope Hospice	52	6	347

* Physicians and employees of Lee Memorial work at each of the three Lee Memorial hospitals in Lee County.

SOURCE: Health Planning Council of Southwest Florida

DAY CARE CENTERS

There are over 141 day care centers in Lee County.

COMMUNICATIONS

There are 23 newspapers and 10 magazines servicing the Lee County area as well as 40 radio stations and 8 television broadcast facilities. Telephone service is available through Sprint and telegraph service through Western Union.

EMPLOYEES

As of September 30, 2001, the Lee County Board of County Commissioners had 1,804 regular employees.

GEOGRAPHIC CHARACTERISTICS AND CLIMATE

Land Area:	Fort Myers	21.4 sq. miles
	Cape Coral	113.6 sq. miles
	Fort Myers Beach	2.7 sq. miles
	Sanibel	14.2 sq. miles
	Unincorporated Area	626.4 sq. miles
	Lee County	811.3 sq. miles
	Bonita Springs	33 sq. miles
Elevation:		7 feet
Climate:	Average summer temperature	82.2F
	Average winter temperature	64.1F
	Average annual rainfall	53.6 inches

SOURCE: Lee County Budget Services



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A grainy, black and white photograph of a building entrance. The building has a large, dark doorway in the center, flanked by lighter-colored walls. To the right, a car is partially visible, parked on a street. The overall image has a high-contrast, halftone-like texture.

Other Supplemental Schedules

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
 September 30, 2001
 (Unaudited)

Monthly Water Rates

<u>Customer Classification</u>	<u>Monthly Service Charge</u>	<u>Usage Charge (per 1,000 gallons)</u>	
Single – family ⁽¹⁾	\$5.95 per unit	0 - 6,000	\$ 2.18
		6,001 - 12,000	2.68
		12,001 - 18,000	3.18
		18,001 and above	4.18
Multi – family ⁽¹⁾	\$4.75 per unit	0 - 4,800	2.18
		4,801 - 9,600	2.68
		9,601 - 14,400	3.18
		14,401 and above	4.18
Recreational vehicle unit/lot ⁽¹⁾	\$2.40 per unit	0 - 3,300	2.18
		3,301 - 6,600	2.68
		6,601 - 9,900	3.18
		9,901 and above	4.18
Commercial and all non-residential			
5/8"	\$ 8.10	For each ERU	
3/4"	11.00	0 - 6,000	2.18
1"	16.90	6,001 - 12,000	2.68
1 1/2"	31.65	12,001 - 18,000	3.18
2"	49.30	18,001 and above	4.18
3"	96.40		
4"	149.35	Non-irrigation class	
6"	296.50	Per 1,000	2.18
8"	473.10		
10"	855.70	Irrigation class	
		0 - 6,000	2.68
		6,001 - 12,000	3.18
		12,001 and above	4.18

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
 September 30, 2001
 (Unaudited)

Monthly Wastewater Rates

<u>Customer Classification</u>	<u>Monthly Service Charge</u>	<u>Usage Charge (per 1,000 gallons)</u>
Single – family	\$9.20 per unit	\$3.52 per 1,000 gallons metered consumption
Multi – family ⁽¹⁾⁽²⁾	7.35 per unit	3.52 per 1,000 gallons metered consumption 15.84 for unmetered service
Recreational vehicle unit/lot ⁽²⁾	3.70 per unit	3.52 per 1,000 gallons metered consumption
Commercial and all non - residential		
5/8"	\$12.15	3.52 per 1,000 gallons metered consumption
3/4"	16.75	
1"	25.95	
1 1/2"	49.00	
2"	76.65	
3"	150.30	
4"	233.20	
6"	463.45	
8"	739.70	
10"	1,338.35	

⁽¹⁾Each residential service account shall be charged monthly an administrative fee of \$2.15 for water service and \$2.95 for wastewater service.

⁽²⁾No wastewater user charge shall be imposed on metered water usage above six thousand (6,000) gallons per month per residential service dwelling unit.

Connection Fees

Water fee per ERU	Single – family	\$1,020.00
	Multi – family	816.00
	Recreational vehicle	408.00
Wastewater fee per ERU	Single – family	\$1,460.00
	Multi – family	1,168.00
	Recreational vehicle	584.00

Water Meter Installation and Service Connection Charges

The County has adopted a fee for the installation of a water meter as requested by a customer for the initiation of water service. The fees reflect the cost of a meter installation and the service connection (i.e., the connection or tap to the water main). The installation fees are summarized as follows:

<u>Meter Size (inches)</u>	<u>Meter Installation Charge</u>	<u>Tap In Charge(*)</u>
5/8	\$110.00	\$395.00
3/4	135.00	425.00
1	190.00	425.00
1 1/2	355.00	825.00
2	510.00	920.00
3 and above	Actual cost	Actual cost

(*) Includes cost of meter installation

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2001
(Unaudited)

