



Comprehensive Annual
Financial
Report

Fiscal Year Ended September 30, 2008

2120 Main St.

Lee County,
Florida

Lee County, Florida

Comprehensive Annual Financial Report

For the
Fiscal Year Ended September 30, 2008



Prepared by:
General Accounting Office, Finance & Records Department

Clerk to Board of County Commissioners

Charlie Green

Lee County, Florida
PRINCIPAL OFFICIALS
As of September 30, 2008

Elected Officials

Board of County Commissioners, Port Commissioners:

Commissioner, District 1	Robert P. Janes	
Commissioner, District 2	Brian Bigelow	
Commissioner, District 3	Ray Judah	* **
Commissioner, District 4	Tammara Hall	
Commissioner, District 5	Frank Mann	

Appointed Officials

County Manager	Donald Stilwell
Lee County Attorney	David Owen
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

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

Lee County, Florida
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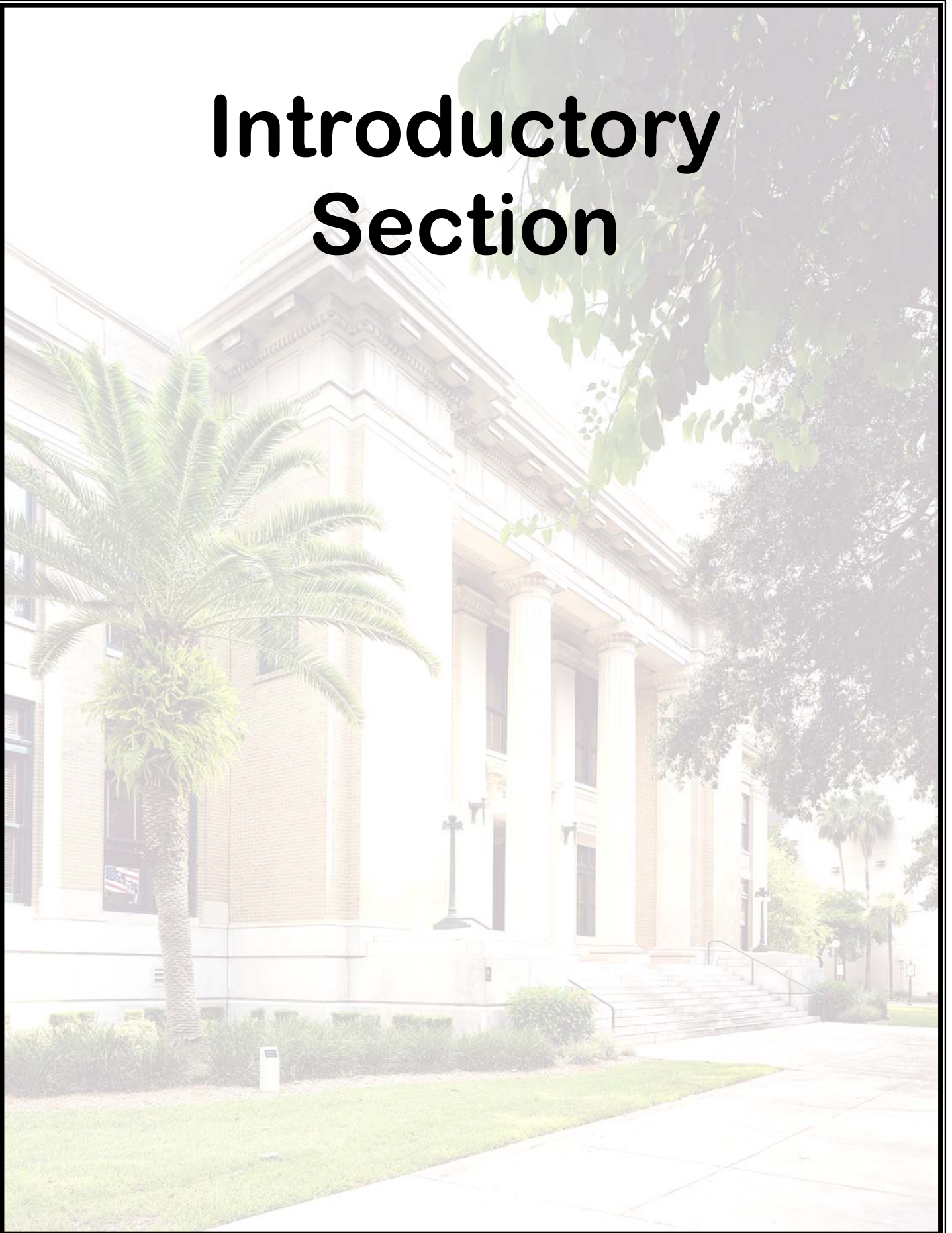
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Introductory Section





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March 11, 2009

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, 2008. State law requires that a complete set of financial statements, presented in conformance with generally accepted accounting principles (GAAP), audited by licensed independent certified public accountants be released to the public within one year of the fiscal year end. This report is being issued in fulfillment of these statutory requirements.

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

Internal Controls

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

Independent Audit

In compliance with the laws of the State of Florida the County's financial statements have been audited by KPMG LLP, a firm of licensed independent certified public accountants. The audit was performed to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2008, are free of material misstatement. 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, 2008, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented in the Financial Section of this report. Immediately following the Independent Auditors' Report is the Management's Discussion & Analysis (pages 5-14) and should be read in conjunction with this transmittal letter.

County Structure and Services

Lee County was founded in 1887 and named in honor of General Robert E. Lee. The County is located on the Gulf of Mexico in the southwestern portion of Florida and encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico. Three incorporated municipalities are located on the mainland: Fort Myers (one of two county seats), Bonita Springs, and Cape Coral (second county seat). The Town of Fort Myers Beach is located on Estero Island and the City of Sanibel is situated on Sanibel Island. The unincorporated communities include Lehigh Acres, Estero, North Fort Myers, Tice, Alva, Matlacha, Bokeelia, St. James City, and Captiva Island. Lee County's climate can be classified as subtropical with temperatures averaging from 66 degrees (F) in winter to 83 degrees (F) in summer.



Lee County experienced significant growth between 1990 and 2007 increasing its population by approximately 83.7 percent to 615,741. Lee County continues to grow and the projected population for 2008 is 623,725. With 24 percent of its residents age 65 and older, the County is well known as a retirement destination and therefore growth is projected to continue through this decade, although at a slower rate than originally anticipated.

County Services and Reporting Entity

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



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



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

Budgetary Controls

The adopted budget is controlled in accordance with Chapter 129, *Florida Statutes*, and a formal budget policy which is incorporated into the County's Administrative Code. The Director of Administrative Services, 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 Director of Administrative Services. When the Board adopts the program budget it is integrated into the reporting system for management reporting purposes. Budget-to-actual comparisons are

provided in the report for each fund for which an appropriated annual budget has been adopted. Original and final budgets for major governmental funds are also provided. The Constitutional Officers' budgets control is retained at the fund level; the budgets of the Property Appraiser and Tax Collector are approved by the Florida Department of Revenue and those of the Clerk of the Circuit Court (excluding fees and court-related budgets), Sheriff, and Supervisor of Elections are approved by the Board. The court-related portion of the Clerk of Circuit Court's budget is approved by the State's Clerks of Court Operations Corporation.

Financial Condition of the County

Local Economy

Lee County has long been a popular vacation and retirement spot with 50 miles of sandy beaches and 97 local, state, and national parks. Lee County contains more than 90 golf courses and ranks fifth in the nation for hole-per-person ratio. Lee County is also home to the Boston Red Sox and Minnesota Twins spring training. Although Lee County experiences year-round tourism, the number of tourist increases in winter as does the retiree population.



There was a downturn in the Southwest Florida tourism industry this year as was evidenced by the decrease in passenger traffic at Southwest Florida International Airport (SWFIA), which reflected a 4.7 percent decrease from the previous year fiscal year. However, Southwest Florida International Airport has served more than five million passengers each year since 2000 and continues to rank among the 50 busiest airports in the nation, according to the U.S. Department of Transportation.

Employment

Lee County has seen tremendous growth in the past. According to the State of Florida Agency for Workforce Innovations, in 2007, the County's labor force was 287,076, representing a 38 percent increase from 2000. Employment in the County is predicted to continue to grow by 11.6 percent between 2007 and 2015. Currently, approximately 32 percent of employment is concentrated in trade, transportation and utilities, 13 percent in government, 12 percent in natural resources, mining, and construction, 12 percent in leisure and hospitality, 11 percent in professional and business services, 8 percent in education and health services, and 12 percent in other.

Lee County experienced a housing boom in recent years that is now contracting and consequently the County is experiencing its related effects. As unemployment rose throughout the nation during this past fiscal year, it also rose in the County as services supported by the construction industry began to contract. The unemployment rate in September 2008 for the County was 9.2 percent compared to 6.8 percent for Florida, and 6.0 percent nationally.

Economic Conditions



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

Foreclosures in the County increased substantially this fiscal year to 26,847, which is a 1,572 percent increase from prior year. Due to the increase in the foreclosure rate, home values subsequently declined. However, with declining home values the County saw an increase in home sales in this fiscal year as compared to last year, some of which are attributed to foreclosed and short-sale homes. According to data provided by the Florida Association of Realtors, the number of single family homes sold in this fiscal year increased by 10 percent from prior year, but the average sales price declined 24 percent. Likewise, the number of condominium homes sold increased nearly 16 percent, yet the average sales price declined nearly 20 percent.

Current and Long-Term Capital Initiatives

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

Significant capital projects and other initiatives completed in fiscal year 2008 include:

- Completed construction of Phase I of the Justice Center expansion, which includes construction of the judges' parking garage, an ice storage system, construction of the ten-story tower, and completion of floors 1, 2, 3, 5, 6, and 10 for an approximate cost of \$43.4 million.
- Completed expansion of the Jail on Ortiz Avenue by constructing an eight story building consisting of 173,042 square feet for an approximate cost of \$56 million.
- Completed construction of an 80,633 square foot evidence facility, a vehicle impound, and an evidence processing center for the Sheriff's Department for an approximate cost of \$11.6 million.
- Completed expansion of Three Oaks Parkway Extension, South - four lane arterial extension from East Terry Street to The Brooks for an approximate cost of \$63 million.
- Completed Imperial Street widening to four lanes from Bonita Beach Road to E. Terry Street and construction of a bridge across the Imperial River for an approximate cost of \$25 million.
- Completed construction of the Ten Mile Linear Park, renamed the John Yarbrough Linear Park, which is a bike/pedestrian path between Six Mile Cypress and Colonial Boulevard, for an approximate cost of \$7.5 million.

Projects currently in progress include the following:

- Construction of a multi-level parking garage as part of the expansion of the Justice Center for a projected cost of \$17 million.
- Expansion of Estero Parkway Extension of a four-lane arterial across I-75 Three Oaks Parkway to Ben Griffin Parkway for a projected cost of \$38 million.
- Three Oaks Parkway widening to four lanes from Corkscrew Road to Alico Road for a projected cost of \$29 million.
- Widening of Summerlin Road from Boy Scout to Cypress Lake Drive including an overpass at College Parkway for a projected cost of \$33 million.
- Construction of Plantation Road from Colonial to Idlewild for a projected cost of \$8 million.
- Expansion of Lee/Hendry Landfill including ash monofill disposal cell, Class III disposal cell, and leachate holding ponds for a projected cost of \$18 million.
- Expansion of Gateway Wastewater Treatment Plant for a projected cost of \$34 million.
- Expansion of the Three Oaks Wastewater Treatment Plant and construction of Deep Injection Well for a projected cost of \$27 million.
- Expansion of the Corkscrew Water Treatment Plant and Alico Road well fields for a projected cost of \$13.2 million.

- Expansion of the Pinewood Water Treatment Plant and construction of Deep Injection Well for a projected cost of \$24 million.
- Construction of the Pine Ridge Government Complex which will consist of two large buildings for the Lee County Tax Collector, Sheriff, Emergency Medical Services (EMS), and Iona/McGregor Fire District for a projected cost of \$13 million.
- Construction of Northwest Regional Library, a 41,000 square foot regional library located between Mariner High School and Mariner Middle School for a projected cost of \$14 million.

Cash Management and Investments

Cash that was 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 qualified money market funds. The County had residual funds invested in the State Board of Administration's (SBA) Local Government Surplus Funds Investment Pool Trust Fund (please refer to the Cash and Investment footnote). The Board's repurchase agreements (repos) require the investments to be collateralized at 101 percent for Treasuries or 102 percent for Agencies. 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 101 to 105 percent with the collateral held in the County's name by a third-party safekeeping agent. The collateral is valued weekly and interest earned ranged from 1.35 percent to 4.63 percent.
- Treasury bills and notes, government agencies and instrumentalities, and money market mutual funds whose investments consist primarily of municipals and U.S. government obligations. At fiscal year-end the maturities of the investments ranged from three days to twenty-two months and interest earned ranged from .10 percent to 5.13 percent.
- The Florida State Board of Administration operates an investment pool for local governments, which was split into two funds: Fund A, which paid interest and allowed periodic withdraws throughout the year, and Fund B, which does not pay interest but allowed periodic transfers to Fund A as the underlying investments matured. The average yield for the pool for the fiscal year was 3.3 percent.

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 Sheriff's Office, general liability, and worker's compensation. 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. The Sheriff's Office maintains a separate self-insurance program to administer their insurance activities. The Port Authority participates in the County's self-insurance for group medical and dental coverage. However the Port Authority is a member of Public Risk Management of Florida (PRM) which administers insurance relating to general liability, and worker's compensation.

Awards and Acknowledgments

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007. This was the twenty-third consecutive year that the County has received this prestigious award. To be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report which satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and the various managers and fiscal officers of the County Departments. The efforts of Finance's General Accounting personnel, specifically Sean O'Neill, Rose Hardt, Marcia Simons, Pat Stokes, Marion Pacelli, Laz Rodriguez-Delgado, Angie Kershaw, and Tracy Kepes are especially noteworthy.

Respectfully submitted,



Charlie Green
Clerk of Circuit Court



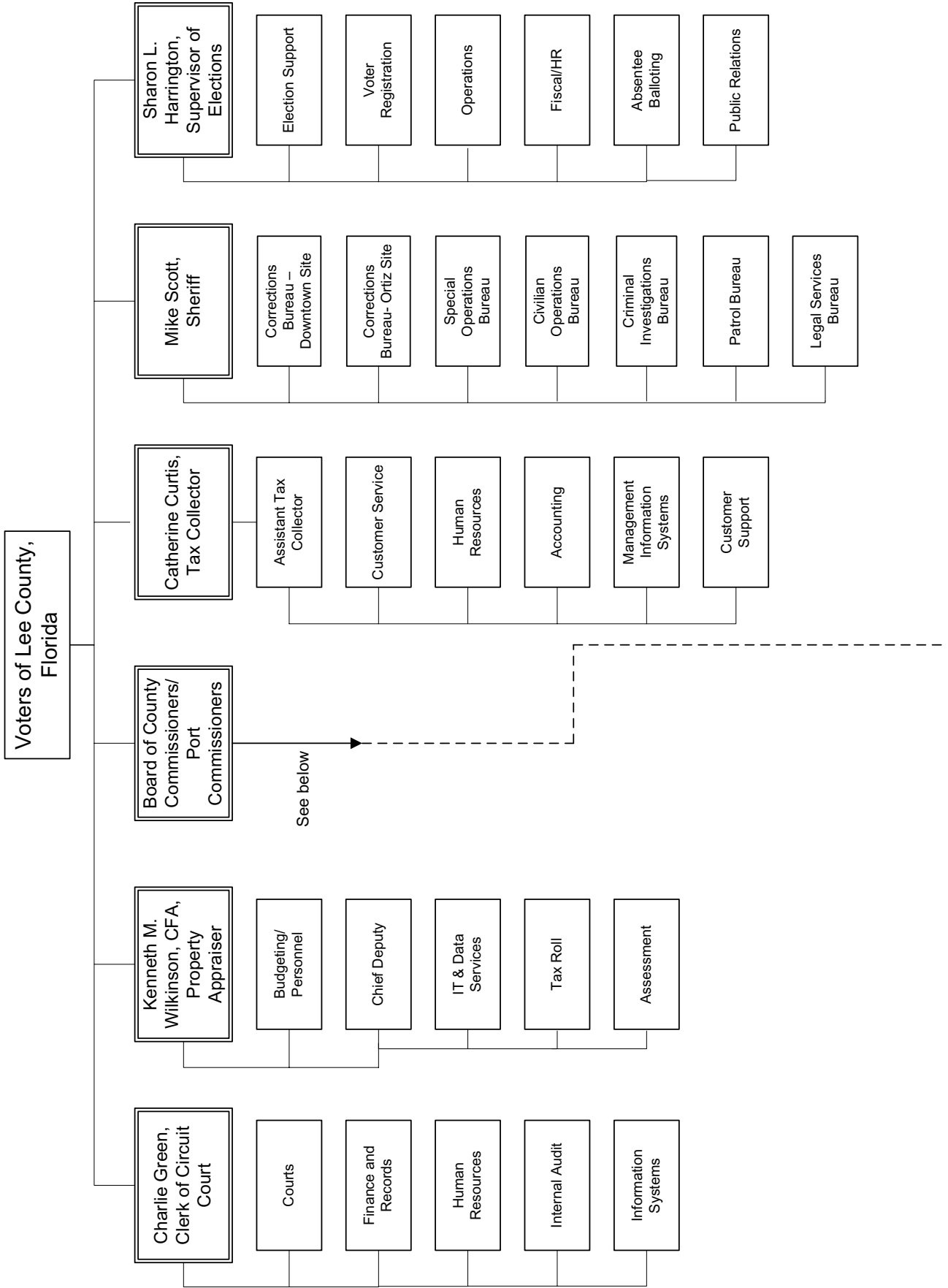
Donna G. Harn, CPA, CGFO
Finance and Records Director



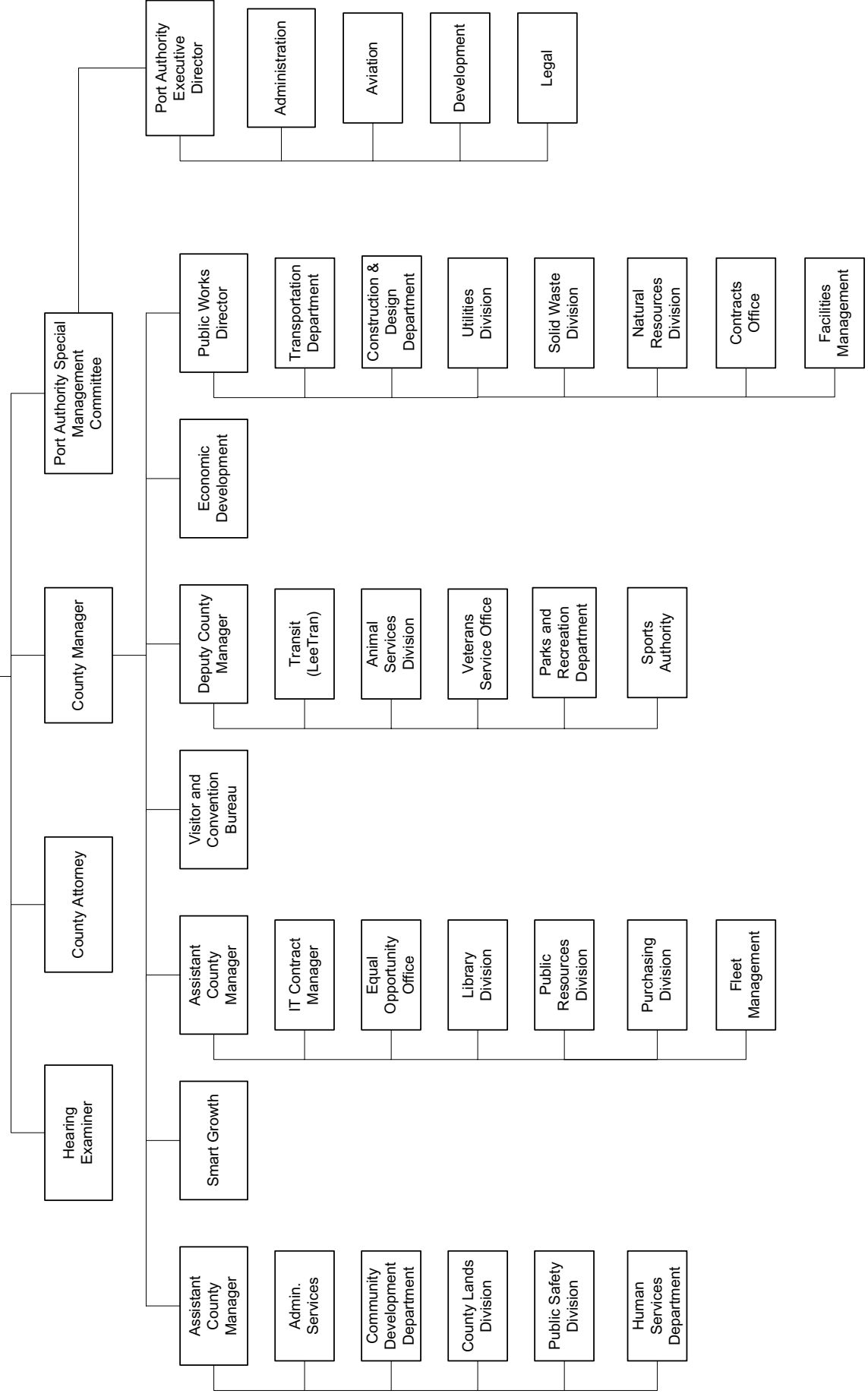
Terry Mallow
General Accounting Manager

Lee County Government

as of September 30, 2008



Board of County Commissioners/Port Commissioners
 Commissioner, District 1 Commissioner, District 2 Commissioner, District 3 Commissioner, District 4 Commissioner, District 5
 Robert P. Janes Brian Bigelow Ray Judah Tammara Hall Frank Mann



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, 2007

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.



President

Executive Director



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Financial Section

 Concourses **C** **D**



 Ticketing  Parking
 Bag Claim  Rental Cars
 Ground Transport  Exit
 Lost & Found  Security





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KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Independent Auditors' Report

The Board of County Commissioners
Lee County, Florida:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida (the County) as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lee County, Florida's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lee County, Florida as of September 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, Lee County library, and MSTU funds for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 14 and the schedule of funding progress on page 79 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplemental financial information, statistical section, and other supplemental 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. The supplemental financial 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. The introductory section, statistical section, and other supplemental schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

March 10, 2009
Certified Public Accountants

Management's Discussion and Analysis (unaudited)

This discussion and analysis of Lee County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2008. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes to the financial statements. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights

- At the close of fiscal year 2008 the County's assets exceeded its liabilities, resulting in total net assets of \$3,519,385,000. Governmental and business-type assets exceeded its liabilities by \$2,198,724,000 and \$1,320,661,000, respectively.
- The County's total net assets increased \$221,243,000, or 6.7 percent, in comparison to prior year.
- The County had \$785,439,000 of unrestricted net assets that can be used to meet the County's ongoing operations.
- Total revenues decreased \$86,349,000, or -6.5 percent, in comparison to prior year.
- Total expenses increased \$72,833,000, or 7.6 percent, in comparison to prior year.
- The County's governmental activities reported total net assets of \$2,198,724,000, which is an increase of \$137,081,000, or 6.6 percent, in comparison to prior year. Approximately 24.0 percent of the total, or \$527,270,000, is unreserved, undesignated, and thus available for use at the County's discretion.
- The County's business-type activities reported total net assets of \$1,320,661,000, which is an increase of \$84,162,000, or 6.8 percent, in comparison to prior year. Approximately 19.5 percent of the total, or \$258,169,000, 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. Fiduciary funds are not included in the government-wide financial statements.

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

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

The effect of the 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.

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 Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements. However, a non-major fund can be designated as a major fund if the County chooses to do so.

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

Governmental Fund Financial Statements

Governmental fund financial statements (found on pages 18-26) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Although the activity of the internal service funds is reported with the governmental activities on the government-wide financial statements they are not combined on the government fund financial statements.

Four of the County's governmental funds, the General Fund, Lee County Library, Municipal Service Taxing Unit (MSTU), and Capital Improvement are classified as major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds are found in combining statements as supplemental financial data.

Proprietary Fund Financial Statements

Proprietary fund financial statements (found on pages 27-32), like government-wide financial statements, are prepared on the full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

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

The internal service funds are used to account for data processing, risk management, radio communications, telecommunications, fleet management, and health, dental, liability self-insurance, and worker's

Lee County, Florida

compensation services on a cost reimbursement basis. Individual fund data is in the combining statements as supplemental financial data.

Fiduciary Fund Financial Statement

The fiduciary fund financial statement (found on page 33) 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 and other governments.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the County is in a better or worse financial condition from the prior year.

The following is a condensed summary of net assets for the primary government for fiscal years 2008 and 2007.

Lee County, Florida Statement of Net Assets September 30, 2008 and 2007						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$1,072,671	\$1,086,953	\$526,371	\$533,727	\$1,599,042	\$1,620,680
Capital assets	1,569,900	1,409,348	1,871,996	1,817,867	3,441,896	3,227,215
Total assets	2,642,571	2,496,301	2,398,367	2,351,594	5,040,938	4,847,895
Other liabilities	133,354	104,768	82,652	89,440	216,006	194,208
Non-current liabilities	310,493	329,890	995,054	1,025,655	1,305,547	1,355,545
Total liabilities	443,847	434,658	1,077,706	1,115,095	1,521,553	1,549,753
Net Assets:						
Invested in capital assets, net of related debt	1,318,137	1,148,026	942,028	860,208	2,260,165	2,008,234
Restricted	353,317	392,872	120,464	124,050	473,781	516,922
Unrestricted	527,270	520,745	258,169	252,241	785,439	772,986
Total net assets	\$2,198,724	\$2,061,643	\$1,320,661	\$1,236,499	\$3,519,385	\$3,298,142

Note: In 2008 software is classified as a capital asset vs. an intangible asset; therefore, the previous year has been modified to reflect the change.

Invested 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 (less unspent proceeds) used to acquire the assets. The invested in capital assets, net of related debt balance of \$2,260,165,000 (64.2 percent of total net assets) increased \$251,931,000, or 12.5 percent, in comparison to prior year.