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

	Fiscal Year Ended September 30, 2001			
	1998	1999	2000	2001
Water and wastewater sales revenues	\$25,487	\$31,081	\$41,738	\$43,780
Other operating revenue	607	1,045	2,102	776
Total operating revenues	<u>26,094</u>	<u>32,126</u>	<u>43,840</u>	<u>44,556</u>
Operating expenses	<u>15,074</u>	<u>18,470</u>	<u>21,192</u>	<u>21,849</u>
Net operating revenue	11,020	13,656	22,648	22,707
Interest income	4,709	3,512	4,628	5,853
Special assessments	<u>1,940</u>	<u>1,912</u>	<u>1,419</u>	<u>1,448</u>
Net available revenues	<u>17,669</u>	<u>19,080</u>	<u>28,695</u>	<u>30,008</u>
Other required transfers	0	0	0	0
Net available revenues after other transfers	17,669	19,080	28,695	30,008
Pledged connection fee revenues	0	0	0	0
Net revenues available for debt service	17,669	19,080	28,695	30,008
Senior lien debt service	4,376	7,342	10,022	11,768
Senior lien debt service coverage:				
With pledged connection fees	4.04	2.60	2.86	2.55
Without pledged connection fees	4.04	2.60	2.86	2.55
Junior lien debt service	721	721	721	721
Junior lien debt service coverage	18.44	16.28	25.90	25.30
Other debt service requirements	<u>1,278</u>	<u>1,281</u>	<u>1,281</u>	<u>1,288</u>
Net available revenues and other funds received for capital improvements and other purposes	<u><u>\$11,294</u></u>	<u><u>\$9,736</u></u>	<u><u>\$16,671</u></u>	<u><u>\$16,231</u></u>

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2001
(Unaudited)

Historic and Projected Tipping Fees

System Tipping Fee Per Ton

<u>Fiscal Year(s)</u>	<u>Unincorporated Area</u>	<u>Incorporated Area</u>
1991	\$ 49.61	\$ 49.61
1992	54.21	54.21
1993	56.19	56.19
1994	73.66	73.66
1995	58.58	45.00
1996	66.20	47.70
1997	62.43	49.61
1998	63.86	51.10
1999	64.25	52.63
2000	63.31	50.00
2001	59.65	50.00
2002	56.15	47.00
2003*	57.55	48.18
2004*	58.99	49.38
2005*	60.47	50.61
2006*	61.98	51.88

* Projected

Revenue and Operating Expenses of Lee County Solid Waste Enterprise Fund
(amounts in thousands)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Operating Expenses</u>	<u>Net Revenues</u>	<u>Annual Debt Service</u>	<u>Coverage</u>	<u>Retained Earnings</u>
1996	\$ 47,233	\$ 24,020	\$ 23,213	\$ 15,809	1.47	\$ 62,222
1997	48,685	24,636	24,049	16,246	1.48	68,059
1998	52,574	26,329	26,245	17,139	1.53	74,835
1999	52,418	26,640	25,778	18,023	1.43	80,190
2000	56,667	27,101	29,566	18,508	1.60	91,409
2001	60,204	29,335	30,869	18,904	1.63	106,153

Source: Lee County Finance Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
 September 30, 2001
 (Unaudited)

Historic and Projected Solid Waste Tonnage

The following table provides the actual and projected tons of solid waste delivered to the System for FY 1991 through FY 2006.

LEE COUNTY HISTORIC AND PROJECTED SOLID WASTE DELIVERED TO THE SYSTEM				
Fiscal Year	Unincorporated Area		Incorporated Area	
	Processible Solid Waste (2)	Non-Processible Solid Waste (3)	Processible Solid Waste (2)	Non-Processible Solid Waste (3)
1991	219,752	33,575	94,179	14,389
1992	197,093	35,000	84,469	15,000
1993	200,069	36,251	85,744	15,536
1994	202,079	37,547	86,605	16,091
1995	207,809	19,900	89,061	8,500
1996	202,000	17,700	102,200	100
1997 ⁽⁴⁾	198,200	40,500	116,400	2,000
1998 ⁽⁴⁾	212,800	43,100	120,300	2,400
1999 ⁽⁴⁾	232,500	48,200	123,500	2,200
2000 ⁽⁴⁾	248,800	50,100	132,800	12,200
2001 ⁽⁵⁾	230,300	44,600	173,200	6,300
2002 ⁽⁶⁾	238,600	19,800	177,000	2,800
2003 ⁽⁶⁾	245,700	-	182,400	-
2004 ⁽⁶⁾	253,100	-	187,800	-
2005 ⁽⁶⁾	260,700	-	193,400	-
2006 ⁽⁶⁾	268,500	-	199,300	-