The restricted net asset balance of \$473,781,000 (13.5 percent of total net assets), decreased \$43,141,000, or -8.3 percent, in comparison to prior year. This balance represents assets that are subject to external restrictions imposed by creditors, through bond covenants, by grantors, or by law, on how they are used.

Lee County, Florida

The unrestricted net asset balance of \$785,439,000 (22.3 percent of total net assets), increased \$12,453,000 or 1.6 percent, in comparison to prior year. This balance represents assets that are available for spending at the County's discretion.

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

Lee County, Florida Summary of Revenues, Expenses, and Changes in Net Assets For the Years Ended September 30, 2008 and 2007 (amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$128,131	\$140,356	\$317,065	\$297,372	\$445,196	\$437,728
Operating grants and contributions	31,593	31,262	7,347	5,899	38,940	37,161
Capital grants and contributions	12,711	17,779	70,330	69,501	83,041	87,280
General revenues:						
Taxes	526,015	528,362	4,257	3,872	530,272	532,234
Impact fees	14,769	39,671			14,769	39,671
Grant and contributions not restricted to specific programs	59,471	76,509			59,471	76,509
Other	61,547	95,743	14,475	27,734	76,022	123,477
Total revenues	<u>834,237</u>	<u>929,682</u>	<u>413,474</u>	<u>404,378</u>	<u>1,247,711</u>	<u>1,334,060</u>
Expenses:						
Program activities:						
General government	249,443	210,700			249,443	210,700
Public safety	241,773	227,393			241,773	227,393
Physical environment	14,202	24,800			14,202	24,800
Transportation	55,302	59,270			55,302	59,270
Economic environment	25,523	23,175			25,523	23,175
Human services	24,612	22,662			24,612	22,662
Culture and recreation	68,789	70,553			68,789	70,553
Interest on long-term debt	13,007	13,904			13,007	13,904
Indirect expenses	(3,692)	(3,544)	3,692	3,544		
Business-type activities:						
Airport			108,038	100,173	108,038	100,173
Water and wastewater			95,271	89,621	95,271	89,621
Transit			24,340	21,006	24,340	21,006
Transportation facilities			30,738	26,103	30,738	26,103
Solid Waste			75,430	64,275	75,430	64,275
Total expenses	<u>688,959</u>	<u>648,913</u>	<u>337,509</u>	<u>304,722</u>	<u>1,026,468</u>	<u>953,635</u>
Total change in net assets before transfers	145,278	280,769	75,965	99,656	221,243	380,425
Transfers	(8,197)	(8,948)	8,197	8,948		
Increase in net assets	<u>137,081</u>	<u>271,821</u>	<u>84,162</u>	<u>108,604</u>	<u>221,243</u>	<u>380,425</u>
Net assets October 1	2,061,643	1,789,822	1,236,499	1,127,895	3,298,142	2,917,717
Net assets September 30	<u>\$2,198,724</u>	<u>\$2,061,643</u>	<u>\$1,320,661</u>	<u>\$1,236,499</u>	<u>\$3,519,385</u>	<u>\$3,298,142</u>

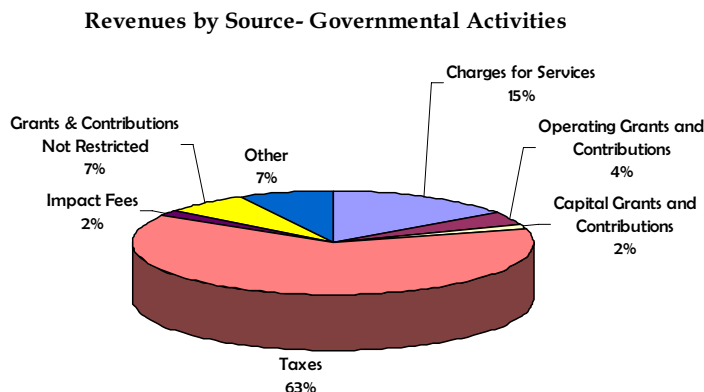
Lee County, Florida

Total revenues decreased \$86,349,000, or -6.5 percent, in comparison to prior year. Total expenses increased \$72,833,000, or 7.6 percent, in comparison to prior year.

Governmental Activities

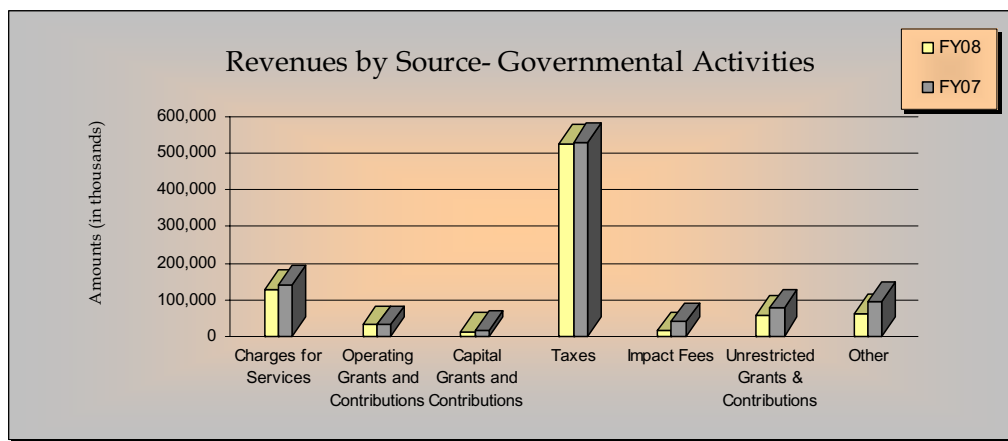
The governmental activities increased the County's total assets, total liabilities, and total net assets by \$146,270,000, \$9,189,000, and \$137,081,000, respectively. The increase in total net assets resulting from governmental activities is 62.0 percent of the total increase in total net assets. The increase in the governmental activities' invested in capital assets net of related debt is \$170,111,000, or 14.8 percent, in comparison to prior year.

The following is a chart of revenues by source for governmental activities by percent of total revenues for fiscal year 2008.



Total revenues for governmental activities decreased \$95,445,000 or -10.3 percent, in comparison to prior year.

The following is a chart of revenues by source for governmental activities for fiscal years 2008 and 2007.



Charges for services decreased \$12,225,000, or -8.7 percent, in comparison to prior year. A portion of the decrease, or 39.9 percent, is a direct result of the downturn in recording documents which consequently lowered the \$2.00 technology fee collections, recording fees, doc stamp commissions, and intangible tax. Other factors involved with the decrease in charges for services are the reduced administration fees due to the reduction of impact fees collected, lower receipts for developmental order applications, decreased Parks & Recreation collections, and lower helicopter ambulance fees.

Lee County, Florida

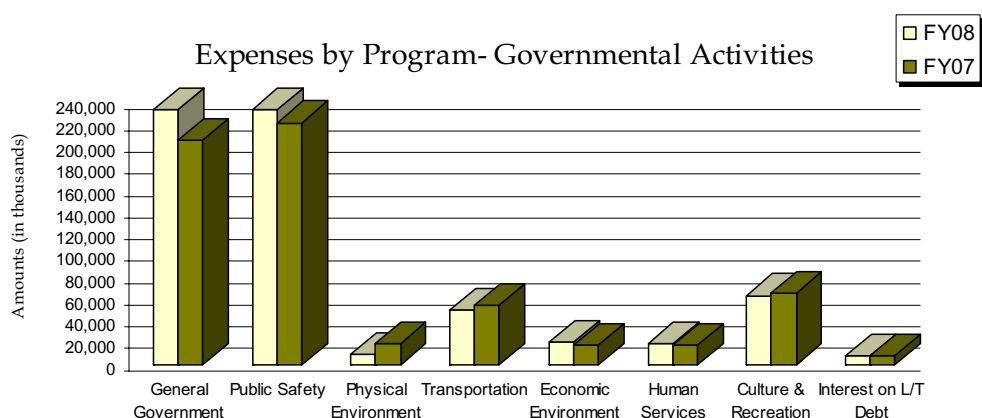
Impact fees decreased \$24,902,000, or -62.8 percent, in comparison to prior year, due to the reduction of the number of building permits issued in the current fiscal year.

Unrestricted grants and contributions decreased \$17,038,000, or -22.3 percent, in comparison to prior year. The main components of this decrease are the reduction of the ½ Cent Sales Tax by \$5,689,000, a decrease in the assistance from the Florida Department of Transportation by approximately \$7,332,000, and a \$3,300,000 reduction from an interlocal agreement with the City of Bonita Springs.

Other governmental revenues decreased \$34,196,000, or -35.7 percent, in comparison to prior year, primarily due to lower interest earnings. Another contributing factor is a sale of surplus land for \$7,100,000 that was recorded in the prior year with no corresponding revenue in the current year.

Total expenses for governmental activities increased \$40,046,000, or 6.2 percent, in comparison to prior year.

The following is a chart of expenses by program for governmental activities for fiscal years 2008 and 2007.



General government expenses reported in governmental activities increased \$38,743,000, or 18.4 percent, in comparison to prior year. The increase is due in part to an increase of \$10,274,000 in the other postemployment benefits (OPEB) expenditure over prior year, a \$10,500,000 payment to South Florida Water Management District to purchase properties, refunds of prior year impact fees, construction payments related to the Southwest Florida Addiction Services facilities, and the remodeling of the Admin East building, coupled with a decrease due to the completion of the Justice Center in the previous fiscal year. Public safety expenses increased \$14,380,000, or 6.3 percent, in comparison to prior year due to increased staffing and expenses related to the new jail. Physical environment expenses decreased \$10,598,000, or -42.7 percent, in comparison to prior year due to the Gasparilla Beach renourishment project funded with federal, state, and county funds in prior year but not in current year.

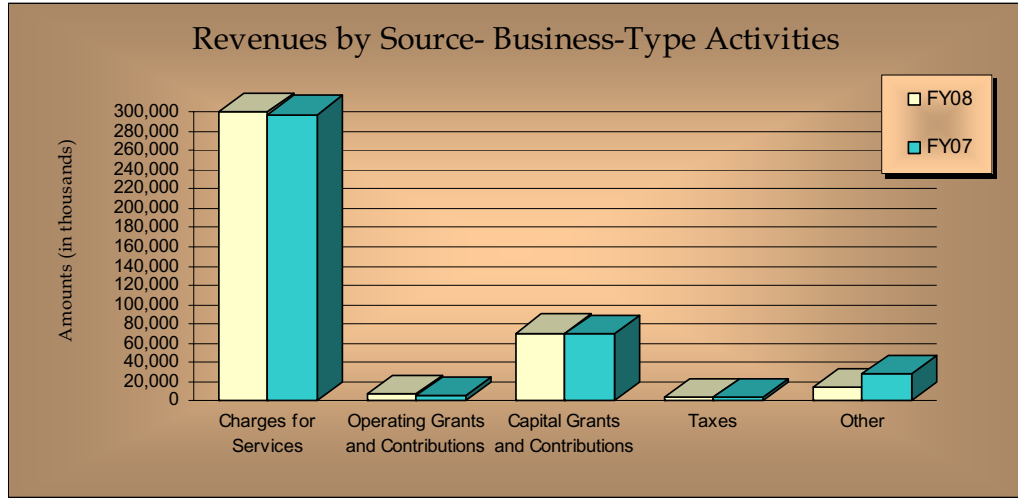
Business-Type Activities

The business-type activities increased or decreased the County's total assets, total liabilities, and total net assets by \$46,773,000, (\$37,389,000), and \$84,162,000, respectively. The overall total increase in total net assets resulting from business-type activities was 38.0 percent. The increase in the business-type activities' invested in capital assets net of related debt is \$81,820,000, or 9.5 percent, in comparison to prior year.

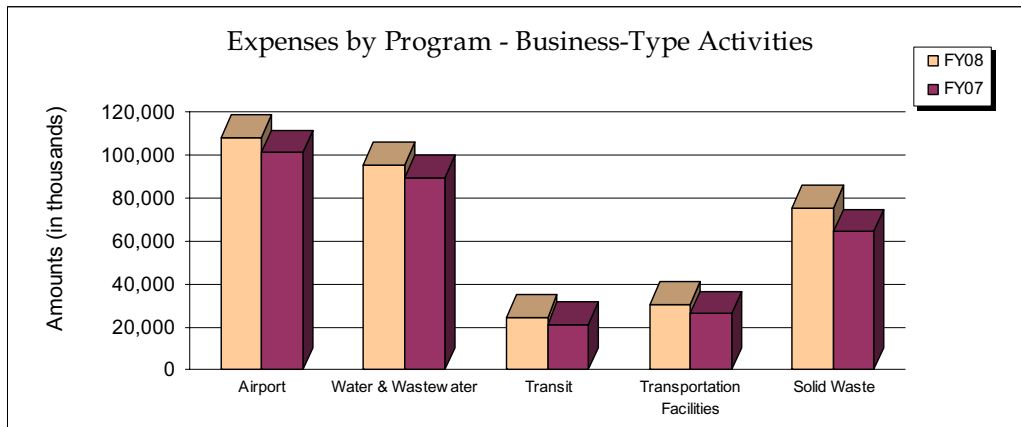
Total revenues reported in business-type activities increased \$9,096,000, or 2.2 percent in comparison to prior year. Whereas Toll Facilities experienced a decline in revenues due to the decline in traffic crossing the bridges, the other enterprise funds experienced increases in their revenues. Port Authority experienced an increase in participating airline rents and landing fees and a corresponding increase in rebates paid to the

airlines. Solid Waste experienced an increase to their revenue due to higher recycling revenues and increased electric revenues from increased production from the new third burner. The Water and Wastewater System experienced an increase to their revenue from a rate increase effective October 1, 2007.

The following is a chart of revenues by source for business-type activities for fiscal years 2008 and 2007.



The following is a chart of expenses by program for business-type activities for fiscal years 2008 and 2007.



Total business-type expenses increased \$32,787,000, or 10.8 percent, in comparison to prior year. The increase is due in part to an increase of \$3,808,000 in the other postemployment benefits (OPEB) expense over prior year, a \$13,052,000 increase in depreciation over prior year, and a \$7,058,000 increase to interest expense.

Financial Analysis of the Government's Funds

Governmental Funds

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

Lee County, Florida

General Fund- Total ad valorem taxes increased \$34,443,000, or 11.3 percent, in comparison to prior year primarily due to the millage for Capital Improvements being combined and collected with the General Fund in the current year. Franchise fees decreased \$191,000 or -2.0 percent, in comparison to prior year due to a downturn in the economy.

Lee County Library- Ad valorem taxes decreased \$6,000, or -0.02 percent, in comparison to prior year, due to a millage rate reduction.

Municipal Service Taxing Unit (MSTU)- Ad valorem taxes decreased \$141,000, or -0.4 percent, in comparison to prior year. However, Communication Services Tax revenue increased \$489,000, or 4.7 percent, in comparison to prior year yet at a slower growth than in prior years.

Capital Improvement- Ad valorem taxes decreased \$36,044,000, or -43.7 percent, in comparison to prior year, due to the millage for Capital Improvements being combined and collected with the General Fund in the current year. Only millage for Conservation 2020 is being collected in this fund.

Proprietary Funds

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

Port Authority- User fees increased \$5,587,000, or 13.0 percent, in comparison to prior year, which included an increase of \$3,818,000 in participating airline rents and an increase of \$1,960,000 in landing fees as a result of rate increases. Concession revenue decreased \$1,017,000, or -2.7 percent, in comparison to prior year due to less traffic in the terminal. In addition, certain costs increased such as employee benefits which increased \$2,096,000, or 24.8 percent, in comparison to prior year due in part to an increase of \$1,261,000 in the other postemployment benefits (OPEB) expense over prior year. Contractual services, material and supplies increased \$2,672,000, or 13.4 percent from prior year, due to an increase in fuel costs and management fees for the parking lot and baggage handling system.

Water and Wastewater- User fees increased \$16,213,000, or 22.7 percent, in comparison to prior year due to a rate increase effective October 1, 2007. Employee benefits increased \$1,448,000, or 22.1 percent, in comparison to prior year due in part to an increase of \$1,001,000 in the other postemployment benefits (OPEB) expense over prior year. Depreciation increased 3,291,000, or 13.5 percent, in comparison to prior year.

Transportation Facilities - Toll revenue decreased \$3,135,000, or -7.7 percent, in comparison to prior year. Certain costs increased such as employee benefits which increased \$419,000, or 20.7 percent, in comparison to prior year, due to an increase of \$363,000 in the other postemployment benefits (OPEB) expense over prior year. Contractual services decreased \$1,561,000, or -46.2 percent, in comparison to prior year due to cleaning and painting of the Cape Coral and Midpoint Toll Facilities and the Cape Coral fender system in the prior year. Repairs and maintenance increased \$907,000, or 243.8 percent, in comparison to prior year due to repair and painting of steel beams of the Cape Coral Bridge. In addition, interest expense increased \$3,099,000, or 39.6 percent, in comparison to prior year due to the capitalization of interest for the Sanibel Bridge in the prior year.

Solid Waste - User fees increased \$1,740,000, or 2.6 percent, in comparison to prior year due to higher recycling revenue. Miscellaneous revenues increased \$3,566,000, or 32.7 percent, in comparison to prior year due in part to electric revenues due to the third burner. Employee benefits increased \$408,000, or 26.3 percent, in comparison to prior year due to an increase of \$245,000 in the other postemployment benefits (OPEB)

Lee County, Florida

expense over prior year. Contractual services, materials and supplies increased \$3,854,000, or 9.0 percent, in comparison to prior year due to increased expenses related to the third burner. Interest expense increased \$3,958,000, or 70.4 percent, in comparison to prior year due to the capitalized interest on the incinerator in the prior year, and depreciation increased \$4,041,000, or 53.5 percent, in comparison to prior year.

General Fund Budgetary and Actual Highlights

The difference between the original adopted and final amended budget in the General Fund is \$19,639,000. The largest amendment is a \$10,000,000 increase to purchase a 1,700 acre parcel to enhance water quality in the Caloosahatchee River Basin. The remaining amendments are for various reasons which separately are not noteworthy. The difference between the General Fund’s final budget and actual results is \$62,052,000, which is attributed to many unfinished projects.

Capital Assets

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

The following is a schedule of the County’s capital assets as of September 30, 2008 and 2007:

Lee County, Florida
Capital Assets
September 30, 2008 and 2007

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Artwork	\$304	\$306			\$304	\$306
Land	492,940	389,206	\$231,407	\$203,842	724,347	593,048
Construction in progress	452,521	416,180	139,972	223,084	592,493	639,264
Software in Progress	3,050	1,877	275		3,325	1,877
Buildings	256,874	255,247	476,144	474,810	733,018	730,057
Improvement other than buildings	60,982	57,498	357,031	298,531	418,013	356,029
Machinery & equipment	218,861	205,076	331,658	305,739	550,519	510,815
Software	11,272	11,377	2,670	2,670	13,942	14,047
Infrastructure	480,286	441,803	858,826	772,597	1,339,112	1,214,400
Total capital assets	1,977,090	1,778,570	2,397,983	2,281,273	4,375,073	4,059,843
Accumulated depreciation	(407,190)	(369,222)	(525,987)	(463,406)	(933,177)	(832,628)
Total	<u>\$1,569,900</u>	<u>\$1,409,348</u>	<u>\$1,871,996</u>	<u>\$1,817,867</u>	<u>\$3,441,896</u>	<u>\$3,227,215</u>

Note: In 2008 software is classified as a capital asset vs. an intangible asset; therefore, the previous year has been modified to reflect the change.

Noteworthy capital asset purchases/completed projects that took place in fiscal year 2008 were as follows:

- Completed construction of the Justice Center expansion
- Completed construction of the Ortiz Avenue Jail expansion
- Completed construction of the Evidence Facility
- Completed the expansion of Three Oaks Parkway
- Completed the widening of Imperial Street

Additional information on the County’s capital assets can be found in Note V on pages 51-54.

Lee County, Florida

Debt Administration

At September 30, 2008, the County had \$1,182,753,000 of outstanding bonded debt. The revenue bonds, which are each payable from a specific revenue stream, had an outstanding balance of \$1,182,753,000, or 100 percent of the total bonded debt. The outstanding bond balance decreased \$54,255,000, or -4.4 percent, in comparison to prior year.

Total long-term liabilities of \$1,305,547,000, which includes bonds payable (net of unamortized discounts/premiums and gains/losses), variable debt, notes payable, capital leases, self-insurance claims payable, compensated absences, landfill closure and postclosure costs, and arbitrage payable decreased \$50,000,000, or -3.7 percent, in comparison to prior year. The following is a schedule of outstanding bonds as of September 30, 2008 and 2007.

Lee County, Florida
Outstanding Debt
September 30, 2008 and 2007
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue Bonds	\$252,598	\$274,473	\$930,155	\$962,535	\$1,182,753	\$1,237,008
Total	\$252,598	\$274,473	\$930,155	\$962,535	\$1,182,753	\$1,237,008

Standard and Poor's Rating Group suggests that debt service should not exceed 10-15 percent of appropriations. The fiscal year 2008 debt service was 5.8 percent, which is well within the suggested guidelines.

Additional information on the County's long-term debt can be found in note V on pages 57-69.

Economic Factors and Next Year's Budget Rates

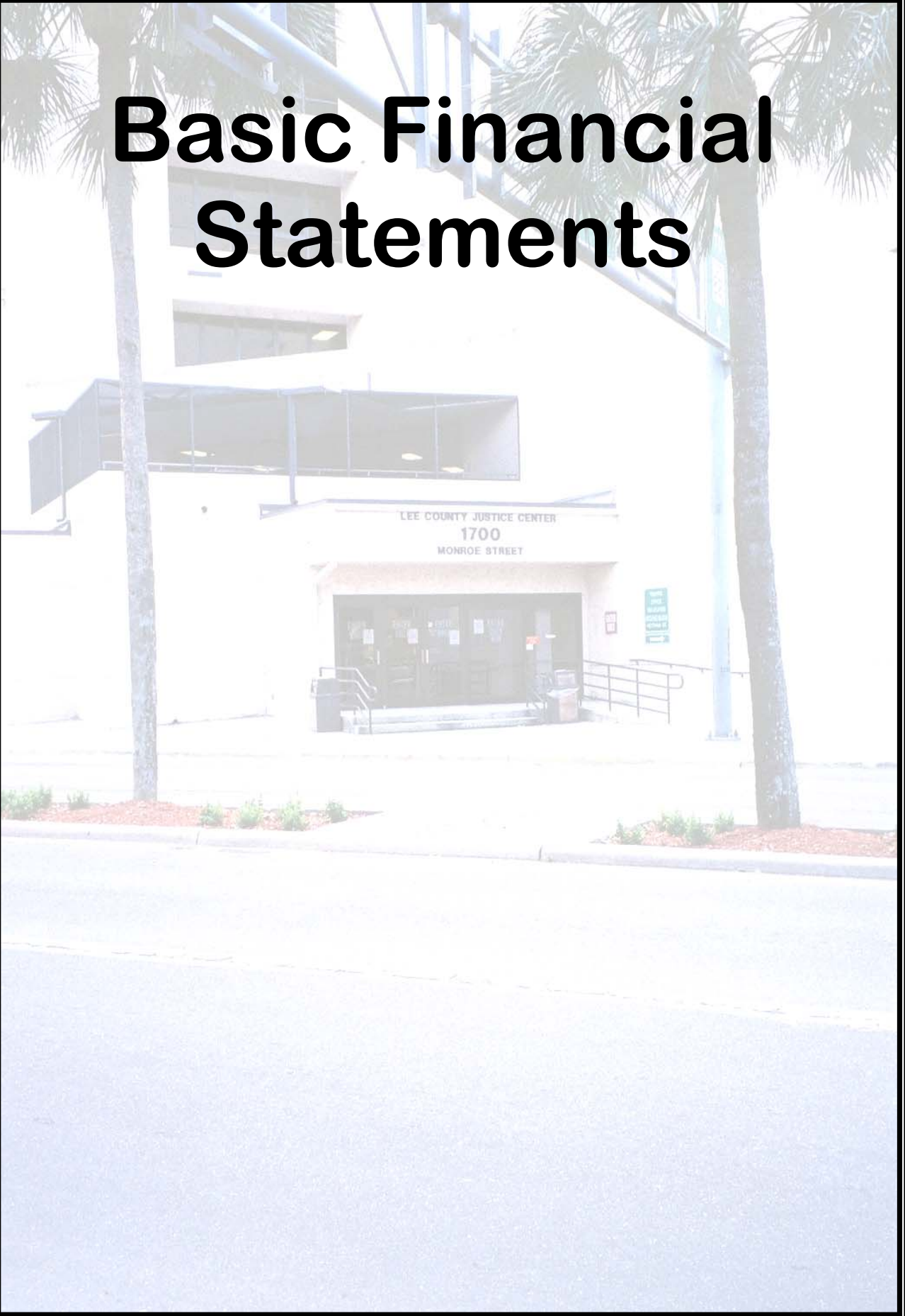
The following were factors considered when next year's budget was prepared:

- Lee County had a higher unemployment rate compared to the state and nation. Utilizing September 2008, as a benchmark, Lee County had a 9.2 percent unemployment rate as compared to the State which had a 6.8 percent unemployment rate, and the nation which had a 6.0 percent unemployment rate, as reported by the U.S. Bureau of Labor Statistics, and Florida Agency for Workforce Innovations.
- There were no salary or pay for performance increases budgeted in the fiscal year 2009 budget.
- New housing construction growth helped to reduce the overall impact of the decline in property values but the result was a 12.4 percent reduction in property values from fiscal year 2008 to fiscal year 2009 based upon values determined by the Property Appraiser.