- (1) Quantities do not include any processible or non-processible waste delivered to the System by Hendry County.
- (2) Processible Waste - Waste quantities generated by Lee County which are anticipated to be processed at the County's Waste-to-Energy Facility. Therefore, it does not include processible waste that is recovered/recycled.
- (3) Non-processible Waste - Waste generated by Lee County that is landfilled. Includes construction and demolition debris and bulky waste. It does not include non-processibles that are recovered/recycled such as horticultural materials, appliances, etc.
- (4) Based on actual solid waste tonnage records provided by the County, adjusted to reflect the incorporation of the Town of Fort Myers Beach.
- (5) Based on actual solid waste tonnage records provided by the County, adjusted to reflect the incorporation of the Town of Fort Myers Beach and the City of Bonita Springs.
- (6) Estimate based on populations projections provided by Florida BEBR. Assumes that upon reaching capacity at the Gulf Coast Landfill in FY 2002, the private haulers/operators will handle all Non-Processible Waste.

February 14, 2002

Lindsey J. Sampson, P.E.
Director
Lee County Solid Waste Management Division
10500 Buckingham Road
Fort Myers, FL 33905

Re: Transmittal of Financial Analysis

Dear Mr. Sampson:

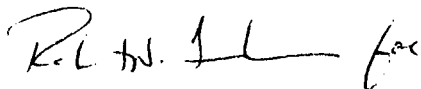
Enclosed are the Base Case financial projections along with the accompanying notes concerning the assumptions utilized in this analysis, for the Annual Report.

These projections were prepared by Malcolm Pirnie and are based upon our knowledge of the County's existing agreements as well as the historical operation of the waste-to-energy facility. These projections are also based upon the anticipated future operation of the facility, taking into account Malcolm Pirnie's knowledge of the facility and information provided by the County concerning anticipated changes to the solid waste system operation and budget requirements.

If you should have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,

MALCOLM PIRNIE, INC.



David S. Cerrato, REM
Vice President

Enclosures

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2001
(Unaudited)

BASE CASE INCOME AND EXPENSE PROJECTIONS
Summary of Solid Waste System Financial Analysis

	<u>FISCAL YEAR</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
1. Cities Processible Waste.....	177,000	182,400	187,800	193,400	199,300
2. Cities Non-Processible Waste.....	2,800	-	-	-	-
3. Unincorporated Processible Waste.....	238,600	245,700	253,100	260,700	268,500
4. Unincorporated Non-Processible Waste.....	19,800	-	-	-	-
5. Hendry County Processible Waste.....	34,100	34,800	35,500	36,200	36,900
6. Hendry County Non-Processible Waste.....	7,500	7,700	7,800	8,000	8,100
7. Total Processible Waste.....	449,700	462,900	476,400	490,300	504,700
7a. By-passed Processible Waste.....	67,400	81,600	96,100	0	0
System Income (\$)					
8. WTE Facility Energy Revenues.....	5,992,942	6,097,145	6,203,267	8,157,098	8,564,603
9. WTE Facility Ferrous/Non-Ferrous Revenues.....	309,086	311,377	313,691	408,449	424,650
10. Hendry County Disposal Revenues.....	490,880	516,375	541,683	829,659	1,360,848
11. Disposal Facility Assessment	7,806,591	8,041,390	8,281,824	8,529,771	8,787,111
12. Interest Income.....	2,988,413	3,011,939	3,108,357	1,953,492	1,991,522
13. Reserve Fund Earnings.....	162,210	162,210	162,210	162,210	162,210
14. Franchise Fees.....	854,797	881,296	908,616	936,783	965,823
15. Solid Waste Program Revenues.....	15,292,335	14,416,818	15,301,904	16,715,170	16,445,533
16. Rate Stabilization Reserve Fund.....	0	0	0	1,000,000	0
17. Resource Recovery Tip Fee Revenues.....	19,533,200	20,724,321	21,770,848	22,871,093	24,032,326
18. Landfill Tip Fee Revenues.....	713,790	0	0	0	0
19. MTSU Tax Fund.....	1,849,594	1,905,224	1,962,190	2,020,935	2,081,906
20. Other Revenue.....	<u>780,000</u>	<u>801,000</u>	<u>822,630</u>	<u>844,909</u>	<u>867,856</u>
21. TOTAL SYSTEM INCOME.....	56,773,837	56,869,096	59,377,219	64,429,571	65,684,388
22. Non-applied Income.....	<u>5,618,007</u>	<u>5,718,164</u>	<u>5,893,176</u>	<u>4,819,336</u>	<u>4,941,284</u>
23. NET SYSTEM INCOME.....	51,155,830	51,150,932	53,484,042	59,610,234	60,743,104
System Expenses (\$)					
Landfill Operation Costs					
24. Ash Residue Disposal Cost (Regional LF).....	-	2,564,715	2,632,769	3,493,084	3,700,524
25. Total Escrow Deposits-Landfill Fund.....	-	835,719	869,148	903,914	940,070
26. Ash Residue Disposal Cost (Gulf Coast LF).....	2,104,522	0	0	0	0
27. By-Pass Disposal Cost.....	1,348,660	1,681,207	2,038,668	0	0
28. Non-Processible/C&D.....	484,238	124,715	130,125	137,465	143,359
WTE Facility Operation Costs					
29. Operation and Maintenance Charge.....	9,592,456	9,806,584	10,153,161	12,998,780	13,827,762
30. Energy Credit.....	590,174	600,595	611,207	806,590	847,340
31. Ferrous/Non-Ferrous Credit.....	46,445	46,789	47,136	61,375	63,810
32. Pass Through Costs.....	1,835,145	1,995,645	2,057,299	2,450,766	2,541,278
33. County Operations	1,345,366	1,385,727	1,427,299	1,470,118	1,514,222
34. Regulation Service Charge.....	91,200	91,200	91,200	91,200	91,200
Solid Waste Program Costs					
35. Solid Waste Program Costs.....	<u>18,713,126</u>	<u>17,873,662</u>	<u>45,562,165</u>	<u>19,879,863</u>	<u>19,628,043</u>
36. TOTAL SYSTEM EXPENSES.....	36,151,331	37,006,558	65,620,176	42,293,155	43,297,607
37. Non-applied Expenses.....	<u>5,538,007</u>	<u>6,473,883</u>	<u>33,682,324</u>	<u>5,643,250</u>	<u>5,801,354</u>
38. NET SYSTEM EXPENSES.....	30,613,324	30,532,675	31,937,852	36,649,905	37,496,254
System Annual Debt Service (\$)					
39. Series 2003 Revenue Bonds.....	0	0	933,309	2,799,926	2,799,926
40. Series 2001 Refunded 1991 Bonds	15,832,367	17,264,224	17,265,449	17,261,599	17,264,914
41. Series 1995 Bonds.....	<u>1,767,376</u>	<u>1,769,666</u>	<u>1,770,631</u>	<u>1,770,231</u>	<u>1,767,961</u>
42. TOTAL ANNUAL DEBT SERVICE.....	17,599,744	19,033,890	19,969,388	21,831,756	21,832,801
43. NET REVENUES APPLIED TO D.S.	20,542,506	20,618,257	21,546,191	22,960,329	23,246,851
44. DEBT SERVICE COVERAGE.....	117%	108%	108%	105%	106%