Request for information

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

Basic Financial Statements



Lee County, Florida
STATEMENT OF NET ASSETS
As of September 30, 2008
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equity in pooled cash and investments	\$1,035,806	\$273,852	\$1,309,658
Receivables (net)	20,821	34,069	54,890
Due from other governments	8,773	221	8,994
Internal balances	(559)	559	0
Inventory	2,632	1,393	4,025
Prepays	2,307	1,841	4,148
Other assets	2,891	8,202	11,093
Restricted assets		206,234	206,234
Capital assets:			
Non-depreciable	948,815	371,654	1,320,469
Depreciable, net	<u>621,085</u>	<u>1,500,342</u>	<u>2,121,427</u>
Total assets	<u>2,642,571</u>	<u>2,398,367</u>	<u>5,040,938</u>
LIABILITIES			
Contracts and accounts payable	46,471	25,053	71,524
Accrued liabilities	62,221	12,478	74,699
Accrued interest payable	6,022		6,022
Due to other governments	11,035	1,486	12,521
Customer deposits	6,301	520	6,821
Unearned revenues	1,304	886	2,190
Refunds and rebates		4,454	4,454
Liabilities payable from restricted assets		70,977	70,977
Noncurrent liabilities:			
Due within one year	28,694	14,433	43,127
Due in more than one year	<u>281,799</u>	<u>947,419</u>	<u>1,229,218</u>
Total liabilities	<u>443,847</u>	<u>1,077,706</u>	<u>1,521,553</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,318,137	942,028	2,260,165
Restricted for:			
Capital projects	333,179	65,661	398,840
Debt service	20,138	40,954	61,092
Renewal and replacement		13,849	13,849
Unrestricted	527,270	258,169	785,439
Total net assets	<u>\$2,198,724</u>	<u>\$1,320,661</u>	<u>\$3,519,385</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, 2008
(amounts expressed in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenue			Primary Government		
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary government:						
Governmental activities:						
General government	\$249,443	\$(9,087)	\$75,516	\$4,564	\$745	\$(159,531)
Public safety	241,773	1,094	41,546	5,557	118	(195,646)
Physical environment	14,202	163	2,270	15	56	(12,024)
Transportation	55,302	1,106	1,393	8,161	11,513	(35,341)
Economic environment	25,523	246		8,965		(16,804)
Human services	24,612	309	2,976	2,987	143	(18,815)
Culture and recreation	68,789	2,477	4,430	1,344	136	(65,356)
Interest on long-term debt	13,007					(13,007)
Total governmental activities	692,651	(3,692)	128,131	31,593	12,711	(516,524)
Business-type activities:						
Airport	108,038	344	101,974	338	22,455	16,385
Water and Wastewater	95,271	1,624	89,495	35	45,971	38,606
Transit	24,340	465	3,100	6,522	1,451	(13,732)
Transportation Facilities	30,738	692	38,097		453	7,120
Solid Waste	75,430	567	84,399	452		8,854
Total business-type activities	333,817	3,692	317,065	7,347	70,330	57,233
Total primary government	\$1,026,468	\$0	\$445,196	\$38,940	\$83,041	(459,291)
General revenues:						
Taxes:						
Property taxes						463,880
Gas taxes						18,260
Tourist taxes						23,768
Communication taxes						10,946
Franchise fees						9,161
Impact fees						14,769
Grants and contributions not restricted to specific programs						59,471
Investment earnings						37,376
Miscellaneous						24,171
Transfers						(8,197)
Total general revenues and transfers						653,605
Change in net assets						137,081
Net assets - beginning						2,061,643
Net assets - ending						\$2,198,724
						2,036
						465,916
						18,260
						23,768
						10,946
						11,382
						14,769
						59,471
						49,828
						26,194
						0
						680,534
						221,243
						3,298,142
						\$3,519,385

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2008
(amounts expressed in thousands)

	<u>General</u>	<u>Lee County Library</u>	<u>MSTU</u>	<u>Capital Improvement</u>
ASSETS				
Cash and equity in pooled cash and investments	\$265,028	\$74,317	\$98,657	\$175,774
Cash and cash equivalents with fiscal agent				
Receivables (net)				
Accounts	5,028		135	
Special assessments				
Accrued interest	3,117	397	530	938
Due from other funds	2,328	451	1,199	2,444
Due from other governments	3,250		843	356
Inventory	544			
Prepays	257	78	44	2
Advances	25,947			
Total assets	<u>305,499</u>	<u>75,243</u>	<u>101,408</u>	<u>179,514</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	9,538	1,470	392	9,035
Accrued liabilities	6,290	447	930	22
Due to other funds	3,898	87	228	636
Due to other governments	5,783	195	442	262
Deposits and overbids	4,694			
Unearned revenues	209	651		
Deferred revenues				
Advances				900
Other	51			
Total liabilities	<u>30,463</u>	<u>2,850</u>	<u>1,992</u>	<u>10,855</u>
Fund Balances:				
Reserved for:				
Advances	25,947			
Inventory	544			
Debt service				
Unreserved, designated for:				
Next fiscal year's expenditures	20,653	14,477	411	102,502
Unfunded other post employment benefits	25,000			
Roads revolving loan program	1,088			
Unfunded mandates	3,000			
Economic incentives	25,000			
Community Corrections Facility	10,000			
Bequests		1,418		
Debt service				
Unreserved, undesignated, reported in:				
General fund	163,804			
Special revenue funds		56,498	99,005	
Capital projects funds				66,157
Total fund balances	<u>275,036</u>	<u>72,393</u>	<u>99,416</u>	<u>168,659</u>
Total liabilities and fund balances	<u>\$305,499</u>	<u>\$75,243</u>	<u>\$101,408</u>	<u>\$179,514</u>

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

(continued)

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2008
(amounts expressed in thousands)

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and equity in pooled cash and investments	\$308,754	\$922,530
Cash and cash equivalents with fiscal agent	23,880	23,880
Receivables (net)		
Accounts	920	6,083
Special assessments	6,802	6,802
Accrued interest	2,235	7,217
Due from other funds	5,304	11,726
Due from other governments	4,324	8,773
Inventory	1,855	2,399
Prepays	1,447	1,828
Advances	139	26,086
Total assets	<u>355,660</u>	<u>1,017,324</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Contracts and accounts payable	24,381	44,816
Accrued liabilities	3,154	10,843
Due to other funds	7,030	11,879
Due to other governments	4,302	10,984
Deposits and overbids	1,556	6,250
Unearned revenues	444	1,304
Deferred revenues	6,400	6,400
Advances	24,384	25,284
Other		51
Total liabilities	<u>71,651</u>	<u>117,811</u>
Fund Balances:		
Reserved for:		
Advances	139	26,086
Inventory	1,855	2,399
Debt service	26,160	26,160
Unreserved, designated for:		
Next fiscal year's expenditures	157,312	295,355
Unfunded other post employment benefits		25,000
Roads revolving loan program		1,088
Unfunded mandates		3,000
Economic incentives		25,000
Community Corrections Facility		10,000
Bequests		1,418
Debt service	5,038	5,038
Unreserved, undesignated, reported in:		
General fund		163,804
Special revenue funds	79,999	235,502
Capital projects funds	13,506	79,663
Total fund balances	<u>284,009</u>	<u>899,513</u>
Total liabilities and fund balances	<u>\$355,660</u>	<u>\$1,017,324</u>

Lee County, Florida
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
As of September 30, 2008
(amounts expressed in thousands)

Fund balances - total governmental funds		\$899,513
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Non-depreciable governmental capital assets	\$945,536	
Depreciable governmental capital assets, net	608,989	1,554,525
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
		6,400
<p>Accrued liabilities in the statement of net assets include early termination benefits related to the voluntary separation package offered to employees in fiscal year 2008. These benefits will be fully paid to the employees in fiscal year 2009.</p>		
		(4,414)
<p>Accrued liabilities in the statement of net assets include other post-employment benefits which have not been funded and therefore based on the modified accrual basis of accounting are not included in the governmental funds. These benefits will be funded with a trustee in fiscal year 2009.</p>		
		(46,409)
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Governmental bonds payable	(254,292)	
Accrued interest payable	(6,022)	
Accreted interest payable	(8,454)	
Variable debt payable	(889)	
Notes payable	(4,597)	
Arbitrage payable	(12)	
Compensated absences	(22,653)	(296,919)
<p>Internal service funds are used by management to charge the costs of certain activities to the individual funds.</p>		
<p>Assets and liabilities of the internal service funds that are reported with governmental activities</p>		
		86,028
Net assets of governmental activities		\$2,198,724

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, 2008
(amounts expressed in thousands)

	General	Lee County Library	MSTU	Capital Improvement
REVENUES				
Taxes	\$348,013	\$31,643	\$49,743	\$46,417
Licenses and permits	214		4,777	368
Intergovernmental	56,749	889	6,701	1,089
Charges for services	53,056	95	6,896	44
Fines and forfeitures	498	519		
Impact fees				
Special assessments				
Miscellaneous	24,192	2,710	5,892	7,324
Total revenues	<u>482,722</u>	<u>35,856</u>	<u>74,009</u>	<u>55,242</u>
EXPENDITURES				
Current				
General government	107,253	873	12,721	2,122
Public safety	209,516		14,363	
Physical environment	8,027			410
Transportation	1,647			
Economic environment	4,406			
Human services	18,157		4,011	
Culture and recreation	17,568	27,567	14,275	5,470
Capital outlay				
General government	3,605		1	56,988
Public safety	7,477		11	
Physical environment	133			2,024
Transportation				3,325
Economic environment				
Human services			17	
Culture and recreation	440	3,397	151	7,004
Debt service				
Principal retirement				
Interest and fiscal charges	10			50
Total expenditures	<u>378,239</u>	<u>31,837</u>	<u>45,550</u>	<u>77,393</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>104,483</u>	<u>4,019</u>	<u>28,459</u>	<u>(22,151)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	6,241	385	587	10,222
Transfers out	(84,444)		(27,792)	(2,168)
Debt issuance				
Total other financing sources and (uses)	<u>(78,203)</u>	<u>385</u>	<u>(27,205)</u>	<u>8,054</u>
Net change in fund balances	26,280	4,404	1,254	(14,097)
Fund balances - beginning	248,756	67,989	98,162	182,756
Fund balances - ending	<u>\$275,036</u>	<u>\$72,393</u>	<u>\$99,416</u>	<u>\$168,659</u>

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

(continued)

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Taxes	\$50,199	\$526,015
Licenses and permits	56	5,415
Intergovernmental	25,190	90,618
Charges for services	32,032	92,123
Fines and forfeitures	1,056	2,073
Impact fees	14,769	14,769
Special assessments	2,024	2,024
Miscellaneous	18,901	59,019
Total revenues	<u>144,227</u>	<u>792,056</u>
EXPENDITURES		
Current		
General government	38,174	161,143
Public safety	12,838	236,717
Physical environment	5,261	13,698
Transportation	43,179	44,826
Economic environment	21,223	25,629
Human services	2,214	24,382
Culture and recreation	501	65,381
Capital outlay		
General government	35,393	95,987
Public safety	2,686	10,174
Physical environment	260	2,417
Transportation	65,113	68,438
Economic environment	1,121	1,121
Human services	11	28
Culture and recreation	10,301	21,293
Debt service		
Principal retirement	24,008	24,008
Interest and fiscal charges	14,710	14,770
Total expenditures	<u>276,993</u>	<u>810,012</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(132,766)</u>	<u>(17,956)</u>
OTHER FINANCING SOURCES AND (USES)		
Transfers in	118,917	136,352
Transfers out	(31,686)	(146,090)
Debt issuance	3,203	3,203
Total other financing sources and (uses)	<u>90,434</u>	<u>(6,535)</u>
Net change in fund balances	(42,332)	(24,491)
Fund balances - beginning	<u>326,341</u>	<u>924,004</u>
Fund balances - ending	<u>\$284,009</u>	<u>\$899,513</u>

Lee County, Florida
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008
(amounts expressed in thousands)

Net change in fund balances - total governmental funds:		(\$24,491)
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/amortized over their estimated useful lives:		
Expenditures for capital assets	\$199,458	
Less current year depreciation and amortization	<u>(41,725)</u>	157,733
The net effect of various miscellaneous transactions involving capital and intangible assets (i.e., disposals, transfers, donations) is to increase net assets.		
		2,783
Revenues that were previously reported in the statement of activities and are recognized as revenue in the funds.		
		2,375
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. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued. These amounts are deferred and amortized in the statement of activities.		
Long- term debt proceeds	(3,203)	
Principal payments	<u>24,008</u>	20,805
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.		
Early termination benefits	(4,414)	
OPEB	(28,341)	
Change in arbitrage payable	9	
Change in compensated absences	<u>(638)</u>	(33,384)
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. Issue costs, premiums, and similar items are deferred and amortized in the statement of activities.		
Accrued interest on bonds	403	
Accreted interest on capital appreciation bonds	(809)	
Amortization of bond issue costs	<u>(124)</u>	(530)
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>11,790</u>
Change in net assets of governmental activities		<u><u>\$137,081</u></u>

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$338,534	\$338,533	\$348,013	\$9,480
Licenses and permits	1,154	1,154	214	(940)
Intergovernmental	73,502	77,052	56,749	(20,303)
Charges for services	67,311	68,506	45,608	(22,898)
Fines and forfeitures	213	212	498	286
Miscellaneous	18,701	16,747	24,318	7,571
Total revenues	499,415	502,204	475,400	(26,804)
EXPENDITURES				
Current				
General government	129,325	139,655	107,670	31,985
Public safety	201,386	203,830	199,736	4,094
Physical environment	15,028	17,894	8,027	9,867
Transportation	11,386	11,386	1,647	9,739
Economic environment	5,242	6,333	4,406	1,927
Human services	17,842	18,991	18,157	834
Culture and recreation	20,691	20,979	17,568	3,411
Capital outlay				
General government	1,671	2,765	3,605	(840)
Public safety	8,487	8,864	7,477	1,387
Physical environment	82	82	133	(51)
Economic environment	7	7	7	7
Human services	3	3	3	3
Culture and recreation	111	111	440	(329)
Debt service				
Interest and fiscal charges	7	7	10	(3)
Total expenditures	411,268	430,907	368,876	62,031
Excess of revenues over expenditures	88,147	71,297	106,524	35,227
OTHER FINANCING SOURCES AND (USES)				
Transfers in	216,940	249,100	32,944	(216,156)
Transfers out	(253,316)	(279,731)	(70,570)	209,161
Total other financing sources and (uses)	(36,376)	(30,631)	(37,626)	(6,995)
Net change in fund balance	51,771	40,666	68,898	28,232
Fund balance - beginning	182,018	182,018	178,980	(3,038)
Fund balance - ending	\$233,789	\$222,684	\$247,878	\$25,194

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
LEE COUNTY LIBRARY
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$31,212	\$31,212	\$31,643	\$431
Intergovernmental	497	1,540	889	(651)
Charges for services	80	80	95	15
Fines and forfeitures	302	302	519	217
Miscellaneous	<u>2,011</u>	<u>2,065</u>	<u>2,930</u>	<u>865</u>
Total revenues	<u>34,102</u>	<u>35,199</u>	<u>36,076</u>	<u>877</u>
EXPENDITURES				
Current				
General government	871	871	873	(2)
Culture and recreation	28,045	28,786	27,567	1,219
Capital outlay				
Culture and recreation	<u>17,175</u>	<u>17,508</u>	<u>3,397</u>	<u>14,111</u>
Total expenditures	<u>46,091</u>	<u>47,165</u>	<u>31,837</u>	<u>15,328</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,989)</u>	<u>(11,966)</u>	<u>4,239</u>	<u>16,205</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	360	399	385	(14)
Transfers out	<u> </u>	<u>(39)</u>	<u> </u>	<u>39</u>
Total other financing sources	<u>360</u>	<u>360</u>	<u>385</u>	<u>25</u>
Net change in fund balance	(11,629)	(11,606)	4,624	16,230
Fund balance - beginning	<u>68,484</u>	<u>68,484</u>	<u>67,916</u>	<u>(568)</u>
Fund balance - ending	<u><u>\$56,855</u></u>	<u><u>\$56,878</u></u>	<u><u>\$72,540</u></u>	<u><u>\$15,662</u></u>

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
MSTU
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$47,617	\$47,617	\$49,743	\$2,126
Licenses and permits	9,465	9,465	4,777	(4,688)
Intergovernmental	6,704	6,941	6,701	(240)
Charges for services	7,965	8,012	6,896	(1,116)
Miscellaneous	3,638	3,638	6,196	2,558
Total revenues	75,389	75,673	74,313	(1,360)
EXPENDITURES				
Current				
General government	14,521	15,682	12,721	2,961
Public safety	16,681	16,548	14,363	2,185
Physical environment				
Human services	4,097	4,037	4,011	26
Culture and recreation	15,816	15,772	14,275	1,497
Capital outlay				
General government	10	9	1	8
Public safety	34	34	11	23
Physical environment				
Human services			17	(17)
Culture and recreation	94	95	151	(56)
Total expenditures	51,253	52,177	45,550	6,627
Excess of revenues over expenditures	24,136	23,496	28,763	5,267
OTHER FINANCING SOURCES AND (USES)				
Transfers in	235	4,455	4,807	352
Transfers out	(30,818)	(35,038)	(32,012)	3,026
Total other financing sources and (uses)	(30,583)	(30,583)	(27,205)	3,378
Net change in fund balance	(6,447)	(7,087)	1,558	8,645
Fund balance - beginning	98,162	98,162	98,150	(12)
Fund balance - ending	\$91,715	\$91,075	\$99,708	\$8,633

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, 2008
(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			
ASSETS								
Current Assets:								
Cash and equity in pooled cash and investments	\$81,706	\$60,825	\$26,083	\$4,334	\$7,223	\$180,171	\$89,396	
Cash and cash equivalents with fiscal agent				93,681		93,681		
Restricted assets	19,272	21,955	13,406	18,213		72,846		
Receivables (net)	12,457	9,800	216	6,382	3,253	32,108	719	
Due from other funds		41	13	322	148	524	2,417	
Due from other governments	7	209		5		221		
Inventories	790	70	533			1,393	233	
Other	1,677	40	56	57	11	1,841	479	
Total current assets	115,909	92,940	40,307	122,994	10,635	382,785	93,244	
Noncurrent Assets:								
Restricted assets	57,539	49,271	3,314	23,272		133,396		
Receivables (net)				1,961		1,961		
Capital assets:								
Non-depreciable	151,362	137,224	51,402	30,779	887	371,654	3,279	
Depreciable	674,708	688,971	288,748	350,216	23,686	2,026,329	40,318	
Less accumulated depreciation and amortization	(127,128)	(231,404)	(58,120)	(92,832)	(16,503)	(525,987)	(28,222)	
Intangible assets (net)	22					22		
Unamortized bond costs (net)	4,203	1,332	2,660	(15)		8,180		
Total noncurrent assets	760,706	645,394	288,004	313,381	8,070	2,015,555	15,375	
Total assets	876,615	738,334	328,311	436,375	18,705	2,398,340	108,619	
LIABILITIES								
Current liabilities:								
Contracts and accounts payable	5,517	4,943	5,037	9,014	542	25,053	1,655	
Accrued liabilities	3,920	3,471	1,385	796	2,906	12,478	555	
Refunds and rebates	4,454					4,454		
Due to other funds	118	248	1,533	14	776	2,689	107	
Due to other governments	297	526	83	394	186	1,486	51	
Customer deposits	508			12		520		
Deferred revenues	530	356				886		
Self-insurance claims payable							8,225	
Compensated absences	743	130	18	22	41	954	28	
Notes Payable - current	305	674	11,900		600	13,479		

(continued)

Lee County, Florida
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of September 30, 2008
(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		Total Enterprise Funds	
					Transit	Other		
Current liabilities payable from restricted assets:								
Contracts and accounts payable		4,472	24	26			4,522	
Accrued liabilities	10,757	4,515	4,652	4,597			24,521	
Due to other governments		1,629	11				1,640	
Customer deposits		5,504	2				5,506	
Deferred revenues			1,586				1,586	
Notes payable		875	736				1,611	
Revenue bonds payable - current	8,090	4,434	5,749	13,318			31,591	
Total current liabilities	35,239	31,777	32,716	28,193	5,051		132,976	10,621
Noncurrent liabilities:								
Self - insurance claims payable		901	267	204	520		2,220	9,023
Compensated absences	328						53,611	231
Notes payable	4,832	22,979	24,000		1,800		881,333	
Revenue bonds payable	367,458	168,008	180,769	165,098			10,254	
Landfill closure and postclosure costs				10,254			1	
Other	1						947,419	9,254
Total noncurrent liabilities	372,619	191,888	205,036	175,556	2,320		1,080,395	19,875
Total liabilities	407,858	223,665	237,752	203,749	7,371		942,028	15,375
NET ASSETS								
Invested in capital assets, net of related debt	348,639	399,153	62,384	126,182	5,670		65,661	40,954
Restricted for:							13,849	73,369
Capital projects	28,432	37,229		10,517			255,453	\$88,744
Debt service	8,521	8,278		2,165			5,664	
Renewal and replacement	499	9,685		15,493			\$232,626	
Unrestricted	82,666	60,324		\$90,559			2,716	
Total net assets	\$468,757	\$514,669		\$11,334			\$1,320,661	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								
Net assets of business-type activities							2,716	
The notes to the financial statements are an integral part of this statement.							\$1,320,661	

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008
(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	
OPERATING REVENUES							
User fees	\$48,445	\$87,708	\$37,834	\$69,931	\$3,078	\$209,162	\$111,220
Tolls						37,834	
Rentals and franchise fees	4,539	157		2,221	12	6,929	
Concessions	37,187					37,187	
Miscellaneous	257	1,630	263	14,468	10	16,628	
Total operating revenues	90,428	89,495	38,097	86,620	3,100	307,740	111,220
Less: Rebates	(3,932)					(3,932)	
Net operating revenues	86,496	89,495	38,097	86,620	3,100	303,808	111,220
OPERATING EXPENSES							
Salaries and wages	19,387	14,836	3,553	3,205	9,757	50,738	2,621
Employee benefits	10,553	8,004	2,445	1,960	6,478	29,440	1,322
Contractual services, materials and supplies	22,610	17,130	1,817	46,694	4,093	92,344	19,354
Utilities	5,277	7,646	344	616	230	14,113	3,078
Repairs and maintenance	2,462	3,228	1,279	1,030	1,349	9,348	3,211
Insurance	4,005	1,219	1,564	377	646	7,811	6,959
Insurance claims							63,130
Other	1,744	4,819	862	954	820	9,199	788
Depreciation and amortization	20,077	27,722	7,901	11,598	1,844	69,142	3,513
Total operating expenses	86,115	84,604	19,765	66,434	25,217	282,135	103,976
Operating income (loss)	381	4,891	18,332	20,186	(22,117)	21,673	7,244
NON-OPERATING REVENUES (EXPENSES)							
Investment earnings	3,384	4,186	1,188	3,273	421	12,452	2,363
Taxes				2,036		2,036	
Grants	338	35		363	6,522	7,258	(69)
Interest expense	(22,341)	(10,169)	(10,929)	(9,586)		(53,025)	
Gain (loss) on disposal of capital assets	21	(170)	(626)	1	68	(706)	358
Passenger facility charges	15,478					15,478	
Other revenues	148	1,701	110	41	23	2,023	1,152
Other expenses	(14)	(2,173)	(183)	(9)		(2,379)	
Total non-operating revenues (expenses)	(2,986)	(6,590)	(10,440)	(3,881)	7,034	(16,863)	3,804

(continued)

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008
(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	
Income (loss) before contributions and transfers	(2,605)	(1,699)	7,892	16,305	(15,083)	4,810	11,048	
Capital contributions	22,455	45,971	453		1,451	70,330	26	
Transfers in		2		410	11,670	12,082	1,543	
Transfers out		(3)	(3,882)			(3,885)	(2)	
Total contributions and transfers	22,455	45,970	(3,429)	410	13,121	78,527	1,567	
Change in net assets	19,850	44,271	4,463	16,715	(1,962)	83,337	12,615	
Total net assets - beginning	448,907	470,398	86,096	215,911	13,296	1,234,608	76,129	
Total net assets - ending	\$468,757	\$514,669	\$90,559	\$232,626	\$11,334	\$1,317,945	\$88,744	
Change in net assets						\$83,337		
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds.						825		
Change in net assets of business-type activities						\$84,162		

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, 2008
(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		
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$85,842	\$87,130	\$38,071	\$86,733	\$2,907	\$300,683	\$8,925
Receipts from interfund services provided							102,085
Cash received (returned) from customer deposits	(247)	71	1	(1)		(176)	
Payments to suppliers	(39,455)	(30,548)	(5,253)	(48,309)	(5,075)	(128,640)	(95,801)
Payments to employees	(23,589)	(17,604)	(4,297)	(3,919)	(11,795)	(61,204)	(3,143)
Payments for interfund services used	(3,838)	(7,046)	(1,223)	(1,372)	(3,988)	(17,467)	(970)
Net cash provided by (used in) operating activities	18,713	32,003	27,299	33,132	(17,951)	93,196	11,096
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grants received	296	36		452	4,845	5,629	
Non-capital grants issued			(33)	(89)		(122)	(69)
Transfers in				410	11,670	12,080	1,540
Transfers out			(5,632)			(5,632)	
Net cash provided by (used in) noncapital financing activities	296	36	(5,665)	773	16,515	11,955	1,471
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt		3,000				3,000	
Proceeds from special assessments		172				172	
Proceeds from loan repayment				80		80	
Capital contributions	23,073	6,125	453		971	30,622	
Proceeds from passenger facilities charges	15,763					15,763	
Additions to capital assets	(16,121)	(39,391)	(11,695)	(25,183)	(1,138)	(93,528)	(3,451)
Principal paid on bonds, loans, leases, and interfund loans	(8,435)	(6,196)	(8,783)	(12,645)	(600)	(36,659)	(1,390)
Interest paid on bonds, loans, leases, and interfund loans	(21,877)	(9,144)	(10,237)	(9,530)		(50,788)	(35)
Proceeds from sale of capital assets	33	14			71	118	384
Net cash (used in) capital and related financing activities	(7,564)	(45,420)	(30,262)	(47,278)	(696)	(131,220)	(4,492)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale and maturities of investments	52,512			16,374		68,886	
Purchase of investments	(52,854)			(8,210)		(61,064)	
Interest on investments	4,064	4,580	1,323	4,115	466	14,548	2,500
Net cash provided by investing activities	3,722	4,580	1,323	12,279	466	22,370	2,500
Net increase (decrease) in cash and equity in pooled cash and investments	15,167	(8,800)	(7,305)	(1,094)	(1,666)	(3,698)	10,575
Cash and equity in pooled cash and investments at beginning of year	114,863	139,067	49,890	132,311	8,889	445,020	78,821
Cash and equity in pooled cash and investments at end of year	\$130,030	\$130,267	\$42,585	\$131,217	\$7,223	\$441,322	\$89,396

(continued)

Lee County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008
(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
Classified as:							
Current assets							
Cash and equivalent	\$81,706	\$60,825	\$26,083	\$4,334	\$7,223	\$180,171	\$89,396
Cash and equivalent with fiscal agent				93,681		93,681	
Restricted assets	19,272	21,210	13,328	18,213		72,023	
Non-current							
Restricted assets	29,052	48,232	3,174	14,989		95,447	
Totals	\$130,030	\$130,267	\$42,585	\$131,217	\$7,223	\$441,322	\$89,396
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions of capital assets		\$39,819				\$39,819	\$26
Transfers in of capital assets		2				2	3
Transfers out of capital assets		(3)				(3)	(2)
Decrease in fair value of investments	(\$210)	(352)	(\$99)	(\$65)	(\$25)	(751)	(232)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$381	\$4,891	\$18,332	\$20,186	(\$22,117)	\$21,673	\$7,244
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	20,077	27,722	7,901	11,598	1,845	69,143	3,513
Other revenues	158	1,694	104	2,082	23	4,061	1,151
Other expenses		(2)				(2)	
(Increase) decrease in accounts receivable	449	(3,414)	41	(1,906)	(217)	(5,047)	(165)
(Increase) decrease in due from other funds		44	(18)	(63)	(58)	(95)	(1,305)
(Increase) decrease in due from other governments	(4)	(209)		(5)		(218)	107
(Increase) in inventories	64	52	177			293	62
(Increase) decrease in other assets	812	(21)	(53)	(53)	4	689	(400)
Increase (decrease) in contracts and accounts payable	(4,334)	(1,226)	126	94	(29)	(5,369)	(884)
Increase in accrued liabilities	2,419	2,040	871	458	1,794	7,582	314
(Decrease) in refunds and rebates	(1,358)					(1,358)	
Increase (decrease) in due to other funds	105	153	(10)	(12)	763	999	61
Increase (decrease) in due to other governments	41	251	26	(11)	30	337	(64)
Increase (decrease) in customer deposits	(247)	71	1	(1)		(176)	
Increase (decrease) in deferred revenues	227	(44)	(159)			24	
Increase (decrease) in compensated absences	52	7	(40)	(13)	11	17	21
Increase (decrease) in other liabilities	(129)	(6)		778		643	1,441
Total adjustments	18,332	27,112	8,967	12,946	4,166	71,523	3,852
Net cash provided by (used in) operating activities	\$18,713	\$32,003	\$27,299	\$33,132	(\$17,951)	\$93,196	\$11,096

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

Lee County, Florida
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
As of September 30, 2008
(amounts expressed in thousands)

	<u>Agency Funds</u>
ASSETS	
Cash and equity in pooled cash and investments	\$43,364
Receivables (net)	
Accounts receivable	66
Due from other governments	248
Total assets	43,678
LIABILITIES	
Contracts and accounts payable	200
Due to individuals	4,410
Due to other governments	22,018
Bonds and deposits	17,050
Total liabilities	\$43,678

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



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*Notes to the Financial
Statements*

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

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Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

NOTE I. SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

Blended Component Unit

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

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

Lee County Port Authority
1100 Terminal Access Road, Suite 8671
Fort Myers, Florida 33913

*Government-Wide and Fund Financial
Statements*

The government-wide financial statements and the major-fund financial statements along with the notes to the financial statements comprise the basic financial statements. The government-wide financial statements (the statement of net 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. Neither fiduciary funds nor component units that are fiduciary in nature are included. General

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

governmental and inter-governmental revenues support the governmental activities, whereas the business-type activities are primarily supported by user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to determine if the County is in a better or worse financial position than the prior year.