NOTES TO BASE CASE SYSTEM INCOME AND EXPENSE PROJECTIONS

1. Cities Processible Waste is the Processible Waste generated by the Cities of Lee County. The Cities of Lee County include Cape Coral, Sanibel, Fort Myers, Fort Myers Beach and beginning 2001, Bonita Springs. It is estimated that the Cities currently account for approximately 43 percent of the Lee County Processible Waste estimate. Lee County Processible Waste estimates are based on historical waste quantities delivered to the Facility and population projections.
2. Cities Non-Processible Waste is the non-processible waste generated by the Cities of Lee County and delivered to the System (Landfilled). This non-processible waste does not include horticultural waste, which is recycled. Cities Non-Processible Waste is estimated to equal approximately 2,800 tons in 2002 and zero tons thereafter. This estimate is based on the assumption that upon reaching disposal capacity at the Gulf Coast landfill in 2002; the Cities Non-Processible Waste will be disposed of by the private sector.
3. Unincorporated Processible Waste is the processible waste generated by the unincorporated areas of Lee County, and is currently estimated to equal approximately 57 percent of the Lee County Processible Waste estimates.
4. Unincorporated Non-Processible Waste is the non-processible waste generated by the unincorporated areas of Lee County and delivered to the landfill. This non-processible waste does not include horticultural waste. Unincorporated non-processible waste is estimated to equal approximately 19,800 tons in FY 2002 and zero tons thereafter. This estimate is based on the assumption that upon reaching disposal capacity at the Gulf Coast Landfill in 2002, the Unincorporated Non-Processible Waste will be disposed of by the private sector.
5. Hendry County Processible Waste equals the total processible waste generated by Hendry County minus the quantity of processible material recycled. Total processible waste generation is calculated based on actual waste quantities delivered to the Facility and population projections.
6. Hendry County Non-Processible Waste estimates are based on an estimated 8,300 tons of waste delivered to the landfill in FY 2001, and is assumed to increase at a rate of approximately 2 percent every five years. Note: for the purposes of this model, the Hendry County Non-Processible Waste includes horticultural waste.
7. Total Processible Waste equals Lee County Processible Waste (Lines 1 plus Line 3) plus Hendry County Processible Waste (Line 5).
- 7a. By-passed Processible Waste equals the estimated quantity of Total Processible Waste generated (Line Item 7) less the estimated available processing capacity of the Facility, as identified below:

<u>Fiscal Year</u>	<u>WTE Availability</u>	<u>Processing Capacity (tpy)</u>
2002	87.3%	382,270
2003	87.1%	381,300
2004	87.1%	381,300
2005	90%	569,400
2006	90%	569,400

Note: The County plans to construct a third processing train to expand the processing capacity of the Facility. Permitting of the expansion is anticipated to be completed in late 2002 and the expanded Facility on-line beginning FY 2005.

8. The Facility Energy Revenues are equal to the total Processible Waste Processed (Line 7 less Line 7a) multiplied by 590 kWh/ton of Processible Waste, multiplied by an energy rate of 2.7cents/kWh for FY2002, escalates 2 percent per year thereafter.
9. The Facility Ferrous/Non-Ferrous Revenue is equal to the sum of Ferrous and Non-Ferrous Revenues received. The Ferrous Revenues are based on an assumed ferrous recovery rate of 9 percent of the Total Ash Residue multiplied by the

NOTES TO BASE CASE SYSTEM INCOME AND EXPENSE PROJECTIONS

Ferrous price per ton, which is assumed to be \$9.00 per ton in FY 2002, escalated annually at 1 percent thereafter. The Non-Ferrous Revenues are based on an assumed recovery rate of 0.18 percent of the Total Processible Waste (Line 7) multiplied by the Non-Ferrous price per ton, which is assumed to be \$314 per ton in FY 2002, escalated annually at 1 percent.

10. The Hendry County Disposal Revenues are equal to the sum of the Hendry County Processible Waste (Line 5) and Hendry County Non-Processible Waste (Line 6) multiplied by the Hendry County Tipping Fee, which is based on the disposal fee calculated in accordance with the terms and conditions stipulated in the Hendry County Disposal Agreement. This disposal fee is \$11.80 per ton in FY 2002 and escalates annually at 3 percent until FY 2005, when the Hendry County Tipping Fee is then incrementally increased over the next ten years by 10 percent of the sum of the Resource Recovery Tip Fee and Disposal Facility Assessment until such time that the Hendry County Tipping Fee is equal to 100 percent of the Resource Recovery Tip Fee and Disposal Facility Assessment cost per ton.
11. The Disposal Facilities Assessments are estimated by the County and are based on a disposal facilities assessment of \$24.75 per ton multiplied by the County's estimate of the assessment tonnage of waste and an estimated collection rate of 95 percent.
12. Interest Income is equal to the sum of the annual interest earnings on the various Solid Waste Program (including Solid Waste Operations, Solid Waste Administration, Right-of-Way Cleanup, Hazardous Waste, Rate Stabilization and Recycling) reserve balances as reported by the Lee County Clerk of Courts Finance.
13. Reserve Fund Earnings are equal to the sum of the interest earnings on the reserve funds of the Series 1995 Bonds, as provided below. The Reserve Fund Annual Earnings were provided by the County and reviewed by the County's Financial Advisor.

<u>Bond</u>	<u>Annual Earnings</u>
Series 1995	<u>\$ 162,210</u>
	\$ 162,210

14. Franchise Fees are estimated at \$854,797 in FY 2002 and escalate at 3.1 percent annually as provided by the County.
15. The Solid Waste Program Revenues were provided by the County and are equal to the sum of the Solid Waste Operations, Solid Waste Administration, Right-of-Way Cleanup, Hazardous Waste and Recycling Surcharges as estimated by the County; plus the Solid Waste Collection and Billing revenues, and the Horticultural Waste Tip Fee revenues.
16. The Rate Stabilization Reserve Fund is used to minimize annual fluctuations in the disposal rates. The total dollars in the Rate Stabilization Fund beginning in FY 2002 is estimated at \$13.9 million as provided by the Lee County Clerk of Courts Finance.
17. The Resource Recovery Tip Fee is equal to the Lee County Processible Waste (Line 1 plus Line 3) multiplied by the per ton tip fee charge. The per ton tip fee charge is equal to \$47.00 per ton in FY 2002 and is projected by the County to escalate at 3 percent annually.
18. The Landfill Tip Fee is the Lee County Non-Processible Waste (Line 2 plus Line 4) multiplied by the per ton tip fee charge. The per ton tip fee charge is \$36.05 per ton in FY 2002 and is projected by the County to escalate at 3 percent thereafter.
19. The MSTU Tax Fund is equal to \$1,849,594 in FY 2002, as provided by the County and is estimated by the County to escalate annually at 2 percent thereafter.
20. Other Revenue is the sum of County Grant Awards, the Waste Tire Grant, Material Recovery Facility Revenues and Hendry County Loan Repayments as estimated by the County. The Waste Tire Grants are no longer being funded by the state and future revenues are estimated at zero. Material Recovery Revenues are estimated to be \$700,000 in FY 2002

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NOTES TO BASE CASE SYSTEM INCOME AND EXPENSE PROJECTIONS

escalating annually at 3% through FY 2006. Hendry County Loan repayments are equal to 1/15th of the \$1.2 million non-interest bearing loan extended to Hendry County.