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

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

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.

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. However, the internal service activity has been eliminated except for the outside activity and is combined with the governmental activities on the government-wide financial statements. The outside activities are premiums paid

from outside entities for insurance, employee's portion of insurance, auto and equipment repair, and participating governments in the radio program for the government communications network.

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

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

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

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

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund that include user fees, tolls, rental and franchise fees, and concessions. Non-operating revenues are not related to the operations of the proprietary fund and include

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

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.

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

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.

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

Lee County Library

The Library is used to account for ad valorem taxes and governmental grant funds designated to operate and maintain the County's public library system.

MSTU

The Municipal Service Taxing Unit (MSTU) is used to account for ad valorem taxes, building license and permit fees, State revenue sharing, administration fees, charges for Animal Services, and other revenues, and expenditures to be used in the unincorporated areas of the County for services rendered.

Capital Improvement

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

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

Port Authority

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

Water and Wastewater

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

Transportation Facilities

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Solid Waste

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

The County reports the following other fund types:

Non-major Governmental Funds

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

Non-major Enterprise Funds

The only non-major enterprise fund is Lee County Transit. Lee County Transit is used to account for the activities related to the operation of the Lee 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 self-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.

Use of Estimates

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

Budgetary Information

Budgets and Budgetary Accounting

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

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

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

Assets, Liabilities, and Net Assets or Equity

Cash and Equity in Pooled Cash and Investments

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

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

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

Investments

The County reports all investments at fair value, with the exception of: repurchase agreements, money market mutual funds, State Board of

Administration (SBA) Local Government Surplus Funds Trust Fund Investment Pool (LGIP), and the Florida Local Government Investment Trust that are reported at amortized cost which approximates fair value. All fair valuations are based on quoted market prices. The fair value of the position in the LGIP, an external 2a7-like investment pool, and the money market mutual funds are the same as the value of the pool/fund shares. The SBA Fund B Surplus Funds Trust Fund (Fund B) is accounted for as a fluctuating NAV pool.

Accounts Receivable

The trade accounts receivable of the County are recorded in the government-wide, governmental, and proprietary fund financial statements and are net of an allowance for doubtful accounts, which generally is equivalent to the receivables that are over 90 days.

Special assessment receivables that are not expected to be collected in the current year are reported as deferred revenue in the governmental fund statements. 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 transferring 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).

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

Advances To/From Other Funds

County Administration Code AC-3-4 (the Code) allows loans between funds to be made for a period not to exceed beyond the current fiscal year or thirty days, whichever is greater, that are approved by the County Manager or his designee. Loans that will not be repaid by the end of the current fiscal year must be approved by the Board of County Commissioners to be carried into the next fiscal year and are considered advances. Interest is calculated monthly using the simple interest method which is a variable rate based on the current rate used on Board funds deposited at the State Board of Administration (SBA), although the Code does allow for interest free loans. The Code does not specify repayment requirements. When it is determined that the advance will not be repaid it is treated as a transfer. Currently the County has outstanding advances with payment terms ranging from 1-20 years.

Capital Assets

Capital assets include property, buildings, furniture, equipment, vehicles, software, and infrastructure assets. Infrastructure assets are defined as public domain capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The threshold for capitalizing property, plant, and equipment is \$1,000. The threshold for capitalizing software and infrastructure is \$100,000. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at 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>Asset</u>	<u>Years</u>
Buildings	30-50
Improvements other than buildings	6-50
Equipment	3-35
Computer Equipment	3-10
Furniture	4-20
Vehicles & rolling stock	3-10
Software	3-5
Infrastructure	20-50

Pursuant to GASB 34, infrastructure was captured retrospectively as of 1981.

Florida Statutes require that the Board maintain accountability for all capital assets used in operations, except those separately accounted for 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 and Unearned Revenues

Deferred revenues do not meet the availability criteria. Unearned revenues represents revenues collected in advance of services performed and will be recognized when the services are rendered. In governmental funds special assessments are deferred until collected.

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

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
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current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. The exception to this policy is the Lee County Port Authority, which has a mandatory annual buyback of unused leave. This is accounted for pursuant to GASB Statement Number 16, *Accounting for Compensated Absences*.

Unamortized Discounts, Premiums, and Issuance Costs

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

Unamortized Gains or Losses

Gains or losses from debt refundings are reported in the accompanying financial statements as an addition or deduction to bonds payable and will be charged to operations using the effective-interest method by amortizing the gain or loss over the shorter of the life of the old bond or the life of the new bond, which is reported in the government-wide and proprietary fund financial statements.

Net Assets

In the government-wide and proprietary fund financial statements certain net assets have been identified as restricted. These net assets have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law. Restricted assets are being reported for: capital projects; debt service; and renewal and replacement.

Fund Equity

In the governmental fund financial statements a reservation of fund balance indicates 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 advances represents advances made to other funds or other governments. 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 except as follows:

- *General Fund* - Emergency Medical Services (EMS) ambulance fees, bad debts for EMS and other departments, changes in fair market value (FMV) of investments, advances to other funds, and inventory adjustments are not budgeted.
- *Library* - Changes in fair market value (FMV) of investments are not budgeted.
- *MSTU* - Changes in fair market value (FMV) of investments are not budgeted.

The following adjustments were necessary to present these funds' actual data on a budgetary basis (Non-GAAP) for the fiscal year ended September 30, 2008 (dollars in thousands):

<u>General Fund:</u>	
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$26,280
Basis Difference:	
EMS ambulance fees not reported on a cash basis	(7,163)
Miscellaneous revenue not budgeted (FMV)	125

Lee County, Florida
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Advances not budgeted as transfers	39,911
Expenditures associated with inventory	(82)
Bad debts for EMS and other departments, not budgeted	<u>9,827</u>
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$68,898</u>

Library:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$4,404
Basis Difference:	
Miscellaneous revenue not budgeted- Change in FMV	<u>220</u>
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$4,624</u>

MSTU:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$1,254
Basis Difference:	
Miscellaneous revenue not budgeted- Change in FMV	<u>304</u>
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$1,558</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 2008, is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. There were no significant delinquent property tax receivables at September 30, 2008.

Important dates in the property tax cycle are as follows:

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

NOTE IV. STEWARDSHIP,
 COMPLIANCE, AND ACCOUNTABILITY

*Compliance with Finance Related Legal
 and Contractual Provisions*

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

NOTE V. DETAIL NOTES ON ALL FUNDS

Cash, Equity in Pooled Cash and Investments, and Investments

As of September 30, 2008, the County had the following deposits, investments, and maturities (amounts in thousands):

Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
Cash on hand	N/A	\$1,176			N/A
Cash with Fiscal Agent	N/A	63,335			N/A
Demand Deposits	N/A	68,558			N/A
Local Government Surplus Funds Trust Fund					
Investment Pool	8.5 days	30,683			AAAm
Fund B Surplus Funds Trust Fund	9.36 years	8,443			Unrated
Florida Local Government Investment Trust	1.92 years	1,998			AAAf
Columbia Money Market Reserves Short Term Fund	N/A	28,723			AAAm
Federated Government Obligations Money Market Fund	N/A	13,436			AAAm
Dreyfus Treasury Prime Cash Management	N/A	121,577			AAAm
Evergreen Institutional Treasury Money Market	N/A	152			AAAm
Fidelity Institutional US Trust III Class B Fund	N/A	840			AAAm
First American Treasury Obligations Fund	N/A	47			AAAm
Dreyfus Treasury Prime Cash Management	N/A	13,509			AAAm
Federated US Treasury Cash Reserves	N/A	24,929			AAAm
Fidelity Institutional Money Market Fund Treasury					
Portfolio Class 1	N/A	223,970			AAAm
Goldman Sachs Financial Square Treasury Obligations Fund	N/A	53,067			AAAm
Goldman Sachs Financial Square Treasury Instruments Fund	N/A	18,884			AAAm
Repurchase Agreement	10/1/2008	110,000			Unrated
U.S. Treasury Bill	8/27/2009	12,791			N/A
U.S. Treasury Bill	2/19/2009	19,911			N/A
U.S. Treasury Bill	1/22/2009	19,937			N/A
U.S. Treasury Bill	12/26/2008	20,183			N/A
U.S. Treasury Bill	11/13/2008	19,981			N/A
U.S. Treasury Note	1/31/2010	20,055			N/A
U.S. Treasury Note	8/15/2009	20,269			N/A
U.S. Treasury Note	7/15/2009	20,280			N/A
U.S. Treasury Note	12/31/2008	20,186			N/A
U.S. Treasury Note	11/15/2008	25,119			N/A
U.S. Treasury Note	4/30/2009	8,129			N/A
Federal Farm Credit	7/1/2010	19,644			AAA
Federal Farm Credit	2/11/2010	6,762	2/11/2009	One-time	AAA
Federal Farm Credit	1/21/2010	19,950			AAA
Federal Farm Credit	12/15/2009	19,962	12/15/2008	Continuous	AAA
Federal Farm Credit	11/20/2009	19,900			AAA
Federal Farm Credit	4/13/2009	10,087			AAA
Federal Farm Credit	1/15/2009	20,038			AAA

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Cash, Equity in Pooled Cash and Investments, and Investments (continued)

Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
Federal Home Loan Bank	7/15/2010	20,031			AAA
Federal Home Loan Bank	2/22/2010	9,963			AAA
Federal Home Loan Bank	2/5/2010	19,988	11/5/2008	Quarterly	AAA
Federal Home Loan Bank	12/23/2009	19,956	12/23/2008	One-time	AAA
Federal Home Loan Bank	12/23/2009	10,047			AAA
Federal Home Loan Bank	9/11/2009	16,019			AAA
Federal Home Loan Bank	5/13/2009	19,944	11/13/2008	Quarterly	AAA
Federal Home Loan Bank	5/12/2009	10,713	11/12/2008	Quarterly	AAA
Federal Home Loan Bank	5/6/2009	19,937	11/6/2008	One-time	AAA
Federal Home Loan Bank	10/3/2008	20,000			AAA
Federal Home Loan Bank Discount Note	7/24/2009	19,504			AAA
Federal Home Loan Mortgage Corporation	6/10/2010	20,018	12/10/2008	Quarterly	AAA
Federal Home Loan Mortgage Corporation	3/10/2010	19,906	3/10/2009	Quarterly	AAA
Federal Home Loan Mortgage Corporation	9/24/2009	6,594	12/24/2008	Quarterly	AAA
Federal Home Loan Mortgage Corporation	4/2/2009	19,900	10/2/2008	Quarterly	AAA
Federal Home Loan Mortgage Corporation	3/12/2009	19,921	12/12/2008	Quarterly	AAA
Federal Home Loan Mortgage Corporation	10/15/2008	20,013			AAA
Federal Home Loan Mortgage Corp. Discount Note	2/23/2009	26,575			AAA
Federal National Mortgage Association	6/11/2010	40,000	12/11/2008	One-time	AAA
Federal National Mortgage Association	5/5/2010	10,006	11/5/2008	Continuous	AAA
Federal National Mortgage Association	5/5/2010	20,013	11/5/2008	Quarterly	AAA
Federal National Mortgage Association	2/19/2010	19,906	2/19/2009	One-time	AAA
Federal National Mortgage Association	2/15/2009	10,000			AAA
Federal National Mortgage Association	12/15/2008	9,997			AAA
Federal National Mortgage Assoc. Discount Note	3/19/2009	19,724			AAA
Total		<u>\$1,555,186</u>			

On November 29, 2007, the State Board of Administration (SBA) placed a freeze on all funds invested in the Local Government Surplus Funds Trust Fund Investment Pool (LGIP). This action was taken to prevent further deterioration in the overall Pool as a result of significant withdrawals made by pool participants upon the disclosure the SBA had investment risk associated with mortgage backed securities that had the potential for significant declines in market value due to the sub-prime mortgage crisis taking place within the United States.

On December 6, 2007, the LGIP was divided into two pools, which created the new Local Government Investment Fund A that was allocated 86 percent of the assets in the old LGIP. Fund A has paid monthly interest and provided periodic liquidity throughout the year.

The newly created Local Government Investment Fund B contained 14 percent of the assets originally in the LGIP. This fund contains the securities that have problems with payment defaults, paid slower than expected or have significant credit risk. Interest income is not paid and distributed to Fund B participants; however, periodic liquidity has been made available. Fund B is accounted for as a fluctuating NAV pool, the fair value factor as of September 30, 2008 was .798385.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Credit Risk

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

- A.) Direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government.
- B.) U.S. Government sponsored enterprises.
- C.) U.S. Government Agencies.
- D.) The Florida Local Government Surplus Funds Trust Fund (SBA).
- E.) Interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, in national banks organized under the laws of the United States and doing business and situated in Florida. Savings and loan associations which are under federal law and supervision, provided deposits are secured by collateral as may be prescribed by law. The institution must be fully insured by Federal Deposit Insurance Corporation, or Federal Savings and Loan Insurance Corporation, and are approved by the State Treasurer as a qualified public depository.
- F.) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided their portfolio is limited to United States Government obligations and repurchase agreements fully collateralized by such United States Government obligations.
- G.) Repurchase agreements with any primary brokers/dealers that are fully collateralized by direct obligations of United States, or U.S. government sponsored corporation/instrumentalities, or U.S. government agencies.
- H.) Bonds, notes or obligations of any state of the United States, any municipality, political subdivision, agency or authority of this state which are exempt from federal income taxation, and are rated by any nationally recognized rating agency for municipal bonds in any of the two highest classifications.
- I.) SEC - registered, no-load money market mutual funds whose portfolios consist of tax exempt securities and repurchase agreements, whose shares of the mutual fund must be rated in the highest category by a nationally recognized rating service.
- J.) Florida Local Government Investment Trust (FLGIT).
- K.) SEC registered money market mutual funds with average portfolio maturities under 120 days, whose portfolios consist of U.S. Government securities and repurchase agreements secured by such securities.

The Policy requires that collateral for overnight and term repurchase agreements must maintain a minimum price of 101 percent on U.S. Treasuries and 102 percent on Agencies and Instrumentalities not to exceed five (5) years, and must be "marked to market" on a weekly basis. The Policy also requires that the obligations of any state or municipality be rated by at least one of the nationally recognized rating agencies in any one of the two (2) highest classifications, and that investments in money market mutual funds must be rated in the highest category by a nationally recognized rating service. All credit ratings indicated in the above table are Standard & Poor's (S&P) ratings.

The Clerk does not have a formal written investment policy and thereby is required to follow Section 218.415, *Florida Statutes*, when investing surplus funds. This statute limits investing of surplus funds to the Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, Securities and Exchange

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, or direct obligations of the U.S. Treasury. All other Constitutional Officers follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds and the investment of surplus funds, in addition to Section 218.415, *Florida Statutes*.

Custodial Credit Risk

The Policy requires that bank deposits be secured as provided by Chapter 280, *Florida Statutes*, and that the banks must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) and approved by the State Treasurer as a public depository. At September 30, 2008, all of the County's bank deposits, including the Constitutional Officers', were in qualified public depositories.

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

Interest Rate Risk

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

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition in order to control concentration of credit risk. The Policy allows 100 percent of the portfolio to be invested in United States Treasuries/Agencies, 40 percent to be invested in Local Government Surplus Funds, 20 percent to be invested in repurchase agreements, 65 percent to be invested in money market mutual funds (no individual fund family can exceed 30 percent of the overall portfolio), 30 percent to be invested in

Certificate of Deposits, and 5 percent to be invested in FLGIT. No more than 25 percent of the total portfolio can be invested with one Investment Company.

The portion of the County's portfolio invested in Federal instrumentalities is detailed as follows, at September 30, 2008:

Issuer	Percent of Portfolio
Federal Home Loan Bank	13.08%
Federal Home Loan Mortgage Corp.	9.35%
Federal National Mortgage Association	9.11%
Federal Farm Credit Bank	<u>8.18%</u>
Total Federal Instrumentalities	<u>39.72%</u>

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

Primary government	
Current:	
Cash and equity in pooled cash and investments	\$1,196,382
Cash and cash equivalents with fiscal agent	113,276
Restricted:	
Cash and equity in pooled cash and investments	14,376
Cash and cash equivalents with fiscal agent	57,647
Non-current:	
Restricted:	
Cash and equity in pooled cash and investments	84,704
Cash and cash equivalents with fiscal agent	10,743
Investments	34,694
Agency Funds	
Cash and equity in pooled cash and investments	<u>43,364</u>
Total	<u>\$1,555,186</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Receivables

At September 30, 2008, receivables for the County's major funds and all other funds in aggregate were as follows (dollars in thousands):

	General Fund	Lee County Library	MSTU	Capital Improvement	Non-major Governmental Funds	Total Governmental Funds
Accounts	\$43,688		\$135		\$1,123	\$44,946
Special assessments					6,802	6,802
Accrued interest	3,117	\$397	530	\$938	2,235	7,217
Less: allowance for bad debt	(38,660)				(203)	(38,863)
Total net receivables	<u>\$8,145</u>	<u>\$397</u>	<u>\$665</u>	<u>\$938</u>	<u>\$9,957</u>	<u>\$20,102</u>

Total net receivables reported in governmental funds:	\$20,102
Internal service fund total receivables	719
Receivable reported on the Statement of Net Assets for Governmental Activities:	<u>\$20,821</u>

	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Accounts	\$5,459	\$9,831	\$79	\$6,253	\$533	\$22,155	\$318
Grants	7,192				2,680	9,872	
Notes				160		160	
Special assessments				1,881		1,881	
Accrued interest	56	305	137	80	40	618	401
Less: allowance for bad debt	(250)	(336)		(31)		(617)	
Total net receivables	<u>\$12,457</u>	<u>\$9,800</u>	<u>\$216</u>	<u>\$8,343</u>	<u>\$3,253</u>	<u>\$34,069</u>	<u>\$719</u>

In 1992, the County made a fifteen year \$1,200,000 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. Per the agreement, loan repayment began in 1996. The loan is carried in the Solid Waste Fund and the outstanding amount of the loan at September 30, 2008, was \$160,000. The loan was made to Hendry County for permitting an ash landfill site to be built in their county.

Lee County, Florida
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Restricted Assets

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, 2008, were as follows (dollars in thousands):

	<u>Port Authority</u>	<u>Water and Wastewater</u>	<u>Transportation Facilities</u>	<u>Solid Waste</u>	<u>Enterprise Total</u>
Cash and equity in pooled cash and investments	\$29,052	\$59,304	\$5,417	\$5,307	\$99,080
Cash and cash equivalents with fiscal agent	19,272	10,138	11,085	27,895	68,390
Investments	26,575			8,119	34,694
Receivables (net):					
Accounts	1,872	9	124		2,005
Special assessments		766			766
Accrued interest	40	288	21	164	513
Due from other funds			8		8
Other		721	65		786
Total	<u>\$76,811</u>	<u>\$71,226</u>	<u>\$16,720</u>	<u>\$41,485</u>	<u>\$206,242</u>

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, 2008, (dollars in thousands):

	<u>Port Authority</u>	<u>Water and Wastewater</u>	<u>Transportation Facilities</u>	<u>Solid Waste</u>	<u>Enterprise Total</u>
Debt service:					
Revenue bonds	\$46,964	\$10,597	\$11,093	\$34,688	\$103,342
Other		2,172	744		2,916
Renewal and replacement	514	9,910	2,031	1,500	13,955
Capital improvements and construction	29,333	43,027	826		73,186
Deposits		5,520	2,026		7,546
Landfill closure and postclosure costs				5,297	5,297
Total net restricted assets	<u>\$76,811</u>	<u>\$71,226</u>	<u>\$16,720</u>	<u>\$41,485</u>	<u>\$206,242</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Capital Assets

Capital asset activity for the fiscal year ended September 30, 2008, was as follows (dollars in thousands):

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Artwork	\$306		(\$2)	\$304
Land	389,206	\$106,163	(2,429)	492,940
Construction in progress	416,180	36,675	(334)	452,521
Software in progress	1,877	1,173		3,050
Total capital assets not being depreciated	<u>807,569</u>	<u>144,011</u>	<u>(2,765)</u>	<u>948,815</u>
Capital assets being depreciated:				
Buildings	255,247	2,107	(480)	256,874
Improvements other than buildings	57,498	3,675	(191)	60,982
Machinery and equipment	205,076	22,097	(8,312)	218,861
Software	11,377		(105)	11,272
Infrastructure	441,803	38,533	(50)	480,286
Total capital assets being depreciated	<u>971,001</u>	<u>66,412</u>	<u>(9,138)</u>	<u>1,028,275</u>
Less accumulated depreciation for:				
Buildings	84,605	6,472	(383)	90,694
Improvements other than buildings	19,223	3,222	(104)	22,341
Machinery and equipment	123,976	22,410	(6,676)	139,710
Software	5,379	1,598	(105)	6,872
Infrastructure	136,039	11,544	(10)	147,573
Total accumulated depreciation	<u>369,222</u>	<u>45,246</u>	<u>(7,278)</u>	<u>407,190</u>
Total capital assets being depreciated, net	<u>601,779</u>	<u>21,166</u>	<u>(1,860)</u>	<u>621,085</u>
Total governmental activities capital assets, net	<u>\$1,409,348</u>	<u>\$165,177</u>	<u>(\$4,625)</u>	<u>\$1,569,900</u>

Business-Type Activities:

Capital assets not being depreciated:

Land			
Port Authority	\$127,152	\$12,216	\$139,368
Water and Wastewater	13,548	13,833	27,381
Transportation Facilities	44,477		44,477
Solid Waste	18,600	1,516	20,116
Other non-major - Transit	65		65
Total land	<u>203,842</u>	<u>27,565</u>	<u>231,407</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Capital Assets (continued)