21. The Total System Income is the sum of Lines 8 through 20.
22. Non-applied Income consists of income that the County derives from certain sources, which in the County's opinion, are not within the definition of Revenues and Net Revenues under the Indenture and, therefore, are not applied toward debt service coverage. Non-applied Income is equal to the sum of the Interest Income (Line 12), the MSTU Tax Fund (Line 19) and Other Revenue (Line 20).
23. Net System Income is equal to the Total System Income (Line 21) less the Non-applied Income (Line 22).
24. The Regional Landfill Ash Residue Disposal Cost is equal to the sum of the ash residue transportation cost and the ash residue landfill operating costs. Ash residue transportation cost for ash disposal at the Regional Landfill is estimated by the County to be \$4.10 per ton in FY 2002, multiplied by the amount of ash requiring disposal (estimated to be 30 percent of the Total Processible Waste (Line 7) minus the ferrous/non-ferrous recovered, which is estimated to be 2.5 percent of the Total Processible Waste (Line 7)). Ash transportation costs are escalated annually at 2.5 percent. Ash residue landfill operating costs are estimated by the County to be \$20.00 per ton in FY 2002 escalated annually at 3 percent.
25. The Regional Landfill Total Escrow Deposits are based on the County's estimate that an annual contribution of \$835,719 in FY 2003 dollars, escalated annually at 4 percent for 20 years would be sufficient to cover future landfill closure and post-closure costs.
26. The Gulf Coast Landfill Ash Residue Disposal Cost equals the sum of the ash residue transportation cost and landfill disposal fees. The ash residue transportation cost is estimated by the County to be equal to \$1.80 per ton in FY 2002, multiplied by the quantity of ash residue requiring disposal. The Gulf Coast Landfill disposal fee is estimated to be \$18.50 per ton in FY 2002, multiplied by the quantity of ash residue requiring disposal, escalated annually at 3 percent.
27. The By-Pass Disposal Cost is equal to the quantity of Processible Waste to be by-passed by the Facility (Line Item 7a. By-Passed Processible Waste) multiplied by the estimated fee for the disposal of by-passed waste at the Gulf Coast Landfill, (\$23.73 per ton in FY 2002) until it reaches capacity during FY 2002 and then at the Regional Landfill, (\$20.00 per ton in FY 2002), thereafter. The By-Pass Disposal Costs are estimated to escalate annually at 3 percent.
28. The Non-Processible/C&D Disposal Cost is equal to the sum of the Lee County Non-Processible Waste (Line 2 plus Line 4) and Hendry County Non-Processible Waste (Line 6) less the estimated Hendry County Horticultural Waste included in the Non-Processible Waste (15% of Hendry County's total Non-Processible Waste), multiplied by the estimated C&D disposal fee. The C&D disposal fee is estimated to be \$18.50 per ton in FY 2002 escalated annually at 3 percent.
29. The Operation and Maintenance Charge (O&M) is based on the Initial Operation and Maintenance Charge of \$5,631,496 plus \$9.245 for every ton exceeding 279,225 tons up to a Maximum Guaranteed Tonnage of 372,300, plus \$10.00 for every ton exceeding 372,300 tons adjusted from August 1990 in accordance with the provisions of the Service Agreement. In FY 2001 the O&M charge was \$7,582,049 for the first 279,225 tons and \$12.45 for every ton exceeding 279,225 tons and \$13.46 for every ton exceeding 372,300 tons and is assumed to escalate at 4.0 percent per year. In addition, for the purposes of projecting costs once the third processing train is on-line, it was assumed that the O&M cost of \$19 per ton would be payable to the facility operator for each ton over 372,300 tons in accordance with Covanta Energy (formerly Ogden Martin, Inc.) estimate dated February 26, 2001.
30. Energy Credit is based on 10 percent of the Net Energy Revenues. Net Energy Revenue is equal to the Facility Energy Revenues (Line 8) minus the Regulation Service Charge (Line 34).
31. Ferrous/Non-Ferrous Credit is equal to 50 percent of the total Ferrous Revenues received and 50 percent of the net Non-Ferrous Revenue after repayment of the capital investment of the non-ferrous recovery system.