<u>Business-Type Activities (continued):</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Construction in progress				
Port Authority	62,696	14,661	(65,499)	11,858
Water and Wastewater	119,132	39,219	(48,508)	109,843
Transportation Facilities	13,078	8,400	(14,553)	6,925
Solid Waste	27,699	11,234	(28,270)	10,663
Other non-major - Transit	479	204		683
Total construction in progress	<u>223,084</u>	<u>73,718</u>	<u>(156,830)</u>	<u>139,972</u>
Software in progress				
Port Authority		136		136
Other non-major - Transit		139		139
Total software in progress	<u>0</u>	<u>275</u>	<u>0</u>	<u>275</u>
Total capital assets not being depreciated	<u>426,926</u>	<u>101,558</u>	<u>(156,830)</u>	<u>371,654</u>
Capital assets being depreciated:				
Buildings				
Port Authority	328,739	279	(221)	328,797
Water and Wastewater	31,047	140		31,187
Transportation Facilities	4,850			4,850
Solid Waste	104,895	1,140		106,035
Other non-major - Transit	5,279		(4)	5,275
Total buildings	<u>474,810</u>	<u>1,559</u>	<u>(225)</u>	<u>476,144</u>
Improvements other than buildings				
Port Authority	17,874	74		17,948
Water and Wastewater	265,282	50,665		315,947
Transportation Facilities	2,348		(477)	1,871
Solid Waste	12,961	8,241		21,202
Other non-major - Transit	66		(3)	63
Total improvements other than buildings	<u>298,531</u>	<u>58,980</u>	<u>(480)</u>	<u>357,031</u>
Machinery and equipment				
Port Authority	30,784	14,396	(708)	44,472
Water and Wastewater	58,267	4,261	(150)	62,378
Transportation Facilities	6,955	300	(2,208)	5,047
Solid Waste	191,866	9,592	(45)	201,413
Other non-major - Transit	17,867	795	(314)	18,348
Total machinery and equipment	<u>305,739</u>	<u>29,344</u>	<u>(3,425)</u>	<u>331,658</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Capital Assets (continued)

<u>Business-Type Activities (continued):</u>	Beginning Balance	Increases	Decreases	Ending Balance
Software				
Port Authority	2,670			2,670
Total software	2,670	0	0	2,670
Infrastructure				
Port Authority	240,839	39,982		280,821
Water and Wastewater	261,567	17,892		279,459
Transportation Facilities	265,820	14,534	(3,374)	276,980
Solid Waste	4,371	17,195		21,566
Total infrastructure	772,597	89,603	(3,374)	858,826
Total capital assets being depreciated	1,854,347	179,486	(7,504)	2,026,329
Less accumulated depreciation for:				
Buildings				
Port Authority	22,935	6,800		29,735
Water and Wastewater	9,313	693		10,006
Transportation Facilities	3,475	194		3,669
Solid Waste	36,115	3,354		39,469
Other non-major - Transit	1,482	119	(2)	1,599
Total buildings	73,320	11,160	(2)	84,478
Improvements other than buildings				
Port Authority	4,268	1,092		5,360
Water and Wastewater	71,677	13,917	(7)	85,587
Transportation Facilities	1,920	76	(350)	1,646
Solid Waste	4,067	549		4,616
Other non-major - Transit	63		(3)	60
Total improvements other than buildings	81,995	15,634	(360)	97,269
Machinery and equipment				
Port Authority	14,258	2,541	(687)	16,112
Water and Wastewater	22,353	4,093	(115)	26,331
Transportation Facilities	4,973	575	(1,891)	3,657
Solid Waste	39,707	7,372	(37)	47,042
Other non-major - Transit	13,431	1,725	(312)	14,844
Total machinery and equipment	94,722	16,306	(3,042)	107,986
Software				
Port Authority	1,045	524		1,569
Total software	1,045	524	0	1,569

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Capital Assets (continued)

<u>Business-Type Activities (continued):</u>	Beginning Balance	Increases	Decreases	Ending Balance
Infrastructure				
Port Authority	65,236	9,116		74,352
Water and Wastewater	100,461	9,019		109,480
Transportation Facilities	45,245	7,056	(3,153)	49,148
Solid Waste	1,382	323		1,705
Total infrastructure	<u>212,324</u>	<u>25,514</u>	<u>(3,153)</u>	<u>234,685</u>
Total accumulated depreciation	<u>463,406</u>	<u>69,138</u>	<u>(6,557)</u>	<u>525,987</u>
Total capital assets being depreciated, net	<u>1,390,941</u>	<u>110,348</u>	<u>(947)</u>	<u>1,500,342</u>
Total business-type activities capital assets, net	<u>\$1,817,867</u>	<u>\$211,906</u>	<u>(\$157,777)</u>	<u>\$1,871,996</u>

Note: In 2008 software is classified as a capital asset vs. an intangible asset; therefore, the previous year has been modified to reflect the change.

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, 2008, was \$106,000.

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

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
General government	\$16,124	Port Authority	\$20,077
Public safety	9,552	Water and Wastewater	27,722
Physical environment	586	Transportation Facilities	7,901
Transportation	11,692	Solid Waste	11,598
Economic environment	180	Other non-major Transit	<u>1,844</u>
Human services	607	Total depreciation for	
Culture and recreation	6,497	business-type activities	<u>\$69,142</u>
Total depreciation for			
governmental activities	<u>\$45,238</u>		

The total depreciation/amortization expense by function does not agree with the related disclosed accumulated depreciation because of asset transfers to/from Governmental Activities to/from Business-Type Activities and amortization not reported above. The related accumulated depreciation for the asset transfer is reported in the Increase and/or Decrease columns on the *Schedule of Capital Assets by Activity*; therefore, the increase in accumulated depreciation is different from the current year's depreciation.

Construction Commitments

The County has active construction projects as of September 30, 2008. The significant commitments for remaining contracts were as follows (dollars in thousands):

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Spent-to-date</u>	<u>Remaining Commitment</u>	<u>Retainage</u>
Port Authority	\$19,187	\$8,784	\$10,403	\$88
Water and Wastewater	100,148	55,583	44,565	2,517
Transportation	142,658	66,148	76,510	10,407
Solid Waste	27,862	23,017	4,845	1,502
Library	24,343	3,143	21,200	219
Parks and Recreation	13,968	6,886	7,082	409
Other	108,908	64,709	44,199	6,766
Total	<u>\$437,074</u>	<u>\$228,270</u>	<u>\$208,804</u>	<u>\$21,908</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Interfund Transactions

Due To/From Other Funds

Interfund balances for the year ended September 30, 2008, consisted of the following (dollars in thousands):

<u>Receivable Fund/Payable Fund:</u>	<u>Amount</u>	<u>Receivable Fund/Payable Fund:</u>	<u>Amount</u>
<i>Due to: General Fund</i>			
Library	Interfund billing for services	\$21	
MSTU	Interfund billing for services	59	
Capital Improvements	Interfund billing for services	231	
Non-major governmental funds	Interfund billing for services and return of excess fees	1,818	
Port Authority	Interfund billing for services	103	
Water and Wastewater	Interfund billing for services	55	
Transportation Facilities	Interfund billing for services	3	
Solid Waste	Interfund billing for services	4	
Transit	Interfund billing for services	2	
Internal service funds	Interfund billing for services	32	
Total due to General Fund		<u>2,328</u>	
<i>Due to: Lee County Library</i>			
General Fund	Excess fees and Ad Valorem Taxes	451	
Total due to Library		<u>451</u>	
<i>Due to: MSTU</i>			
General Fund	Excess fees and Ad Valorem Taxes	1,080	
Non-major governmental funds	Interfund billing for services	59	
Capital Improvements	Operations	36	
Internal service funds	Interfund billing for services	24	
Total due to MSTU		<u>1,199</u>	
<i>Due to: Capital Improvements</i>			
General Fund	Excess fees and Ad Valorem Taxes	709	
Non-major governmental funds	Expenditure reimbursement	1,735	
Total due to Capital Improvements		<u>2,444</u>	
<i>Due to: Non-major governmental funds</i>			
General Fund	Excess fees and Ad Valorem Taxes	583	
Library	Operations	5	
MSTU	Interfund billing for services	1	
Capital Improvements	Interfund billing for services	367	
Non-major governmental funds	Operations	2,813	
Port Authority	Interfund billing for services	15	
Transportation Facilities	Operations	1,508	
Transit	Interfund billing for services	2	
Internal service funds	Interfund billing for services	10	
Total due to Non-major governmental funds		<u>\$5,304</u>	
<i>Due to: Water and Wastewater</i>			
Non-major governmental funds	Expense reimbursement	\$39	
Internal service funds	Operations	2	
<i>Due to: Transportation Facilities</i>			
Non-major governmental funds	Operations	21 *	
<i>Due to: Solid Waste</i>			
General Fund	Excess fees and Ad Valorem Taxes	290	
MSTU	Interfund billing for services	4	
Non-major governmental funds	Interfund billing for services	2	
Water and Wastewater	Interfund billing for services	26	
<i>Due to: Transit</i>			
General Fund	Interfund billing for services	30	
Non-major governmental funds	Operations	117	
Internal service funds	Operations	1	
Total due to Enterprise funds		<u>532</u>	
<i>Due to: Internal service funds</i>			
General Fund	Interfund billing for services	755	
Library	Interfund billing for services	61	
MSTU	Interfund billing for services	164	
Capital Improvements	Interfund billing for services	2	
Non-major governmental funds	Interfund billing for services	426	
Water and Wastewater	Interfund billing for services	167	
Transportation Facilities	Interfund billing for services	22	
Solid Waste	Interfund billing for services	10	
Transit	Interfund billing for services	772	
Internal service funds	Interfund billing for services	38	
Total due to Internal service funds		<u>2,417</u>	
Total		<u>\$14,675</u>	

* Includes \$8,000 classified as Restricted Assets on the Proprietary Fund Statement of Net Assets.

Advances To/Advances From Other Funds

Interfund advances for the year ended September 30, 2008, consisted of the following (dollars in thousands):

<u>Receivable Fund/Payable Fund:</u>	<u>Amount</u>	<u>Receivable Fund/Payable Fund:</u>	<u>Amount</u>
<i>Advances from General Fund</i>			
Capital Improvements	Interfund land acquisition loan	\$900	
Non-major governmental funds	Interfund construction and land acquisition loans	24,245	
Total advances		<u>25,145</u>	
<i>Advances from Special Assessment Districts</i>			
Municipal Service Benefit Unit Districts	Interfund construction loans	139	
Total advances		<u>\$25,284</u>	
		Loan to purchase Fisherman's Cooperative	\$2,150
		Loan to finish County Road 951	18,100
		Loan to Community Parks Impact Fees for refunds	20
		Loan for Three Oaks Road Project and Boca Grande drainage	4,875
		Loan to San Carlos benefit unit district for construction	139
		<u>Total</u>	<u>\$25,284</u>

Advances to other local governments have been made for \$802,000 from the General Fund to the Southwest Florida Expressway Authority for various startup costs.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

Interfund Transactions (continued)

Interfund Transfers

Interfund transfers for the year ended September 30, 2008, consisted of the following (dollars in thousands):

General Fund	<i>Transfers In</i>										Total
	Library	MSTU	Capital Improve	Non-major Gov't Funds	Water and Wastewater	Solid Waste	Other Non-Major Transit	Internal Service Funds	Capital Asset Transfer*		
General Fund	\$385	\$587	\$594	\$70,086		\$218	\$11,034	\$1,540			\$84,444
MSTU			490	23,639							27,792
Capital Improvements				1,175							2,168
Non-major governmental			9,138	20,135		192	636				31,686
Water & Wastewater								3			3
Transportation Facilities				3,882							3,882
Internal Service									\$2		2
Capital Asset Transfer*											55
	\$6,241	\$587	\$10,222	\$118,917	\$2	\$410	\$11,670	\$1,569	\$29	\$29	\$150,032

The majority of interfund transfers were for recurring annual transfers. A non-recurring budgeted transfer of \$1,255,000 during the year was made from the Capital Revenue Bonds Construction fund to the Capital Improvements fund to reimburse certain expenditures related to the construction of the new jail and evidence facility.

*This represents capital assets that were transferred to/from proprietary funds to/from governmental funds.

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

Long-Term Obligations

Leases

Operating Leases

The County is currently committed to various operating leases with terms in excess of one year. The future minimum rental payments as of September 30, 2008, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Amount</u>
2009	\$2,788
2010	1,841
2011	1,280
2012	800
2013	425
2014-2018	<u>124</u>
Total	<u>\$ 7,258</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, 2008 (dollars in thousands):

Minimum rentals	\$3,789
Contingent rentals	378
Sublease rentals	<u>17</u>
Total rent expense	<u>\$4,184</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 currently has no capital lease obligations.

Revenue Bonds

The County issued revenue bonds for both governmental and business-type activities. The descriptions and balances of the outstanding revenue bonds as of September 30, 2008, were as follows:

Governmental Activities

- Series 1993B Capital Refunding Revenue Bonds for \$36,238,000 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 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, 2008, was \$8,454,000. The outstanding balance, not including accreted interest, was \$5,938,000.
- 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 \$13,095,000.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

- 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 \$6,230,000.
- 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 \$21,355,000.
- 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 \$11,140,000.
- Series 2003 Capital and Transportation Facilities Refunding Revenue Bonds for \$40,815,000 at interest rates ranging from 2 percent to 5 percent (effective interest rate of 4.88 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 \$38,780,000.
- Series 2003 Road Improvement Refunding Revenue Bond for \$4,953,000 at an interest rate of 2.94 percent (effective interest rate of 3.89 percent), collateralized by a lien on and a pledge of the voted one-cent gas tax imposed by the County. The outstanding balance was \$1,065,000.
- Series 2004 Tourist Development Tax Refunding Revenue Bonds for \$8,195,000 at interest rates ranging from 2 percent to 5.25 percent (effective interest rate of 5.22 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 \$6,020,000.
- Series 2004 Capital Revenue Bonds for \$55,530,000 at interest rates ranging from 4 percent to 4.99 percent (effective interest rate of 4.99 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 \$55,530,000.
- Series 2006 Capital Revenue Bonds for \$63,605,000 at interest rates ranging from 4 percent to 5 percent (effective interest rate of 4.40 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 \$63,605,000.
- Series 2004 Five Cent Local Option Gas Tax Refunding Revenue Bonds for \$26,920,000 at interest rates ranging from 2.25 percent to 5 percent (effective interest rate of 4.69 percent), collateralized by a lien on and pledge of the

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

local option gas tax revenues. The outstanding balance was \$23,715,000.

- 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 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 \$6,125,000.

Business-Type Activities

- 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 \$33,785,000.
- 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 Southwest Florida International Airport (SWFIA). The outstanding balance was \$291,155,000.
- Series 2002 Airport Revenue Refunding Bonds for \$37,065,000 at interest rates ranging from 2.0 percent to 5.0 percent (effective interest rate of 5.59 percent), collateralized by a lien on and a pledge of the net revenues of SWFIA. The outstanding balance was \$18,980,000.
- Series 2005 Airport Revenue Refunding Bonds, for \$37,805,000 at interest rates ranging from 3.5 percent to 5 percent (effective interest rate of 5.642 percent), collateralized by a lien on and a pledge of net revenues of the SWFIA. The outstanding balance was \$37,740,000.
- 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 \$113,685,000.
- Series 2003A Water and Sewer Refunding Revenue Bonds for \$57,240,000 at interest rates ranging from 2 percent to 5 percent (effective interest rate of 6.12 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 \$55,395,000.
- Series 2003B Water and Sewer Revenue Bonds for \$8,285,000 at an interest rate of 5 percent (effective interest rate of 4.74 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 \$8,285,000.
- 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 \$46,755,000.
- Series 2004B Transportation Facilities Refunding Revenue Bonds for \$58,375,000 at interest rates ranging from 2 percent to 5 percent (effective interest rate of 5.97 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 \$52,290,000.
- Series 2005A Transportation Facilities Refunding Revenue Bonds for \$30,285,000 at interest rates ranging from 2 percent to 5 percent (effective interest rate of 5.54 percent) collateralized by a lien on and pledge of the net revenues of the

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Sanibel Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. The outstanding balance was \$30,085,000.

- Series 2005B Transportation Facilities Revenue Bonds for \$63,865,000 at interest rates ranging from 3 percent to 5 percent (effective interest rate of 4.36 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 \$62,655,000.
- Series 2001 Solid Waste System Refunding Revenue Bonds for \$140,925,000 at interest rates ranging from 2.625 percent to 5.625 percent (effective interest rate of 5.81 percent), collateralized by a lien on and a pledge of net revenues of the Lee County Solid Waste System. The outstanding balance was \$74,300,000.
- Series 2006A Solid Waste System Revenue Bonds, for \$83,335,000 at interest rates ranging from 4.3 percent to 5.125 percent (effective interest rate of 4.955 percent), collateralized by a lien on and a pledge of net revenues of the Lee County Solid Waste System. The outstanding balance was \$83,335,000.
- Series 2006B Solid Waste System Refunding Revenue Bonds, for \$21,710,000 at interest rates ranging from 4 percent to 5 percent (effective interest rate of 5.588 percent), collateralized by a lien on and a pledge of net revenues of the Lee County Solid Waste System. The outstanding balance was \$21,710,000.

The annual debt service requirements for revenue bonds at September 30, 2008, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$19,040	\$11,414	\$33,460	\$47,660	\$52,500	\$59,074
2010	18,785	10,545	34,880	46,163	53,665	56,708
2011	16,315	9,694	36,530	44,551	52,845	54,245
2012	11,443	9,090	38,925	42,760	50,368	51,850
2013	8,595	8,772	40,885	40,727	49,480	49,499
2014-2018	57,375	36,952	181,015	174,169	238,390	211,121
2019-2023	63,965	21,915	170,725	129,048	234,690	150,963
2024-2028	57,080	5,602	207,635	79,052	264,715	84,654
2029-2033			147,910	29,184	147,910	29,184
2034-2038			38,190	1,639	38,190	1,639
Total	<u>\$252,598</u>	<u>\$113,984</u>	<u>\$930,155</u>	<u>\$634,953</u>	<u>\$1,182,753</u>	<u>\$748,937</u>

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

Fiscal Year(s)	Business-type Activities							
	Port Authority		Water and Wastewater		Transportation Facilities		Solid Waste	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$8,515	\$21,344	\$4,960	\$8,288	\$6,395	\$9,182	\$13,590	\$8,846
2010	8,855	20,980	5,130	8,115	6,610	8,939	14,285	8,129
2011	9,240	20,587	5,310	7,925	6,890	8,658	15,090	7,381
2012	9,865	20,116	5,510	7,717	7,710	8,331	15,840	6,596
2013	10,415	19,551	5,725	7,496	8,070	7,959	16,675	5,721
2014-2018	61,630	87,896	32,680	33,206	48,240	33,168	38,465	19,899
2019-2023	63,550	69,620	41,375	24,288	33,125	22,829	32,675	12,311
2024-2028	79,105	49,531	52,515	12,851	43,290	13,405	32,725	3,265
2029-2033	105,550	22,284	24,160	1,223	18,200	5,677		
2034-2038	24,935	623			13,255	1,016		
	<u>\$381,660</u>	<u>\$332,532</u>	<u>\$177,365</u>	<u>\$111,109</u>	<u>\$191,785</u>	<u>\$119,164</u>	<u>\$179,345</u>	<u>\$72,148</u>

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, 2008, consisted of the following (dollars in thousands):

Capital Bonds, Series 1979	\$2,750
Justice Center Complex, Inc. Improvement Revenue Bonds, Series 1981	23,695
Airport Revenue Bonds, Series 1980	6,490
Airport Revenue Bonds, Series 1983	4,790
Gulf Environmental Services, Inc. Water and Sewer System Revenue Bonds, Series 1998	53,150
Airport Revenue Bonds, Series 2000B	<u>36,180</u>
Total	<u>\$127,055</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, 2008, were maintained on all issues. The following issues are still outstanding:

Revenue Bonds

Capital Refunding Revenue Bonds, Series 1993B
 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
 Road Improvement Refunding Revenue Bond, Series 2003
 Capital & Transportation Facilities Refunding Revenue Bond, Series 2003
 Tourist Development Tax Refunding Revenue Bonds, Series 2004

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Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004
 Capital Revenue Bonds, Series 2004
 Capital Revenue Bonds, Series 2006
 Certificates of Participation, Series 1993
 Passenger Facility Charge Revenue & Refunding Bonds, Series 1998
 Airport Revenue Bonds, Series 2000A
 Airport Revenue Refunding Bonds, Series 2002
 Airport Revenue Refunding Bonds, Series 2005
 Water and Sewer Revenue Bonds, Series 1999A
 Water and Sewer Refunding Revenue Bonds, Series 2003A
 Water and Sewer Revenue Bonds, Series 2003B
 Transportation Facilities Refunding Revenue Bonds, Series 2001A
 Transportation Facilities Refunding Revenue Bonds, Series 2004B
 Transportation Facilities Refunding Revenue Bonds, Series 2005A
 Transportation Facilities Revenue Bonds, Series 2005B
 Solid Waste System Refunding Revenue Bonds, Series 2001
 Solid Waste System Revenue Bonds, Series 2006A
 Solid Waste System Refunding Revenue Bonds, Series 2006B

1.52 percent to 3.6 percent. The outstanding balance was \$11,378,000.

- Commercial paper loans A-21-1, A-21-2, A-21-3, and A-21-4 for \$20,500,000 were issued on November 1, 2005, April 20, 2006, September 28, 2006, and February 15, 2007, respectively, to finance certain transportation related capital projects in business-type activities. Payments are payable from budgeted and appropriated non-ad valorem revenues and other legally available County funds not otherwise pledged and from the net revenues of the Transportation Facilities. Principal is due at maturity on December 1, 2009, and interest is payable monthly on the unpaid balance at variable rates. For the year ended September 30, 2008, the rates ranged from 1.52 percent to 3.6 percent. The outstanding balance was \$20,500,000.
- Commercial paper loan A-26-1 for \$640,000 was issued on August 15, 2008, to finance capital projects used in governmental activities. Payments are payable from budgeted and appropriated non-ad valorem revenues and other legally available County funds not otherwise pledged. Principal is due at maturity on December 7, 2010, and interest is payable monthly on the unpaid balance at variable rates. For the year ended September 30, 2008, the rates ranged from 1.52 percent to 3.6 percent. The outstanding balance was \$640,000.

Variable Debt

The County has entered into loan agreements with the Florida Local Government Finance Commission (FLGFC) for governmental and business-type activities. The descriptions and the outstanding balances of the variable debt at September 30, 2008, were as follows:

- Commercial paper loan A-19-1 for \$20,000,000 was issued on June 10, 2004, to finance certain transportation related capital projects in business-type activities. Payments are payable from budgeted and appropriated non-ad valorem revenues and other legally available County funds not otherwise pledged and from the net revenues of the Transportation Facilities. Principal is due at maturity on December 2, 2008, and interest is payable monthly on the unpaid balance at variable rates. For the year ended September 30, 2008, the rates ranged from

The County has entered into a loan agreement with a commercial bank to provide long-term financing for certain capital projects used in governmental activities. 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 2018. The descriptions and the outstanding balances of the variable debt at September 30, 2008, were as follows:

- Bal Isle Drive Sewer district loan was issued on June 4, 2004, for \$79,000. For the year ended September 30, 2008, the interest rate was 6.12 percent. The interest rate is fixed until 2014

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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when it becomes variable and is calculated at 133 percent of the five-year Treasury note yield. The outstanding balance was \$51,000.

- Country/Triple Crown Court Waterline district loan was issued on July 15, 2004, for \$195,000. For the year ended September 30, 2008, the interest rate was 5.95 percent. The interest rate is fixed until 2014 when it becomes variable and is calculated at 133 percent of the five-year Treasury note yield. The outstanding balance was \$117,000.
- Cottage Point Waterline district loan was issued on July 28, 2004, for \$131,000. For the year ended September 30, 2008, the interest rate was 5.93 percent. The interest rate is fixed until 2014 when it becomes variable and is calculated at 133 percent of the five-year Treasury note yield. The outstanding balance was \$81,000.

The Port Authority entered into a \$10,000,000 line of credit on July 8, 2004, with a commercial bank to finance certain airport-related capital projects in business-type activities at an interest rate of 117 percent of London Interbank Offered Rates (LIBOR). Effective January 1, 2006, a more favorable interest rate was negotiated of 67 percent of LIBOR plus 73 basis points which was 2.40 percent as of September 30, 2008. To date the Port Authority has drawn \$10,000,000 from the line of credit. Principal is payable semi-annually beginning June 1, 2006 and interest is payable monthly on the unpaid balance until final maturity on December 1, 2020. The line of credit is collateralized by a lien on and a pledge of the net revenues of Page Field General Aviation Airport. The outstanding balance as of September 30, 2008, was \$5,137,000.

The annual debt service requirements for variable debt at September 30, 2008, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$27	\$31	\$11,683	\$667	\$11,710	\$698
2010	27	29	20,825	195	20,852	224
2011	667	14	340	103	1,007	117
2012	27	10	355	95	382	105
2013	27	8	375	86	402	94
2014-2018	114	14	2,180	287	2,294	301
2019-2023			1,257	30	1,257	30
	<u>\$889</u>	<u>\$106</u>	<u>\$37,015</u>	<u>\$1,463</u>	<u>\$37,904</u>	<u>\$1,569</u>

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, 2008, were as follows:

Commercial Banks

The County has entered into loan agreements with two commercial banks to provide long-term financing for certain capital projects. The loans are collateralized by special assessments levied against the benefited property owners of certain municipal service benefit units (MSBU) of the County. Interest is payable semi-annually. Principal is payable in equal annual installments maturing in fiscal years 2010 through 2023.

Lee County, Florida
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- South Pebble/Broken Arrow district loan was issued on May 27, 1998, for \$360,000 at an interest rate of 5.74 percent. The outstanding balance was \$107,000.
- Diplomat Parkway district loan for \$3,659,000 was issued on August 18, 1998, at an interest rate of 5.49 percent. The outstanding balance was \$755,000.
- Pinecrest district loan was issued on March 31, 2000, for \$499,000 at an interest rate of 6.332 percent. The outstanding balance was \$198,000.
- Rainbow Farms district loan was issued on April 18, 2002, for \$66,000 at an interest rate of 5.365 percent. The outstanding balance was \$24,000.
- Iona Shores district loan was issued on April 18, 2002, for \$59,000 at an interest rate of 5.365 percent. The outstanding balance was \$21,000.
- Charlee Road Paving Improvements district loan was issued on June 15, 2005, for \$218,000 at an interest rate of 5.19 percent. The outstanding balance was \$23,000.
- Northeast Hurricane Bay district loan was issued on August 5, 2005, for \$244,000 at an interest rate of 5.459 percent. The outstanding balance was \$146,000.
- Gasparilla Beach Renourishment district loan was issued on August 10, 2007, for \$572,000 at an interest rate of 5.5 percent. The outstanding balance was \$458,000.
- Briarcrest Sewer district loan was issued on August 10, 2007, for \$324,000 at an interest rate of 5.51 percent. The outstanding balance was \$302,000.
- Harbor Drive district loan was issued on February 29, 2008, for \$867,000 at an interest rate of 4.67 percent. The outstanding balance was \$867,000.