NOTES TO BASE CASE SYSTEM INCOME AND EXPENSE PROJECTIONS

32. Pass Through Costs are based upon the following FY 2001 costs and escalation assumptions:

Item	Quantity	Cost	Annual Escalation
Electricity	115 kWh/ton	0.27 cents/kWh in 2001 dollars	2.5 percent
Lime	15 lbs/ton	\$106.09/ton of lime in 2001 dollars	3 percent
Sewer	5 gal/ton	\$4.58/1,000 gal. in 2001 dollars	7 percent
Propane	10,000 mmBtu/yr	\$12.50/mmBtu in 2001 dollars	4 percent
Water	41 gal/ton	\$5.41/1,000 gal. in 2001 dollars	4 percent
Reuse Water	500 gal/ton	\$0.61/ gal. In 2001 dollars	4 percent
Ammonia	2.5 lbs/ton	\$283.31/ton of ammonia in 2001 dollars	1.5 percent
Insurance		\$500,000/yr in 2001 dollars*	0 percent
Mercury Reduction Regent	1.4 lbs/ton	\$869.94/ton in 2001 dollars	3 percent

* It is anticipated that the cost of insurance will increase to \$650,000 per year in FY2004 when the 3rd train comes on-line

The unit costs for electricity, lime, sewer, propane, water, reuse water, ammonia, and mercury reduction reagent are multiplied by the appropriate maximum utilization guarantee contained in the Contract Documents, and the resulting annual amounts are summed. The pass-through costs also include costs associated with ash testing and emissions testing, estimated by the County to be equal to \$7,000 and \$125,000, respectively.

33. County Operations Costs were estimated to be \$1,385,727 in FY 2002 by the County, and are escalated at 3 percent per year based on the disposal facility budget as prepared by County staff.
34. The Regulation Service Charge of \$91,200 per year was used for FY 2002 through FY 2006 based on the Seminole Electric Cooperative Power Purchase Agreement.
35. The Solid Waste Program Costs were provided by the County and are equal to the sum of the Solid Waste Operations, Solid Waste Administration, Right-of-Way Clean-up, Hazardous Waste, and Recycling Program Costs; plus Hendry County Transfer Station O&M, Solid Waste Collection, Billing and Horticultural Waste Disposal Costs. This line item also includes a County estimate of periodic Capital Improvement Project costs.
36. The Total System Expenses equal the sum of Lines 24 through 35.
37. Non-applied Expenses are equal to the sum of the Interest Income (Line 12), the MSTU Tax Fund (Line 19), Grant Monies, MRF revenues, and loan repayments that are used to offset solid waste operation and maintenance costs, and the Total Escrow Deposits-Landfill Fund (Line 25), and the estimated \$27 million withdrawal of excess reserves to partially fund the expansion of the third train. The Total Escrow Deposits-Landfill Fund and the \$27 million capital expenditure is not an Operating Expense as defined in the Indenture and is therefore not applied to the expenses which are to be covered prior to debt service coverage.
38. Net System Expenses are equal to the Total System Expenses (Line 36) less the Non-applied Expenses (Line 37).

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NOTES TO BASE CASE SYSTEM INCOME AND EXPENSE PROJECTIONS

39. The interest and principal payments for the Series 2002 Bonds are based on the assumption that there would be a \$79 million bond issue with a \$27 million County contribution and a 15-year term as provided by Public Financial Management.
40. The Series 2001 Refunding Revenue Bonds are the annual debt service payments for the refunding of the Series 1991 Bonds as provided by the County and UBS Paine Webber on November 6, 2001.
41. Series 1995 Bonds are the annual debt service payments for the 1995 Bonds, net of capitalized interest, as provided by the County and reviewed by the County's Financial Advisor.
42. Total Annual Debt Service equals the sum of the Series 1995 Bonds (Line 41), the Series 2001 Bonds (Line 40) and the Series 2002 Bonds (Line 39).
43. Net Revenues Applied to D.S. (Debt Service) are equal to the Net System Income (Line 23) less the Net System Expenses (Line 38).
44. The Debt Service Coverage is equal to the Net System Revenues Applied to D.S. (Line 43), divided by the Total Annual Debt Service (Line 42).

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY TRANSPORTATION FACILITIES
September 30, 2001
(Unaudited)

Toll Revenue - Combination Decals

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

<u>Type of Device</u>	<u>Vehicle</u>	<u>Cost of AVI Device</u>
Annual ¹ Limited ³	Initial vehicle	\$50.00
	Second vehicle	25.00
Annual ¹ Unlimited ⁴	Initial vehicle	380.00
	Second vehicle	190.00
Semi - annual ² Limited ³	Initial vehicle	30.00
	Second vehicle	15.00
Semi - annual ² Unlimited ⁴	Initial vehicle	230.00
	Second vehicle	115.00

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.

³ Additional toll \$.50.

⁴ No additional toll.