- Western Acres district loan was issued on April 25, 2008, for \$1,696,000 at an interest rate of 4.36 percent. The outstanding balance was \$1,696,000.

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 \$10,135,000 at interest rates of 3.57 percent and 3.66 percent. The first installment of \$726,000 was due on October 1, 1993, and thereafter the annual installments are \$721,000. The outstanding balance was \$3,241,000.
- On April 17, 2001, the Lee County Water and Wastewater System entered into an agreement with the Florida Department of Environmental Protection to borrow up to \$4,956,000 at an interest rate of 3.08 percent. To date the County has received \$3,278,000 in disbursements from this loan. The outstanding balance also includes capitalized interest and service fees of \$587,000. The 20 semiannual loan payments began on July 15, 2007, and will continue semiannually thereafter on January 15 and July 15 of each year until all amounts due have been fully paid. The outstanding balance was \$3,358,000.
- On June 15, 2005, the Lee County Water and Wastewater System entered into an agreement with the Florida Department of Environmental Protection to borrow \$3,375,000, excluding capitalized interest, at an interest rate of 2.67 percent for the construction of the North Lee County Water Treatment Plant. The agreement was amended to authorize the borrowing, excluding capitalized interest, of an additional \$6,000,000, \$5,000,000, \$3,000,000, and \$3,200,000 at interest rates of 2.58 percent, 2.64 percent, 2.64 percent, and 2.77 percent respectively. As of 9/30/08 the County has received a total of \$18,398,000 which includes \$17,375,000 in disbursements and \$1,023,000 in service fees and capitalized interest. The first of 40 semiannual loan payments was due on July 15, 2008, and thereafter the semiannual installments of

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

\$691,000 are due on January 15 and July 15 of each year until all amounts due have been fully paid. The outstanding balance was \$17,929,000.

free loan is to be repaid in three annual installments of \$500,000 beginning in fiscal year 2008 through 2010. The outstanding balance is \$1,000,000.

Florida Department of Transportation

- On April 1, 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 30, 1999. The loan has been expended on the Westerly Corridor Extension project. The interest free loan is to be repaid in annual installments beginning in fiscal year 2005 through 2009. The outstanding balance was \$158,000.
- On April 30, 2002, and June 17, 2002, the Lee County Transportation Facilities entered into agreements with the Florida Department of Transportation to borrow \$1,500,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 20, 2005. The loan has been expended on the design of the Cape Coral and Sanibel Toll Facilities Rehabilitation projects. The interest free loan is to be repaid in five annual installments of \$300,000 beginning in fiscal year 2006 through 2010. The outstanding balance is \$600,000.
- On January 22, 2003, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$1,500,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 20, 2005. The loan has been expended on the design of Sanibel Bridge replacement spans B and C. The interest free loan is to be repaid in three annual installments of \$500,000 beginning in fiscal year 2008 through 2010. The outstanding balance is \$1,000,000.
- On December 4, 2003, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$1,500,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 5, 2006. The loan has been expended on the design of span A of the Sanibel Bridge. The interest free loan is to be repaid in five annual installments of \$300,000 beginning in fiscal year 2009 through 2013. The outstanding balance is \$1,500,000.
- On July 25, 2005, the Lee County Transit Division entered into an agreement with the Florida Department of Transportation to borrow \$3,000,000 from the State Infrastructure Bank (SIB). The loan has been procured for the development of a new transit facility. This interest free loan is to be repaid in five annual installments beginning in fiscal year 2008 through 2012. The outstanding balance was \$2,400,000.
- On June 29, 2006, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$1,500,000 from the Florida Toll Facilities Revolving Trust Fund. The loan will be expended on the design of the Colonial Boulevard elevated expressway. The interest free loan is to be repaid in three annual installments of \$500,000 beginning in fiscal year 2013 through 2015. The outstanding balance is \$1,500,000.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

The annual debt service requirements for notes payable at September 30, 2008, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$537	\$229	\$3,407	\$1,007	\$3,944	\$1,236
2010	532	200	3,308	947	3,840	1,147
2011	523	171	2,570	885	3,093	1,056
2012	523	144	2,635	821	3,158	965
2013	249	116	2,601	754	2,850	870
2014-2018	865	425	6,538	2,957	7,403	3,382
2019-2023	1,368	241	5,042	1,872	6,410	2,113
2024-2028			5,585	637	5,585	637
	<u>\$4,597</u>	<u>\$1,526</u>	<u>\$31,686</u>	<u>\$9,880</u>	<u>\$36,283</u>	<u>\$11,406</u>

Other Obligations

Self-Insurance Claims Payable

Self-insurance claims payable are fully described in Note VIII. Since the self-insurance activity is accounted for in an internal service fund, it has been categorized in the governmental activities on the government-wide Statement of Net Assets. The balance at September 30, 2008, consisted of the following (dollars in thousands):

Self-insurance group health & dental	\$4,907
Sheriff Internal Service Fund	2,192
Self-insurance general liability	<u>10,149</u>
Total self-insurance claims payable	<u>\$17,248</u>

Arbitrage Rebate Payable

Any excess interest earnings on tax-exempt bond proceeds must be remitted to the federal government in five-year intervals. Even though a payment may not be required until several years into the future, the liability is recognized as it is probable and measurable. The liability is recorded in both governmental and business-type activities. The total obligations as of September 30, 2008, were as follows (dollars in thousands):

Governmental Activities	\$12
Business-type Activities	<u>1</u>
Total	<u>\$13</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Long-Term Debt (continued)

Changes in Long-Term Debt

Changes in bonded and other indebtedness of the County for the year ended September 30, 2008, were as follows (dollars in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u><i>Governmental Activities:</i></u>					
Bonds payable:					
Revenue bonds	\$274,473		(\$21,875)	\$252,598	\$19,040
Less/ plus deferred amounts:					
Unamort discount/premium	4,818		(511)	4,307	449
Unamortized loss/ gain	(935)		411	(524)	(318)
Total Bonds Payable	278,356		(21,975)	256,381	19,171
Variable debt	3,079	\$640	(2,830)	889	27
Notes payable	2,727	2,563	(693)	4,597	537
Accreted interest payable	7,645	809		8,454	
Other:					
Self-insurance claims payable	15,808	63,130	(61,690)	17,248	8,225
Arbitrage rebate payable	21		(9)	12	12
Compensated absences	22,254	19,025	(18,367)	22,912	722
Total governmental activity long-term liabilities	\$329,890	\$86,167	(\$105,564)	\$310,493	\$28,694
<u><i>Business-Type Activities:</i></u>					
<u><i>Port Authority</i></u>					
Bonds payable:					
Revenue bonds	\$389,800		(\$8,140)	\$381,660	\$8,515
Less/ plus deferred amounts:					
Unamort discount/premium	(2,516)		131	(2,385)	(147)
Unamortized loss/ gain	(4,110)		383	(3,727)	(278)
Total Bonds Payable	383,174		(7,626)	375,548	8,090
Variable debt	5,432		(295)	5,137	305
Arbitrage rebate payable	130	\$1	(130)	1	
Compensated absences	1,019	2,171	(2,119)	1,071	743
Total Port Authority long-term liabilities	\$389,755	\$2,172	(\$10,170)	\$381,757	\$9,138

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Long-Term Debt (continued)

Changes in Long-Term Debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u><i>Water and Wastewater</i></u>					
Bonds payable:					
Revenue bonds	\$182,170		(\$4,805)	\$177,365	\$4,960
Less/plus deferred amounts:					
Unamort discount/premium	2,026		(158)	1,868	151
Unamortized loss/gain	(7,524)		733	(6,791)	(677)
Total Bonds Payable	176,672		(4,230)	172,442	4,434
Notes payable	22,679	\$3,240	(1,391)	24,528	1,549
Arbitrage rebate payable	6		(6)		
Compensated absences	1,024	855	(848)	1,031	130
Total Water and Wastewater long-term liabilities	<u>\$200,381</u>	<u>\$4,095</u>	<u>(\$6,475)</u>	<u>\$198,001</u>	<u>\$6,113</u>
<u><i>Transportation Facilities</i></u>					
Bonds payable:					
Revenue bonds	\$198,600		(\$6,815)	\$191,785	\$6,395
Less/plus deferred amounts:					
Unamort discount/premium	6,932		(716)	6,216	672
Unamortized loss/gain	(12,966)		1,483	(11,483)	(1,318)
Total Bonds Payable	192,566		(6,048)	186,518	5,749
Variable debt	32,712		(834)	31,878	11,378
Notes payable	5,892		(1,134)	4,758	1,258
Compensated absences	324	\$306	(345)	285	18
Total Transportation Facilities long-term liabilities	<u>\$231,494</u>	<u>\$306</u>	<u>(\$8,361)</u>	<u>\$223,439</u>	<u>\$18,403</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Long-Term Debt (continued)

Changes in Long-Term Debt (continued)

	Ending Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u><i>Solid Waste</i></u>					
Bonds payable:					
Revenue bonds	\$191,965		(\$12,620)	\$179,345	\$13,590
Less/plus deferred amounts:					
Unamort discount/premium	1,845		(639)	1,206	479
Unamortized loss/gain	(3,080)		945	(2,135)	(751)
Total Bonds Payable	190,730		(12,314)	178,416	13,318
Landfill closure & postclosure costs	9,476	\$778		10,254	
Capital leases	30		(30)		
Compensated absences	239	239	(252)	226	22
Total Solid Waste long-term liabilities	<u>\$200,475</u>	<u>\$1,017</u>	<u>(\$12,596)</u>	<u>\$188,896</u>	<u>\$13,340</u>
<u><i>Other Non-Major - Transit</i></u>					
Notes Payable	\$3,000		(\$600)	\$2,400	\$600
Compensated absences	550	\$834	(823)	561	41
Total Other Non-Major long-term liabilities	<u>\$3,550</u>	<u>\$834</u>	<u>(\$1,423)</u>	<u>\$2,961</u>	<u>\$641</u>
<u><i>Total Business-Type Activities</i></u>					
Bonds payable:					
Revenue bonds	\$962,535		(\$32,380)	\$930,155	\$33,460
Less/plus deferred amounts:					
Unamort discount/premium	8,287		(1,382)	6,905	1,155
Unamortized loss/gain	(27,680)		3,544	(24,136)	(3,024)
Total Bonds Payable	943,142		(30,218)	912,924	31,591
Variable Debt	38,144		(1,129)	37,015	11,683
Notes payable	31,571	\$3,240	(3,125)	31,686	3,407
Arbitrage rebate payable	136	1	(136)	1	
Landfill closure & postclosure costs	9,476	778		10,254	
Capital Leases	30		(30)		
Compensated absences	3,156	4,405	(4,387)	3,174	954
Total business-type activity long-term liabilities	<u>\$1,025,655</u>	<u>\$8,424</u>	<u>(\$39,025)</u>	<u>\$995,054</u>	<u>\$47,635</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

NOTE VI. SEGMENT INFORMATION

Segment Information- Port Authority

The County has outstanding revenue bonds which are financed by Southwest Florida International Airport revenues. These activities, and the activities of the Page Field General Aviation and other Port Authority activities, are accounted for in a single fund (Lee County Port Authority). Summary financial information for the Southwest Florida International Airport is presented below (dollars in thousands) as of September 30, 2008.

	Southwest Florida International Airport
<u>Condensed Statement of Net Assets</u>	
Assets	
Current assets	\$83,790
Restricted assets	50,924
Capital assets	649,197
Other assets	4,066
Total assets	787,977
Liabilities	
Current liabilities	14,971
Current liabilities payable from restricted assets	17,085
Noncurrent liabilities	336,546
Total liabilities	368,602
Net assets	
Invested in capital assets, net of related debt	337,493
Restricted	13,298
Unrestricted	68,584
Total net assets	\$419,375
<u>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</u>	
Operating revenues	
User fees	\$42,112
Rentals	2,088
Concessions	37,131
Miscellaneous	255
Less: Rebates	(3,932)
Total operating revenues	77,654
Operating expenses	
Depreciation	18,566
Other operating expenses	57,056
Total operating expenses	75,622
Operating income (loss)	
	2,032
Non-operating revenues (expenses)	
Investment earnings	2,684
Interest expense	(20,544)
Other non-operating	490
Total non-operating revenues (expenses)	(\$17,370)

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
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Segment Information- Port Authority- continued

	Southwest Florida International Airport
Capital Contributions	\$8,577
Transfers	56,847
Change in net assets	50,086
Beginning net assets	369,289
Ending net assets	\$419,375
 <i><u>Condensed Statement of Cash Flows</u></i>	
Net cash provided (used) by:	
Operating activities	\$22,114
Noncapital financing activities	486
Capital and related financing activities	(16,067)
Investing activities	2,924
Net increase	9,457
Beginning cash and equity in pooled cash and investments	83,977
Ending cash and equity in pooled cash and investments	\$93,434

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

NOTE VII. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Lee County

The County's defined benefit postemployment healthcare plan, Group Health Program for Lee County (GHPLC), is a cost-sharing multiple-employer health care plan that primarily provides medical, dental, vision and life insurance benefits (OPEB benefits) to eligible County retirees and their spouses. All the Constitutional Officers, except the Lee County Sheriff, participate in GHPLC, which is a self-funded insurance plan that is administered by Aetna. The Board has the authority to establish and amend the benefit provisions of the plan in accordance with Chapter 110.123, *Florida Statutes*. The County early implemented Governmental Accounting Standards Board Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of October 1, 2006. Although GHPLC is a cost-sharing multiple-employer plan, it is not administered as a formal trust, nor is there an equivalent arrangement as of September 30, 2008, and as such in accordance with GASB 45, the plan must follow the accounting and reporting requirements of an agent multiple-employer retirement plan.

Lee County Sheriff

The Lee County Sheriff's Office (LCSO) operates a separate health care plan. Lee County Sheriff Health Care Plan (LCSHCP) offers health, dental, and vision coverage to eligible LCSO retirees and their spouses. The plan also allows retirees the option to continue to participate in the LCSHCP life insurance policy. The life insurance is only available to the retiree, and has a face value of \$5,000. The LCSHCP is a single-employer plan and is administered by a Self Insured Benefit Administrator. Authority to establish and amend the benefit provisions of the plan is in accordance with Chapter 110.123, *Florida Statutes*. The LCSO also early implemented GASB 45 as of October 1, 2006.

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

Funding Policy

Lee County

The contribution requirements of the plan members are established and may be amended by the Board and the Constitutional Officers. The County subsidizes 50 percent of the monthly medical premiums and 100 percent of Medicare B premiums for the retiree and their spouse. The monthly Medicare Part B premium was \$96. However, this policy was modified on January 1, 2008; therefore, the Board does not currently subsidize any portion of the medical or Medicare premiums for the employees hired after that date. The Clerk of Circuit Court does not subsidize any contribution rates. Vision and dental insurance are offered to retirees; however, they are not subsidized by the County. The table listed below summarizes the retirees' monthly contribution rates for 2008.

	General Employee Retirees	Clerk of Circuit Court Retirees
Medical/ Prescriptions:		
Individual Coverage		
Pre 65 years old	\$298	\$596
Medicare Eligible	202	403
Spouse		
Pre 65 years old	321	642
Medicare Eligible	225	449
Dependent Only		
Pre 65 years old	311	622
Medicare Eligible	215	429
Family Only		
Pre 65 years old	326	652
Medicare Eligible	230	459
Life:		
Individual Coverage	5	5
Spouse	N/A	N/A

The GHPLC is financed on a pay-as-you-go basis.

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

Lee County Sheriff

Chapter 74.522, *Laws of Florida*, as amended by Chapter 99.434, and 2003.329, *Laws of Florida*, establishes the contribution requirements of the plan members. The current published monthly rates for Health Care coverage are \$650 for single and \$1,225 for retiree and spouse. An \$80 discount is applied for plan members enrolled in Medicare Part B. The LCSO subsidizes a percentage of the monthly major medical and hospitalization insurance based on the number of years of service credited to the Florida Retirement System (FRS) before retirement. Vision and dental insurance are offered to retirees; however, they are not subsidized by LCSO. The table below shows the contribution percentages for the corresponding years of service.

Percent of the Total Contribution Rates Paid by Retiree		
Eligible Service Credit at Retirement or Termination	Retiree	Dependent
More than 6 years but less than 15 years	100%	100%
15 years	25%	100%
16 years	20%	100%
17 years	15%	100%
18 years	10%	100%
19 years	5%	100%
20 years or more	0%	50%

The retiree contribution rate for the life insurance policy is \$1.40 per month. The plan is funded on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

	Year Ended	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
GHPLC	09/30/2008	\$26,269,000	9.3%	\$34,757,000
	09/30/2007	\$12,968,000	15.7%	\$10,937,000
	09/30/2006	N/A	N/A	N/A
LCSHCP	09/30/2008	\$13,048,000	9.0%	\$22,374,000
	09/30/2007	\$12,153,000	13.6%	\$10,504,000
	09/30/2006	N/A	N/A	N/A

The annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *Annual Required Contribution (ARC)* of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over 30 years. The current ARC rate as a percentage of annual covered payroll is 17 percent and 16 percent for GHPLC and LCSHCP, respectively.

The following table shows the components of the County and Sheriff's OPEB cost for the year, the estimated contributions to the plan per the actuary report, and the changes in the net OPEB obligation.

	GHPLC	LCSHCP
Annual Required Contribution	\$26,421,000	\$12,978,000
Interest on net OPEB Obligation	547,000	420,000
Adjustment to ARC	<u>(699,000)</u>	<u>(350,000)</u>
Annual OPEB cost/expense	\$26,269,000	\$13,048,000
Employer contributions made	<u>(2,449,000)</u>	<u>(1,178,000)</u>
Increase in net OPEB obligation	\$23,820,000	\$11,870,000
Net OPEB obligation- beginning of year	<u>10,937,000</u>	<u>\$10,504,000</u>
Net OPEB obligation- end of year	<u>\$34,757,000</u>	<u>\$22,374,000</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 and the two preceding years were as follows:

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

Funded Status and Funding Progress

The funded status of the plans was as follows:

	GHPLC <u>As of 10/01/07</u>	LCSHCP <u>As of 07/01/06</u>
Actuarial accrued liability (a)	\$148,478,000	\$135,913,000
Actuarial value of plan assets (b)	<u>0</u>	<u>0</u>
Unfunded actuarial accrued liability (funding excess) (a)-(b)	<u>\$148,478,000</u>	<u>135,913,000</u>
Funded ratio (b)/(a)	0.0%	0.0%
Covered payroll (c)	\$152,809,000	\$78,811,000
Unfunded actuarial accrued liability (funding excess) as a Percentage of covered payroll ((a)-(b))/(c)	97.2%	172.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

	GHPLC	LCSHCP
Actuarial valuation date	10/01/2006	07/01/2006
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization periods	29	29
Asset valuation method	Plan not funded	Plan not funded
Actuarial assumptions:		
Inflation rate	3%	3%
Investment rate of return	4%	4%
Projected salary increases	3.5%	4.0%
Healthcare inflation rate	12.5%, initial 5.5%, ultimate	11.7%, initial 4.0%, ultimate
Actuarial valuation date	10/01/2007	
Actuarial cost method	Projected Unit Credit	
Amortization method	Level dollar, closed	
Remaining amortization periods	28	
Asset valuation method	Plan not funded	
Actuarial assumptions:		
Inflation rate	3%	
Investment rate of return	5%	
Projected salary increases	n/a	
Healthcare inflation rate	9%, initial 5%, ultimate	

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

NOTE VIII. OTHER INFORMATION

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 (age 55 for special risk) or 30 years of service (25 years for special risk), 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 10 percent and 21 percent of gross salaries for fiscal year 2008. For fiscal years ended September 30, 2008, 2007, and 2006, the County contributed 100 percent of the required contributions. These contributions aggregated \$35 million, \$33 million, and \$26 million, respectively, which represents 13 percent, 13 percent, and 12 percent of covered payroll.

A copy of the FRS's June 30, 2008 annual report can be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000, or by phoning (850) 488-5706.

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. As a result there was no reduction in insurance coverage.

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

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

The County remains liable for estimated additional assessments of \$248,000 arising from its years of membership in SFIRMA, which has changed its name to Public Risk Management of Florida.

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

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

At September 30, 2008, the County had recorded liabilities equal to the amounts reflected as reserved and unasserted claims. These amounts were calculated by the third-party self-insurance program's underwriters and actuaries, based on

industry standards. These liabilities are subject to adjustments in future years, which would be recorded as claim expenses when they are estimated.

The County's and Sheriff's SIR programs and excess insurance provides coverage for all the County and Sheriff departments' exposure. Funding for the SIR is generated by charges to the operating departments based on management's annual estimates of claim loss funding and administration/operating costs. Changes in the County and Sheriff funds' claims liability for the years ended September 30, 2008 and 2007, were as follows (dollars in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year- End
<u>Self-Insurance Group Health and Dental:</u>				
2008	\$5,431	\$61,024	(\$59,356)	\$7,099
2007	5,041	50,403	(50,013)	5,431
<u>Self-Insurance General Liability:</u>				
2008	\$10,377	\$2,106	(\$2,334)	\$10,149
2007	9,953	3,160	(2,736)	10,377

Termination Benefits

The County implemented a Voluntary Separation Incentive Program (VSIP) under Ordinance No. 08-09 that provided a monetary incentive to qualified employees who voluntarily elected to terminate their employment with the County. To qualify the employee had to be in the top thirty-five percent of their pay range and had to have five full years of current continuous service. Employees choosing to terminate their employment pursuant to the program continued on the County's health and dental insurance at their current level for one year. Once the employee elected and submitted the application for the VSIP, the election was irrevocable and the date of separation no later than September 15, 2008. In return for electing to voluntarily terminate their employment each employee received two weeks of regular pay for each full year of full-time employment with the County, with the maximum payment not to exceed one year of pay.

Eighty-three County employees entered into the VSIP and their separation dates ranged from July 1, 2008 to September 15, 2008. Their separation payments are paid in two installments. The first was paid with-in thirty days of separation and by September 30, 2008, and the second will be paid prior to January 31, 2009. A liability of \$153,000 for

the January 2009 salary payment was recorded in the Proprietary Fund Statements. Although a liability is not recorded in the Governmental Fund Statements, a liability of \$1,397,000 is reflected in the Entity-wide Statements in the Governmental Activities column for the January 2009 salary payment. Since their separation dates were close to the end of the fiscal year, the amounts recorded approximated their current salary amount as a substitute for a discounted present value amount.

The health and dental premiums continued to be charged to their respective departments after the employees' departure at the current year's rate. There is a five to six percent increase in medical premiums in January 2009, which has been factored into the accrual. As such the medical and dental premiums were accrued for the following year as a substitute for a discounted present value amount. A liability of \$174,000 for medical and dental coverage was recorded in the Proprietary Fund Statements. Likewise, for the governmental funds a liability of \$869,000 is reflected in the Entity-wide statements in the Governmental Activities column.

The Sheriff's Office also adopted the County's Ordinance No. 08-09 and implemented the Voluntary Separation Incentive Program (VSIP) following the same terms and guidelines. Forty-six Sheriff employees entered into the VSIP and their

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2008

separation dates ranged from July 1, 2008 to September 20, 2008. Their separation payments were made in two installments and the first prior to September 30, 2008. The second will be paid prior to January 31, 2009, and a liability of \$1,646,000 is reflected in the Entity-wide Statements in the Governmental Activities column. Health and dental premiums continued to be charged at the same rate and no increase anticipated in the following year. A liability for a combined medical and dental cost of \$502,000 is reflected in the Entity-wide Statements in the Governmental Activities column. Since their separation dates were close to the end of the fiscal year, actual costs were substituted for a discounted present value rate.

Landfill Closure and Postclosure Liability

The Florida Department of Environmental Protection (FDEP) requires the County to place a final cover on its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although most closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a small portion of these closure and postclosure care costs as an operating expense based on certain minor closure activities that have occurred as of the balance sheet date. The amount reported as landfill closure and postclosure care liability in the fund statements, \$10,254,000, represents the cumulative portion of total estimated closure and postclosure care as of September 30, 2008, based on the use of 41 percent of the capacity of the 54.2 acre active disposal areas at the landfill. The total estimated cost for closure and postclosure care for the landfill at September 30, 2008, was \$24,920,000. The County will recognize the remaining estimated cost of closure and postclosure care of \$14,666,000 as the remaining estimated capacity is filled. The County will recalculate its liability annually; the liability amount is based on what it presently would cost to perform all closure and postclosure care at September 30, 2008. The Class I - MSW landfill facility configuration, as currently planned, is expected to provide approximately 16 years of disposal capacity for Lee and Hendry Counties. Actual costs may be higher due to inflation, or changes in regulations.

The County is required by FDEP to annually calculate closure and postclosure costs, and to provide proof of its capacity to fund closure costs. The County is in compliance with these requirements, and at September 30, 2008, cash and investments of \$5,297,000 are held for these purposes. These are reported as restricted assets on the balance sheet.

Commitments and Contingencies

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

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 Sheriff has agreements with a corporation for the provision of inmate medical services and food services at its detention facilities. The contracts are paid 100% by the Sheriff through its annual budget. The food services are based on a cost per meal per inmate basis, and the future contract commitment is estimated at approximately \$3,100,000 per year based on the results of the current year. No liability is recorded in the fund statements, as any future commitment will be budgeted and paid from the subsequent year's budget. For the year ending September 30, 2008, the payment requirements for inmate medical services are as follows:

	<u>Amount</u>
2008	\$6,977,000

For the year ended September 30, 2008, the Sheriff paid \$8,636,000 for inmate medical services and \$3,386,000 for food services at its detention facilities.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2008

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 or the exact amount of costs and/or potential recovery. The County plans to contest these matters unless settled. The County believes the outcome of these lawsuits will not have a material effect on the financial statements.