Variable Pricing Program

During the term of the variable pricing program, a toll for each one - way trip on the Cape Coral and Midpoint Memorial Bridges during off - peak hours with an AVI device shall use the following toll fees:

<u>Vehicle Class</u>	<u>September 30, 2000</u>
Motorcycles	\$.25, upon availability
2 axles, 4 tires	.50/.25 (applies to \$.50 coin drop)
2 axles, 6 tires	.50/.25 (applies to \$.50 coin drop)
3 axles	1.00, upon availability
4 axles	1.50, upon availability
5 axles	2.00, upon availability
6 or more axles, per axle	.50, upon availability

Off - peak hours are 6:30 a.m. to 7:00 a.m.; 9:00 a.m. to 11:00 a.m.; 2:00 p.m. to 4:00 p.m.; and 6:30 p.m. to 7:00 p.m. Monday through Friday, except certain holidays.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY TRANSPORTATION FACILITIES
September 30, 2001
(Unaudited)

Insurance Coverage

Insurance Company: ACE-USA/Indemnity Insurance Company

Agent: Arthur J. Gallagher & Company - Boca Raton

<u>Description</u>	<u>Sanibel Bridge</u>	<u>Cape Coral Bridge</u>	<u>Midpoint Memorial Bridge</u>
Property Damage	\$20,000,000	\$20,000,000	\$24,000,000
Business Interruption	6,000,000	10,000,000	10,000,000
Total values	90,000,000		

Deductible covering all bridges: \$500,000/ per occurrence.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY TRANSPORTATION FACILITIES
September 30, 2001
(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				
1998	9,125,627	77,611	9,241,802		\$ 8,094	\$ 1,263	6,831
1999	11,468,036	96,573	11,564,609	25.13%	9,823	1,528	8,295
2000	12,772,984	117,570	12,890,554	11.47%	10,608	1,780	8,828
2001	13,572,885	127,448	13,700,333	6.28%	11,844	1,732	10,112

Source: URS Corporation - New York, Traffic Engineers to the County and the Lee County Department of Transportation

- (1) Includes motorcycles and 3+ axle vehicles
(2) Does not include depreciation

CAPE CORAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses (3) (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic (2)	Total				
1990 (1)	11,396,529	88,643	11,485,172		\$ 7,907	\$ 1,257	6,650
1991	13,645,802	104,622	13,750,424	19.72%	10,042	1,497	8,545
1992	14,492,878	117,245	14,610,123	6.25%	9,559	1,438	8,121
1993	15,228,481	131,900	15,360,381	5.14%	10,382	1,602	8,780
1994	16,057,429	135,968	16,193,397	5.42%	10,739	1,684	9,055
1995	15,886,474	115,568	16,002,042	-1.18%	13,514	1,876	11,638
1996	16,298,161	122,495	16,420,656	2.62%	14,169	2,289	11,880
1997	16,589,427	139,224	16,728,651	1.88%	14,265	1,849 (4)	12,416
1998 (5)	12,509,866	98,412	12,671,536	-24.25%	10,300	1,469	8,831
1999	12,977,169	96,925	13,074,094	3.18%	10,730	1,767	8,963
2000	13,440,431	95,631	13,536,062	3.53%	10,934	1,922	9,014
2001	14,250,114	109,112	14,359,226	6.08%	11,771	1,717	10,054

Source: URS Corporation - New York, Traffic Engineers to the County and the Lee County Department of Transportation

- (1) Includes 11 months of operation. Toll collections recommenced on November 1, 1989.
(2) Includes motorcycles and 3+ axle vehicles
(3) Does not include depreciation
(4) Includes \$185,370 attributed to Midpoint Memorial Bridge
(5) Reduction coincides with opening of Midpoint Memorial Bridge

SANIBEL CAUSEWAY TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC (1)			Percentage Change	Gross Toll Revenues (3) (000's omitted)	Operating and Maintenance Expenses (4) (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic (2)	Total				
1989	2,749,824	105,669	2,855,493	4.52%	\$ 5,158	\$ 1,290.00	3,868
1990	2,931,843	40,839	2,972,682	4.10%	5,328	1,340	3,988
1991	2,974,251	32,472	3,006,723	1.15%	5,418	1,186	4,232
1992	2,993,605	36,022	3,029,627	0.76%	5,473	1,101	4,372
1993	3,105,563	45,563	3,151,126	4.01%	5,612	1,236	4,376
1994	3,156,479	35,062	3,191,541	1.28%	5,933	1,136	4,797
1995	3,179,851	34,692	3,214,543	0.72%	5,852	1,178	4,674
1996	3,241,971	36,903	3,278,874	2.00%	6,049	1,480	4,569
1997	3,256,472	32,290	3,288,732	0.30%	6,022	1,282	4,740
1998	3,265,956	33,565	3,299,521	0.33%	6,083	1,286	4,797
1999	3,346,640	33,365	3,380,005	2.44%	6,317	1,213	5,103
2000	3,361,639	37,856	3,399,495	0.58%	6,512	1,484	5,208
2001	3,413,413	43,025	3,456,438	1.68%	6,703	1,389	5,314

Source: URS Corporation - New York, Traffic Engineers to the County and the Lee County Department of Transportation

- (1) Includes all 2-axle vehicles beginning November 1, 1989.
(2) Includes motorcycles and 3 to 5-axle vehicles and, until November 1, 1989, included 2-axle, 6-tire trucks.
(3) Source: Lee County Transportation Facilities Financial Reports 1988-1990.
(4) Does not include depreciation