A lawsuit has been filed against Lee County by 53 property owners on Pine Island who claim that an amendment to the Lee County Comprehensive Plan applicable to Pine Island has reduced allowable densities to such a degree that their property values have been destroyed. (The amendment changes allowable densities for parts of Pine Island from one unit per acre to one unit per ten acres, but allows reclamation of densities of up to 70% of the original if the property owner restores native habitat.) Their estimate of the total economic impact of the amendment is approximately \$61 million. Four of the five counts of the Amended Complaint were dismissed, leaving further litigation for Count V, brought under the Bert J. Harris, Jr. Private Property Rights Protection Act. (Only Dean & Dean Farms, Ltd. is a plaintiff in count V.) Plaintiffs have appealed the dismissal of Counts I - IV. The Appellate Court has affirmed the dismissal of Counts I - IV.

Schwab Materials, Inc. filed suit for \$18.5 million under Chapter 70.001 (*Florida Statutes*) arising from the denial of a rezoning to permit limerock mining adjacent to a residential community. Lee County has denied liability. Discovery is ongoing and the trial is continued until some time in 2009.

Subsequent Events

In September, 2008, the County approved the establishment of an irrevocable trust to hold assets and income to fund the Other Postemployment Benefit (OPEB) obligation (see Note VII). On December 30, 2008, the County funded the trust with a \$42,594,000 wire to the International City Management Association Retirement Corporation (ICMA-RC) which will hold and invest the funds as directed by the County's Trustee.

Lee County, Florida
Required Supplementary Information
September 30, 2008

Other Post Employment Benefits
Schedule of Funding Progress for Lee County
(unaudited)

Group Health Program for Lee County Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2007 ¹	\$0	\$148,478,000	\$148,478,000	0.0%	\$152,809,000	97.2%
10/1/2006	\$0	\$119,148,000	\$119,148,000	0.0%	\$149,530,000	79.7%

¹ Plan was modified to discontinue the fifty percent subsidy by the County on January 1, 2008. In June 2008, the County also implemented an early retirement incentive program.

Lee County Sheriff Health Care Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006 ¹	\$0	\$135,913,000	\$135,913,000	0.0%	\$78,811,000	172.5%
7/1/2006	\$0	\$133,008,000	\$133,008,000	0.0%	\$82,704,000	160.8%

¹ Updated results of base evaluation for implementation of the early retirement incentive program in FYE 9/30/2008.



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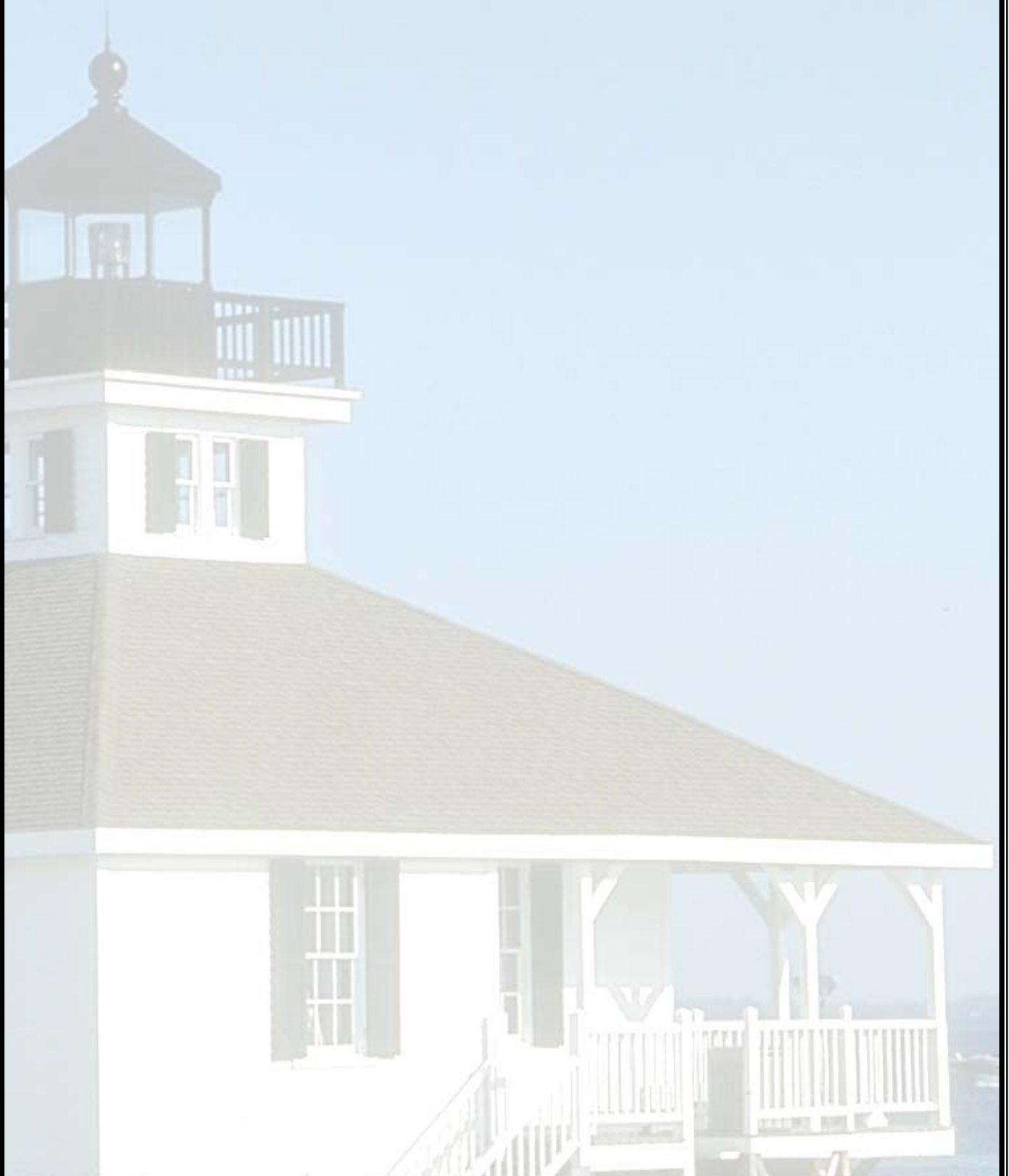
Supplemental Financial Information





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General Fund



Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2008
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
ASSETS				
Cash and equity in pooled cash and investments	\$225,542	\$788	\$1,521	\$6,458
Receivables (net)				
Accounts	4,965	14		44
Accrued interest	3,117			
Due from other funds	28,069	161		159
Due from other governments	3,192	42		7
Inventory	544			
Prepays	222	33		
Advances	25,947			
Total assets	<u>291,598</u>	<u>1,038</u>	<u>1,521</u>	<u>6,668</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	6,003	312	130	2,851
Accrued liabilities	2,241	178	170	2,677
Due to other funds	850	142	1,044	1,124
Due to other governments	2,732	210	177	16
Deposits and overbids	4,498	196		
Unearned revenues	187			
Other	51			
Total liabilities	<u>16,562</u>	<u>1,038</u>	<u>1,521</u>	<u>6,668</u>
Fund Balances:				
Reserved for advances	25,947			
Reserved for inventory	544			
Unreserved, designated for:				
Next fiscal year's expenditures	20,653			
Unfunded other post employment benefits	25,000			
Roads revolving loan program	1,088			
Unfunded mandates	3,000			
Economic incentives	25,000			
Community Corrections Facility	10,000			
Unreserved, undesignated	163,804			
Total fund balances	<u>275,036</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$291,598</u>	<u>\$1,038</u>	<u>\$1,521</u>	<u>\$6,668</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2008
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
ASSETS				
Cash and equity in pooled cash and investments	\$1,196	\$29,523		\$265,028
Receivables (net)				
Accounts		5		5,028
Accrued interest				3,117
Due from other funds			(\$26,061)	2,328
Due from other governments		9		3,250
Inventory				544
Prepays	2			257
Advances				25,947
Total assets	<u>1,198</u>	<u>29,537</u>	<u>(26,061)</u>	<u>305,499</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	105	137		9,538
Accrued liabilities	44	980		6,290
Due to other funds	1,027	25,772	(26,061)	3,898
Due to other governments		2,648		5,783
Deposits and overbids				4,694
Unearned revenues	22			209
Other				51
Total liabilities	<u>1,198</u>	<u>29,537</u>	<u>(26,061)</u>	<u>30,463</u>
Fund Balances:				
Reserved for advances				25,947
Reserved for inventory				544
Unreserved, designated for:				
Next fiscal year's expenditures				20,653
Unfunded other post employment benefits				25,000
Roads revolving loan program				1,088
Unfunded mandates				3,000
Economic incentives				25,000
Community Corrections Facility				10,000
Unreserved, undesignated				163,804
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>275,036</u>
Total liabilities and fund balances	<u>\$1,198</u>	<u>\$29,537</u>	<u>(\$26,061)</u>	<u>\$305,499</u>

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
REVENUES				
Taxes	\$348,013			
Licenses and permits	214			
Intergovernmental	53,243	\$712	\$1,453	
Charges for services	31,898	4,972	299	
Fines and forfeitures	498			
Miscellaneous	21,749	351	160	\$1,861
Total revenues	<u>455,615</u>	<u>6,035</u>	<u>1,912</u>	<u>1,861</u>
EXPENDITURES				
Current				
General government	75,984	12,773	10,270	5,433
Public safety	60,205			149,311
Physical environment	8,027			
Transportation	1,647			
Economic environment	4,406			
Human services	18,157			
Culture and recreation	17,568			
Capital outlay				
General government	1,211	716	153	
Public safety	1,625			5,852
Physical environment	133			
Culture and recreation	440			
Debt service				
Interest and fiscal charges	10			
Total expenditures	<u>189,413</u>	<u>13,489</u>	<u>10,423</u>	<u>160,596</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>266,202</u>	<u>(7,454)</u>	<u>(8,511)</u>	<u>(158,735)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	23,654	7,510	9,549	159,533
Transfers out	(263,576)	(56)	(1,038)	(798)
Total other financing sources and (uses)	<u>(239,922)</u>	<u>7,454</u>	<u>8,511</u>	<u>158,735</u>
Net change in fund balances	26,280	0	0	0
Fund balances - beginning	248,756	0	0	0
Fund balances - ending	<u>\$275,036</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Eliminations</u>	<u>Total</u>
REVENUES				
Taxes				\$348,013
Licenses and permits				214
Intergovernmental	\$1,341			56,749
Charges for services	266	\$35,367	(\$19,746)	53,056
Fines and forfeitures				498
Miscellaneous	30	41		24,192
Total revenues	<u>1,637</u>	<u>35,408</u>	<u>(19,746)</u>	<u>482,722</u>
EXPENDITURES				
Current				
General government	5,813	16,726	(19,746)	107,253
Public safety				209,516
Physical environment				8,027
Transportation				1,647
Economic environment				4,406
Human services				18,157
Culture and recreation				17,568
Capital outlay				
General government	1,354	171		3,605
Public safety				7,477
Physical environment				133
Culture and recreation				440
Debt service				
Interest and fiscal charges				10
Total expenditures	<u>7,167</u>	<u>16,897</u>	<u>(19,746)</u>	<u>378,239</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(5,530)</u>	<u>18,511</u>	<u>0</u>	<u>104,483</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	6,546		(200,551)	6,241
Transfers out	(1,016)	(18,511)	200,551	(84,444)
Total other financing sources and (uses)	<u>5,530</u>	<u>(18,511)</u>	<u>0</u>	<u>(78,203)</u>
Net change in fund balances	0	0	0	26,280
Fund balances - beginning	0	0	0	248,756
Fund balances - ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$275,036</u>

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Board of County Commissioners		Clerk of Circuit Court		Non - GAAP Property Appraiser	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$338,533	\$348,013				
Licenses and permits	1,154	214				
Intergovernmental	73,581	53,243	\$660	\$712	\$1,630	\$1,453
Charges for services	22,699	24,742	5,437	4,972		8
Fines and forfeitures	212	498				
Miscellaneous	15,528	21,874	250	351		160
Total revenues	<u>451,707</u>	<u>448,584</u>	<u>6,347</u>	<u>6,035</u>	<u>1,630</u>	<u>1,621</u>
EXPENDITURES						
Current						
General government	86,010	76,693	13,343	12,773	11,049	9,979
Public safety	54,508	50,425				
Physical environment	17,894	8,027				
Transportation	11,386	1,647				
Economic environment	6,333	4,406				
Human services	18,991	18,157				
Culture and recreation	20,979	17,568				
Capital outlay						
General government	142	1,211	514	716	130	153
Public safety	2,220	1,625				
Physical environment	82	133				
Economic environment	7					
Human services	3					
Culture and recreation	111	440				
Debt service						
Principal retirement						
Interest and fiscal charges	7	10				
Total expenditures	<u>218,673</u>	<u>180,342</u>	<u>13,857</u>	<u>13,489</u>	<u>11,179</u>	<u>10,132</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>233,034</u>	<u>268,242</u>	<u>(7,510)</u>	<u>(7,454)</u>	<u>(9,549)</u>	<u>(8,511)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	64,771	50,357	7,510	7,510	9,549	9,549
Transfers out	(257,139)	(249,701)		(56)		(1,038)
Total other financing sources (uses)	<u>(192,368)</u>	<u>(199,344)</u>	<u>7,510</u>	<u>7,454</u>	<u>9,549</u>	<u>8,511</u>
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	40,666	68,898				
Fund balances - beginning	<u>182,018</u>	<u>178,980</u>				
Fund balances - ending	<u>\$222,684</u>	<u>\$247,878</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Sheriff		Supervisor of Elections		Tax Collector	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental			\$1,181	\$1,341		
Charges for services				265	\$40,370	\$35,367
Fines and forfeitures						
Miscellaneous		\$1,861		31	969	41
Total revenues	0	1,861	1,181	1,637	41,339	35,408
EXPENDITURES						
Current						
General government	4,758	5,433	6,045	5,812	18,450	16,726
Public safety	149,322	149,311				
Physical environment						
Transportation						
Economic environment						
Human services						
Culture and recreation						
Capital outlay						
General government			1,682	1,354	297	171
Public safety	6,644	5,852				
Physical environment						
Economic environment						
Human services						
Culture and recreation						
Debt service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	160,724	160,596	7,727	7,166	18,747	16,897
Excess (deficiencies) of revenues over (under) expenditures	(160,724)	(158,735)	(6,546)	(5,529)	22,592	18,511
OTHER FINANCING SOURCES (USES)						
Transfers in	160,724	159,533	6,546	6,546		
Transfers out		(798)		(1,017)	(22,592)	(18,511)
Total other financing sources (uses)	160,724	158,735	6,546	5,529	(22,592)	(18,511)
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses						
Fund balances - beginning						
Fund balances - ending	\$0	\$0	\$0	\$0	\$0	\$0

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non - GAAP Budgetary Basis) AND ACTUAL
 GENERAL FUND
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Eliminations		Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	Final Budget	Actual	
REVENUES					
Taxes			\$338,533	\$348,013	\$9,480
Licenses and permits			1,154	214	(940)
Intergovernmental			77,052	56,749	(20,303)
Charges for services		(\$19,746)	68,506	45,608	(22,898)
Fines and forfeitures			212	498	286
Miscellaneous			16,747	24,318	7,571
Total revenues	\$0	(19,746)	502,204	475,400	(26,804)
EXPENDITURES					
Current					
General government		(19,746)	139,655	107,670	31,985
Public safety			203,830	199,736	4,094
Physical environment			17,894	8,027	9,867
Transportation			11,386	1,647	9,739
Economic environment			6,333	4,406	1,927
Human services			18,991	18,157	834
Culture and recreation			20,979	17,568	3,411
Capital outlay					
General government			2,765	3,605	(840)
Public safety			8,864	7,477	1,387
Physical environment			82	133	(51)
Economic environment			7		7
Human services			3		3
Culture and recreation			111	440	(329)
Debt service					
Interest and fiscal charges			7	10	(3)
Total expenditures	0	(19,746)	430,907	368,876	62,031
Excess (deficiencies) of revenues over (under) expenditures	0	0	71,297	106,524	35,227
OTHER FINANCING SOURCES (USES)					
Transfers in		(200,551)	249,100	32,944	(216,156)
Transfers out		200,551	(279,731)	(70,570)	209,161
Total other financing sources (uses)	0	0	(30,631)	(37,626)	(6,995)
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses			40,666	68,898	28,232
Fund balances - beginning			182,018	178,980	(3,038)
Fund balances - ending	\$0	\$0	\$222,684	\$247,878	\$25,194

Major Governmental Funds

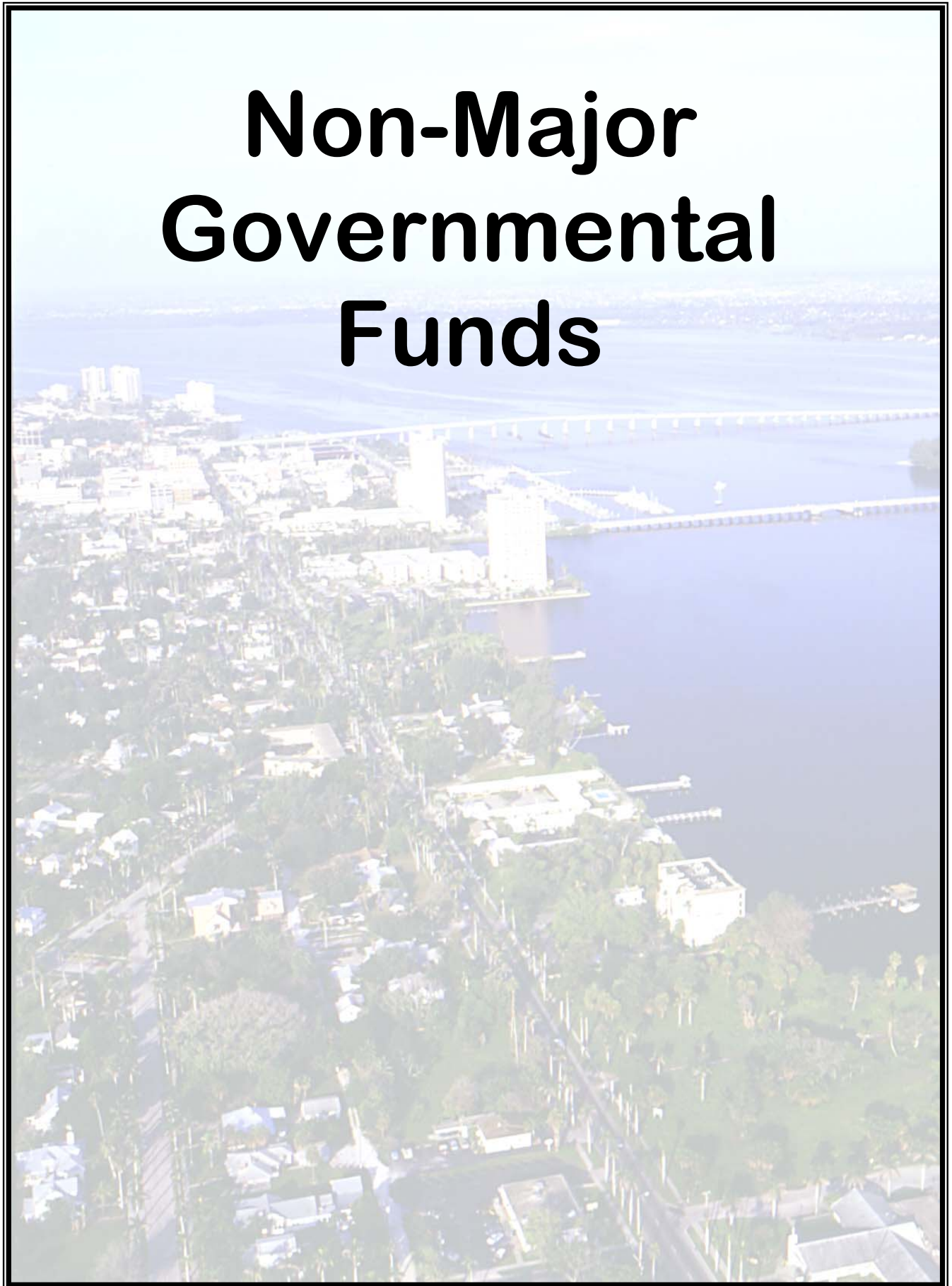


Lee County, Florida
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL WITH RECONCILIATION TO GAAP
CAPITAL IMPROVEMENT
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$45,753	\$46,417	\$664
Licenses and permits	300	368	68
Intergovernmental	7,963	1,092	(6,871)
Charges for services	57	44	(13)
Miscellaneous	<u>3,497</u>	<u>7,892</u>	<u>4,395</u>
Total revenues	<u>57,570</u>	<u>55,813</u>	<u>(1,757)</u>
EXPENDITURES			
Current			
General government	2,247	2,122	125
Physical environment	2,811	410	2,401
Culture and recreation	11,942	5,470	6,472
Capital Outlay			
General government	126,508	56,988	69,520
Physical environment	18,317	2,024	16,293
Transportation	13,466	3,325	10,141
Culture and recreation	14,727	7,004	7,723
Debt Service			
Interest and fiscal charges	<u>75</u>	<u>50</u>	<u>25</u>
Total expenditures	<u>190,093</u>	<u>77,393</u>	<u>112,700</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(132,523)</u>	<u>(21,580)</u>	<u>110,943</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	19,741	14,904	(4,837)
Transfers out	<u>(7,226)</u>	<u>(7,274)</u>	<u>(48)</u>
Total other financing sources and (uses)	<u>12,515</u>	<u>7,630</u>	<u>(4,885)</u>
Net change in fund balance	(120,008)	(13,950)	106,058
Fund balance - beginning	<u>184,077</u>	<u>183,939</u>	<u>(138)</u>
Fund balance - ending	<u>\$64,069</u>	<u>\$169,989</u>	<u>\$105,920</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP			
Net change in fund balance, budgetary basis		\$(13,950)	
Add: Interfund loan		424	
Less: Fair market value adjustment		(568)	
Southwest Florida Water Management Grant		(3)	
Net change in fund balance		<u>\$(14,097)</u>	

See accompanying independent auditors' report.

Non-Major Governmental Funds



Special Revenue Funds

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

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

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

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

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

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

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

Hurricane Housing Recovery Plan- To account for one-time disaster recovery funds from the State of Florida that are used for the housing needs in the community that were impacted by the 2004 hurricane season.

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.

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.

Tourist Development Trust Fund- To account for the five percent tax on rents for temporary lodgings. This tax, approved by a voter referendum in 1982, is restricted for promotion of tourism and specific projects that have been identified as encouraging tourism such as beach and shoreline improvements and the William Hammond Stadium, stadium debt service, and operations in Lee County.

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

Special Revenue Funds (continued)

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

Impact Fees- Community Parks- To account for revenues received from impact fees that are restricted to capital improvements for 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 within designated road network areas.

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

Animal Trust Fund- To account for donations and expenditures used to improve the welfare of animals served by Lee County Animal Services.

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

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

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

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

Debt Service Funds

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

Local Option Gas Tax Revenue Bonds- To account for payment of the 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 2003 Bonds. Funding is from the voted one-cent gas tax imposed by the County.

Debt Service Funds (continued)

Tourist Development Tax Revenue Bonds- To account for payment of the 2004 Bonds. Funding is from tourist development tax revenues and William Hammond Stadium rental revenue.

Commercial Paper Projects- To account for payment of variable rate loan obligations.

Five Cent Local Option Gas Tax Revenue Bonds- To account for payment of the 2004 Bonds. Funding is from the five-cent local option gas tax revenue.

Capital Revenue Bonds- To account for payment of the 1993B, 1997A, 1999A, 2000, 2003, 2004, and 2006 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, and sales tax.

MSBU Projects Commercial Loan- To account for payment of the loan obligations for various special improvement districts. 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.

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

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.

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Hickey Creek Mitigation Trust
ASSETS				
Cash and equity in pooled cash and investments	\$2,288	\$8,087	\$829	\$539
Cash and cash equivalents with fiscal agent				
Receivables (net)				
Accounts				
Special assessments		1,165		
Accrued interest	13	784	4	3
Due from other funds	50	5	918	
Due from other governments				
Inventory				
Prepays				
Advances		139		
Total assets	<u>2,351</u>	<u>10,180</u>	<u>1,751</u>	<u>542</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	19	52		
Accrued liabilities		7		
Due to other funds	8	4	265	
Due to other governments		4		
Deposits and overbids				
Unearned revenues				
Deferred revenues		765		
Advances	139			
Total liabilities	<u>166</u>	<u>832</u>	<u>265</u>	<u>0</u>
Fund Balances:				
Reserved for:				
Advances		139		
Inventory				
Debt service				
Unreserved , designated for:				
Next fiscal year's expenditures	120			
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	2,065	9,209	1,486	542
Capital projects funds				
Total fund balances	<u>2,185</u>	<u>9,348</u>	<u>1,486</u>	<u>542</u>
Total liabilities and fund balances	<u>\$2,351</u>	<u>\$10,180</u>	<u>\$1,751</u>	<u>\$542</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Special Revenue Projects	State Housing Incentives Partnership Program	Hurricane Housing Recovery Plan	Human Services Grants
ASSETS				
Cash and equity in pooled cash and investments	\$3,407	\$6,718	\$547	\$860
Cash and cash equivalents with fiscal agent				
Receivables (net)				
Accounts	46			
Special assessments				
Accrued interest	15	35	3	5
Due from other funds	338			
Due from other governments	172			673
Inventory				
Prepays				
Advances				
Total assets	<u>3,978</u>	<u>6,753</u>	<u>550</u>	<u>1,538</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	192	588	93	407
Accrued liabilities	22			2
Due to other funds	19			254
Due to other governments	11			1
Deposits and overbids				
Unearned revenues				
Deferred revenues				
Advances				
Total liabilities	<u>244</u>	<u>588</u>	<u>93</u>	<u>664</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service				
Unreserved , designated for:				
Next fiscal year's expenditures	1,315	5,433	457	186
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	2,419	732		688
Capital projects funds				
Total fund balances	<u>3,734</u>	<u>6,165</u>	<u>457</u>	<u>874</u>
Total liabilities and fund balances	<u>\$3,978</u>	<u>\$6,753</u>	<u>\$550</u>	<u>\$1,538</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Surface Water Management	E 9-1-1	Tourist Development Trust Fund	Transportation Trust
ASSETS				
Cash and equity in pooled cash and investments	\$2,200	\$7,723	\$7,055	\$10,444
Cash and cash equivalents with fiscal agent				
Receivables (net)				
Accounts		585	32	3
Special assessments				
Accrued interest	7	40	34	40
Due from other funds	343		1,075	113
Due from other governments				763
Inventory	10			1,845
Prepays			183	45
Advances				
Total assets	2,560	8,348	8,379	13,253
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	162	386	317	4,368
Accrued liabilities	83	16	104	602
Due to other funds	58	13	527	318
Due to other governments	40	8	45	280
Deposits and overbids				
Unearned revenues				7
Deferred revenues				
Advances				
Total liabilities	343	423	993	5,575
Fund Balances:				
Reserved for:				
Advances				
Inventory	10			1,845
Debt service				
Unreserved , designated for:				
Next fiscal year's expenditures	200			484
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	2,007	7,925	7,386	5,349
Capital projects funds				
Total fund balances	2,217	7,925	7,386	7,678
Total liabilities and fund balances	\$2,560	\$8,348	\$8,379	\$13,253

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	All Hazards Protection	Impact Fees- Community Parks	Impact Fees- Regional Parks	Impact Fees- Roads
ASSETS				
Cash and equity in pooled cash and investments	\$10,289	\$12,936	\$3,224	\$102,639
Cash and cash equivalents with fiscal agent				
Receivables (net)				
Accounts		1	1	9
Special assessments				
Accrued interest	55	67	24	565
Due from other funds	66		36	
Due from other governments				
Inventory				
Prepays				
Advances				
Total assets	10,410	13,004	3,285	103,213
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	179	136	1,478	6,364
Accrued liabilities	10	183	2	1,708
Due to other funds	19			41
Due to other governments	5		13	
Deposits and overbids				
Unearned revenues				
Deferred revenues				
Advances		20	1,250	18,100
Total liabilities	213	339	2,743	26,213
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service				
Unreserved , designated for:				
Next fiscal year's expenditures	1,309	8,440	542	70,374
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	8,888	4,225		6,626
Capital projects funds				
Total fund balances	10,197	12,665	542	77,000
Total liabilities and fund balances	\$10,410	\$13,004	\$3,285	\$103,213

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees- EMS	Animal Trust Fund	Court Administration	Clerk of Circuit Court's Special Revenue
ASSETS				
Cash and equity in pooled cash and investments	\$1,774	\$390	\$12,307	\$11,180
Cash and cash equivalents with fiscal agent				
Receivables (net)				
Accounts				44
Special assessments				
Accrued interest	9	2	56	
Due from other funds			402	10
Due from other governments				89
Inventory				
Prepays			133	4
Advances				
Total assets	<u>1,783</u>	<u>392</u>	<u>12,898</u>	<u>11,327</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	17		223	260
Accrued liabilities			160	207
Due to other funds			55	488
Due to other governments			117	3,770
Deposits and overbids				1,556
Unearned revenues				
Deferred revenues				
Advances				
Total liabilities	<u>17</u>	<u>0</u>	<u>555</u>	<u>6,281</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service				
Unreserved , designated for:				
Next fiscal year's expenditures	20		1,376	
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	1,746	392	10,967	5,046
Capital projects funds				
Total fund balances	<u>1,766</u>	<u>392</u>	<u>12,343</u>	<u>5,046</u>
Total liabilities and fund balances	<u>\$1,783</u>	<u>\$392</u>	<u>\$12,898</u>	<u>\$11,327</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds		Debt Service Funds	
	Property Appraiser's Special Revenues	Sheriff's Special Revenues	Local Option Gas Tax Revenue Bonds	Certificates of Participation
ASSETS				
Cash and equity in pooled cash and investments	\$522	\$3,168	\$535	
Cash and cash equivalents with fiscal agent			3,196	\$1,262
Receivables (net)				
Accounts		130		
Special assessments				
Accrued interest			3	
Due from other funds		318	40	
Due from other governments		347	766	
Inventory				
Prepays				
Advances				
Total assets	522	3,963	4,540	1,262
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable		65		
Accrued liabilities	40			
Due to other funds	405	1,229	40	
Due to other governments		8		
Deposits and overbids				
Unearned revenues		437		
Deferred revenues				
Advances				
Total liabilities	445	1,739	40	0
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service			3,196	1,262
Unreserved , designated for:				
Next fiscal year's expenditures				
Debt service			1,304	
Unreserved , undesignated, reported in:				
Special revenue funds	77	2,224		
Capital projects funds				
Total fund balances	77	2,224	4,500	1,262
Total liabilities and fund balances	\$522	\$3,963	\$4,540	\$1,262

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Debt Service Funds			
	Road Improvement Revenue Bonds	Tourist Development Tax Revenue Bonds	Five Cent Local Option Gas Tax Revenue Bonds	Capital Revenue Bonds
ASSETS				
Cash and equity in pooled cash and investments	\$486	\$5,248		
Cash and cash equivalents with fiscal agent		707	\$1,963	\$16,751
Receivables (net)				
Accounts				
Special assessments				
Accrued interest	1	6	1	12
Due from other funds				
Due from other governments	280			
Inventory				
Prepays	1,081			
Advances				
Total assets	<u>1,848</u>	<u>5,961</u>	<u>1,964</u>	<u>16,763</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable				
Accrued liabilities				
Due to other funds		1,813		
Due to other governments				
Deposits and overbids				
Unearned revenues				
Deferred revenues				
Advances				
Total liabilities	<u>0</u>	<u>1,813</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service	1,081	1,540	1,963	16,751
Unreserved , designated for:				
Next fiscal year's expenditures				
Debt service	767	2,608	1	12
Unreserved , undesignated, reported in:				
Special revenue funds				
Capital projects funds				
Total fund balances	<u>1,848</u>	<u>4,148</u>	<u>1,964</u>	<u>16,763</u>
Total liabilities and fund balances	<u>\$1,848</u>	<u>\$5,961</u>	<u>\$1,964</u>	<u>\$16,763</u>

(continued)

Lee County, Florida
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
As of September 30, 2008
(amounts expressed in thousands)

	Debt Service Funds	Capital Projects Funds		
	MSBU Projects Commercial Loan	Transporation Capital Improvements	Capital Revenue Bonds- Construction	MSBU Construction Projects
ASSETS				
Cash and equity in pooled cash and investments	\$703	\$80,222	\$11,797	\$637
Cash and cash equivalents with fiscal agent				1
Receivables (net)				
Accounts		69		
Special assessments	5,637			
Accrued interest	6	432	12	1
Due from other funds	2	1,588		
Due from other governments		1,234		
Inventory				
Prepays				1
Advances				
Total assets	6,348	83,545	11,809	640
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable		5,046	4,029	
Accrued liabilities		8		
Due to other funds		218	1,256	
Due to other governments				
Deposits and overbids				
Unearned revenues				
Deferred revenues	5,635			
Advances		4,875		
Total liabilities	5,635	10,147	5,285	0
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service	367			
Unreserved , designated for:				
Next fiscal year's expenditures		67,056		
Debt service	346			
Unreserved , undesignated, reported in:				
Special revenue funds				
Capital projects funds		6,342	6,524	640
Total fund balances	713	73,398	6,524	640
Total liabilities and fund balances	\$6,348	\$83,545	\$11,809	\$640

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Total Non-Major Governmental Funds
ASSETS	
Cash and equity in pooled cash and investments	\$308,754
Cash and cash equivalents with fiscal agent	23,880
Receivables (net)	
Accounts	920
Special assessments	6,802
Accrued interest	2,235
Due from other funds	5,304
Due from other governments	4,324
Inventory	1,855
Prepays	1,447
Advances	139
Total assets	355,660
LIABILITIES AND FUND BALANCES	
Liabilities:	
Contracts and accounts payable	24,381
Accrued liabilities	3,154
Due to other funds	7,030
Due to other governments	4,302
Deposits and overbids	1,556
Unearned revenues	444
Deferred revenues	6,400
Advances	24,384
Total liabilities	71,651
Fund Balances:	
Reserved for:	
Advances	139
Inventory	1,855
Debt service	26,160
Unreserved , designated for:	
Next fiscal year's expenditures	157,312
Debt service	5,038
Unreserved , undesignated, reported in:	
Special revenue funds	79,999
Capital projects funds	13,506
Total fund balances	284,009
Total liabilities and fund balances	\$355,660

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Hickey Creek Mitigation Trust
REVENUES				
Taxes	\$3,361	\$199		
Licenses and permits				
Intergovernmental				
Charges for services		177		
Fines and forfeitures			\$734	
Impact fees				
Special assessments		823		
Miscellaneous	97	423	26	\$18
Total revenues	<u>3,458</u>	<u>1,622</u>	<u>760</u>	<u>18</u>
EXPENDITURES				
Current				
General government	96	456		
Public safety	857		93	
Physical environment				
Transportation	2,607	354		
Economic environment				
Human services				
Culture and recreation				120
Capital outlay				
General government		28		
Public safety				
Physical environment		42		
Transportation	10	118		
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>3,570</u>	<u>998</u>	<u>93</u>	<u>120</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(112)</u>	<u>624</u>	<u>667</u>	<u>(102)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	6,041	603	333	
Transfers out	(11)	(843)	(551)	
Debt issuance				
Total other financing sources (uses)	<u>6,030</u>	<u>(240)</u>	<u>(218)</u>	<u>0</u>
Net change in fund balances	5,918	384	449	(102)
Fund balances - beginning	(3,733)	8,964	1,037	644
Fund balances - ending	<u>\$2,185</u>	<u>\$9,348</u>	<u>\$1,486</u>	<u>\$542</u>

See accompanying independent auditor's report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Special Revenue Projects	State Housing Incentives Partnership Program	Hurricane Housing Recovery Plan	Human Services Grants
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental	\$2,648	\$2,489		\$4,894
Charges for services	764			
Fines and forfeitures	274			
Impact fees				
Special assessments				
Miscellaneous	113	469	\$47	33
Total revenues	<u>3,799</u>	<u>2,958</u>	<u>47</u>	<u>4,927</u>
EXPENDITURES				
Current				
General government	400			
Public safety	37			
Physical environment	861			
Transportation				
Economic environment		4,262	1,529	3,732
Human services	2,186			11
Culture and recreation				
Capital outlay				
General government				
Public safety	212			
Physical environment	5			136
Transportation				
Economic environment				1,118
Human services	11			
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>3,712</u>	<u>4,262</u>	<u>1,529</u>	<u>4,997</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>87</u>	<u>(1,304)</u>	<u>(1,482)</u>	<u>(70)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in				
Transfers out	(17)			
Debt issuance				
Total other financing sources (uses)	<u>(17)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	70	(1,304)	(1,482)	(70)
Fund balances - beginning	3,664	7,469	1,939	944
Fund balances - ending	<u>\$3,734</u>	<u>\$6,165</u>	<u>\$457</u>	<u>\$874</u>

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Surface Water Management	E 9-1-1	Tourist Development Trust Fund	Transportation Trust
REVENUES				
Taxes			\$23,768	
Licenses and permits				\$56
Intergovernmental		\$428		8,085
Charges for services	\$100	3,600		1,399
Fines and forfeitures				
Impact fees				
Special assessments				
Miscellaneous	385	226	189	2,664
Total revenues	<u>485</u>	<u>4,254</u>	<u>23,957</u>	<u>12,204</u>
EXPENDITURES				
Current				
General government			712	1,235
Public safety		1,950		
Physical environment	4,400			
Transportation				32,567
Economic environment			11,700	
Human services				
Culture and recreation				
Capital outlay				
General government				3
Public safety		1,165		
Physical environment	77			
Transportation				1,193
Economic environment			3	
Human services				
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>4,477</u>	<u>3,115</u>	<u>12,415</u>	<u>34,998</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(3,992)</u>	<u>1,139</u>	<u>11,542</u>	<u>(22,794)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	5,550		2,250	19,932
Transfers out			(10,720)	
Debt issuance				
Total other financing sources (uses)	<u>5,550</u>	<u>0</u>	<u>(8,470)</u>	<u>19,932</u>
Net change in fund balances	1,558	1,139	3,072	(2,862)
Fund balances - beginning	659	6,786	4,314	10,540
Fund balances - ending	<u>\$2,217</u>	<u>\$7,925</u>	<u>\$7,386</u>	<u>\$7,678</u>

(continued)

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Special Revenue Funds			
	All Hazards Protection	Impact Fees - Community Parks	Impact Fees - Regional Parks	Impact Fees- Roads
REVENUES				
Taxes	\$4,611			
Licenses and permits				
Intergovernmental	10			
Charges for services				
Fines and forfeitures				
Impact fees	79	\$682	\$605	\$12,925
Special assessments				
Miscellaneous	318	444	246	4,087
Total revenues	<u>5,018</u>	<u>1,126</u>	<u>851</u>	<u>17,012</u>
EXPENDITURES				
Current				
General government	583	209	191	1,853
Public safety	953			
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation		16	365	
Capital outlay				
General government				5,280
Public safety	341			
Physical environment				
Transportation	20			33,407
Economic environment				
Human services				
Culture and recreation		2,891	7,410	
Debt service				
Principal retirement				
Interest and fiscal charges		204	94	1,667
Total expenditures	<u>1,897</u>	<u>3,320</u>	<u>8,060</u>	<u>42,207</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>3,121</u>	<u>(2,194)</u>	<u>(7,209)</u>	<u>(25,195)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	56	5,346		25,300
Transfers out				(396)
Debt issuance				
Total other financing sources (uses)	<u>56</u>	<u>5,346</u>	<u>0</u>	<u>24,904</u>
Net change in fund balances	3,177	3,152	(7,209)	(291)
Fund balances - beginning	7,020	9,513	7,751	77,291
Fund balances - ending	<u>\$10,197</u>	<u>\$12,665</u>	<u>\$542</u>	<u>\$77,000</u>

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees - EMS	Animal Trust Fund	Court Administration	Clerk of Circuit Court's Special Revenue
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services		\$19	\$5,431	\$14,664
Fines and forfeitures			48	
Impact fees	\$238			
Special assessments				
Miscellaneous	61	62	1,250	313
Total revenues	<u>299</u>	<u>81</u>	<u>6,729</u>	<u>14,977</u>
EXPENDITURES				
Current				
General government	54		15,215	15,368
Public safety	110			
Physical environment				
Transportation				
Economic environment				
Human services		17		
Culture and recreation				
Capital outlay				
General government	225		1,371	75
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>389</u>	<u>17</u>	<u>16,586</u>	<u>15,443</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(90)</u>	<u>64</u>	<u>(9,857)</u>	<u>(466)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in			10,540	
Transfers out			(266)	
Debt issuance				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>10,274</u>	<u>0</u>
Net change in fund balances	(90)	64	417	(466)
Fund balances - beginning	1,856	328	11,926	5,512
Fund balances - ending	<u>\$1,766</u>	<u>\$392</u>	<u>\$12,343</u>	<u>\$5,046</u>

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Special Revenue Funds		Debt Service Funds	
	Property Appraiser's Special Revenues	Sheriff's Special Revenues	Local Option Gas Tax Revenue Bonds	Certificates of Participation
REVENUES				
Taxes			\$8,712	
Licenses and permits				
Intergovernmental		\$4,429		
Charges for services	\$4	5,566		
Fines and forfeitures				
Impact fees				
Special assessments				
Miscellaneous	1	270	30	
Total revenues	5	10,265	8,742	0
EXPENDITURES				
Current				
General government	1,802			
Public safety		8,838		
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government	11			
Public safety		968		
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement			2,895	\$3,290
Interest and fiscal charges			384	396
Total expenditures	1,813	9,806	3,279	3,686
Excess (deficiencies) of revenues over (under) expenditures	(1,808)	459	5,463	(3,686)
OTHER FINANCING SOURCES AND (USES)				
Transfers in	2,217	486	1,127	1,419
Transfers out	(405)	(341)	(6,571)	
Debt issuance				
Total other financing sources (uses)	1,812	145	(5,444)	1,419
Net change in fund balances	4	604	19	(2,267)
Fund balances - beginning	73	1,620	4,481	3,529
Fund balances - ending	\$77	\$2,224	\$4,500	\$1,262

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Debt Service Funds			
	Road Improvement Revenue Bonds	Tourist Development Tax Revenue Bonds	Commercial Paper Projects	Five Cent Local Option Gas Tax Revenue Bonds
REVENUES				
Taxes	\$3,183			
Licenses and permits				
Intergovernmental				
Charges for services		\$300		
Fines and forfeitures				
Impact fees				
Special assessments			\$382	
Miscellaneous	302	65	1	\$16
Total revenues	<u>3,485</u>	<u>365</u>	<u>383</u>	<u>16</u>
EXPENDITURES				
Current				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement	1,035	560	2,800	1,445
Interest and fiscal charges	46	262		992
Total expenditures	<u>1,081</u>	<u>822</u>	<u>2,800</u>	<u>2,437</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>2,404</u>	<u>(457)</u>	<u>(2,417)</u>	<u>(2,421)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in		3,087	2,492	2,429
Transfers out	(2,151)	(2,136)	(75)	
Debt issuance				
Total other financing sources (uses)	<u>(2,151)</u>	<u>951</u>	<u>2,417</u>	<u>2,429</u>
Net change in fund balances	253	494	0	8
Fund balances - beginning	1,595	3,654	0	1,956
Fund balances - ending	<u>\$1,848</u>	<u>\$4,148</u>	<u>\$0</u>	<u>\$1,964</u>

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Debt Service Funds		Capital Projects Funds	
	Capital Revenue Bonds	MSBU Projects Commercial Loan	Transportation Capital Improvements	Capital Revenue Bonds - Construction
REVENUES				
Taxes			\$6,365	
Licenses and permits				
Intergovernmental			2,207	
Charges for services			8	
Fines and forfeitures				
Impact fees			240	
Special assessments		\$819		
Miscellaneous	\$138	22	5,394	\$1,063
Total revenues	138	841	14,214	1,063
EXPENDITURES				
Current				
General government				
Public safety				
Physical environment				
Transportation			7,651	
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government			172	28,228
Public safety				
Physical environment				
Transportation			30,350	
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement	11,260	723		
Interest and fiscal charges	10,212	163	247	
Total expenditures	21,472	886	38,420	28,228
Excess (deficiencies) of revenues over (under) expenditures	(21,334)	(45)	(24,206)	(27,165)
OTHER FINANCING SOURCES AND (USES)				
Transfers in	21,546	89	8,071	
Transfers out		(2,540)	(3,065)	(1,256)
Debt issuance		2,563		
Total other financing sources (uses)	21,546	112	5,006	(1,256)
Net change in fund balances	212	67	(19,200)	(28,421)
Fund balances - beginning	16,551	646	92,598	34,945
Fund balances - ending	\$16,763	\$713	\$73,398	\$6,524

(continued)

Lee County, Florida
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON - MAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	<u>Capital Projects Funds</u>		<u>Total Non - major Governmental Funds</u>
	<u>MSBU Construction Projects</u>		<u>Funds</u>
REVENUES			
Taxes			\$50,199
Licenses and permits			56
Intergovernmental			25,190
Charges for services			32,032
Fines and forfeitures			1,056
Impact fees			14,769
Special assessments			2,024
Miscellaneous	\$128		18,901
Total revenues	<u>128</u>		<u>144,227</u>
EXPENDITURES			
Current			
General government			38,174
Public safety			12,838
Physical environment			5,261
Transportation			43,179
Economic environment			21,223
Human services			2,214
Culture and recreation			501
Capital outlay			
General government			35,393
Public safety			2,686
Physical environment			260
Transportation	15		65,113
Economic environment			1,121
Human services			11
Culture and recreation			10,301
Debt service			
Principal retirement			24,008
Interest and fiscal charges	43		14,710
Total expenditures	<u>58</u>		<u>276,993</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>70</u>		<u>(132,766)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	3		118,917
Transfers out	(342)		(31,686)
Debt issuance	640		3,203
Total other financing sources (uses)	<u>301</u>		<u>90,434</u>
Net change in fund balances	371		(42,332)
Fund balances - beginning	269		326,341
Fund balances - ending	<u>\$640</u>		<u>\$284,009</u>

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Municipal Service Benefit Unit Districts		Non - GAAP Special Assessment Districts		Non - GAAP Law Enforcement Trust	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$3,298	\$3,361	\$191	\$199		
Licenses and permits						
Intergovernmental						
Charges for services			176	177		
Fines and forfeitures					\$150	\$734
Impact fees						
Special assessments			625	650		
Miscellaneous	17	104	164	387	15	28
Total revenues	<u>3,315</u>	<u>3,465</u>	<u>1,156</u>	<u>1,413</u>	<u>165</u>	<u>762</u>
EXPENDITURES						
Current						
General government	110	96	484	456		
Public safety	857	857			124	123
Physical environment						
Transportation	2,940	2,607	567	354		
Economic environment						
Human services						
Culture and recreation						
Capital outlay						
General government			1,199	28		
Public safety						
Physical environment				42		
Transportation	187	10	4,220	118		
Economic environment						
Human services						
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>4,094</u>	<u>3,570</u>	<u>6,470</u>	<u>998</u>	<u>124</u>	<u>123</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(779)</u>	<u>(105)</u>	<u>(5,314)</u>	<u>415</u>	<u>41</u>	<u>639</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1	41	788	690		333
Transfers out	<u>(10)</u>	<u>(11)</u>	<u>(928)</u>	<u>(930)</u>	<u>(521)</u>	<u>(521)</u>
Total other financing sources (uses)	<u>(9)</u>	<u>30</u>	<u>(140)</u>	<u>(240)</u>	<u>(521)</u>	<u>(188)</u>
Net change in fund balances	(788)	(75)	(5,454)	175	(480)	451
Fund balances - beginning	<u>2,441</u>	<u>2,268</u>	<u>8,067</u>	<u>9,033</u>	<u>1,038</u>	<u>1,036</u>
Fund balances - ending	<u>\$1,653</u>	<u>\$2,193</u>	<u>\$2,613</u>	<u>\$9,208</u>	<u>\$558</u>	<u>\$1,487</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Hickey Creek Mitigation Trust		Non - GAAP Special Revenue Projects		Non - GAAP State Housing Incentives Partnership Program	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental			\$4,243	\$2,648	\$1,524	\$2,489
Charges for services			700	764		
Fines and forfeitures			288	274		
Impact fees						
Special assessments						
Miscellaneous	\$15	\$20	94	122	441	490
Total revenues	<u>15</u>	<u>20</u>	<u>5,325</u>	<u>3,808</u>	<u>1,965</u>	<u>2,979</u>
EXPENDITURES						
Current						
General government			2,793	400		
Public safety			38	37		
Physical environment			1,018	861		
Transportation						
Economic environment					8,967	4,262
Human services			3,855	2,186		
Culture and recreation	147	120				
Capital outlay						
General government						
Public safety			212	212		
Physical environment				5		
Transportation						
Economic environment						
Human services				11		
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>147</u>	<u>120</u>	<u>7,916</u>	<u>3,712</u>	<u>8,967</u>	<u>4,262</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(132)</u>	<u>(100)</u>	<u>(2,591)</u>	<u>96</u>	<u>(7,002)</u>	<u>(1,283)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out				(17)		
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(17)</u>	<u>0</u>	<u>0</u>
Net change in fund balances	(132)	(100)	(2,591)	79	(7,002)	(1,283)
Fund balances - beginning	644	649	3,729	11,827	7,469	2,253
Fund balances - ending	<u>\$512</u>	<u>\$549</u>	<u>\$1,138</u>	<u>\$11,906</u>	<u>\$467</u>	<u>\$970</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Hurricane Housing Recovery Plan		Non - GAAP Human Services Grants		Non - GAAP Surface Water Management	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental			\$8,816	\$4,894		
Charges for services					\$100	\$100
Fines and forfeitures						
Impact fees						
Special assessments						
Miscellaneous	\$166	\$52	15	36	245	388
Total revenues	<u>166</u>	<u>52</u>	<u>8,831</u>	<u>4,930</u>	<u>345</u>	<u>488</u>
EXPENDITURES						
Current						
General government						
Public safety						
Physical environment					4,840	4,400
Transportation						
Economic environment	1,925	1,529	7,251	3,732		
Human services			287	11		
Culture and recreation						
Capital outlay						
General government						
Public safety						
Physical environment						
Transportation					136	77
Economic environment			788	1,118		
Human services						
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>1,925</u>	<u>1,529</u>	<u>8,326</u>	<u>4,997</u>	<u>4,954</u>	<u>4,477</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,759)</u>	<u>(1,477)</u>	<u>505</u>	<u>(67)</u>	<u>(4,609)</u>	<u>(3,989)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				16	5,550	5,550
Transfers out				(16)		
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,550</u>	<u>5,550</u>
Net change in fund balances	(1,759)	(1,477)	505	(67)	941	1,561
Fund balances - beginning	1,939	(878)	944	941	644	656
Fund balances - ending	<u>\$180</u>	<u>(\$2,355)</u>	<u>\$1,449</u>	<u>\$874</u>	<u>\$1,585</u>	<u>\$2,217</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP E 9 - 1 - 1		Non - GAAP Tourist Development Trust Fund		Non - GAAP Transportation Trust	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes			\$23,684	\$23,778		
Licenses and permits					\$435	\$56
Intergovernmental	\$429	\$428			8,137	8,085
Charges for services	3,147	3,600			969	1,407
Fines and forfeitures						
Impact fees						
Special assessments						
Miscellaneous	152	248	60	206	2,947	2,851
Total revenues	<u>3,728</u>	<u>4,276</u>	<u>23,744</u>	<u>23,984</u>	<u>12,488</u>	<u>12,399</u>
EXPENDITURES						
Current						
General government			650	712	2,376	1,235
Public safety	2,077	1,950				
Physical environment	5					
Transportation					31,249	32,107
Economic environment			12,420	11,700		
Human services						
Culture and recreation						
Capital outlay						
General government						3
Public safety	1,966	1,165				
Physical environment						
Transportation					1,625	1,193
Economic environment				3		
Human services						
Culture and recreation						
Debt Service						
Principal retirement					10	
Interest and fiscal charges						
Total expenditures	<u>4,048</u>	<u>3,115</u>	<u>13,070</u>	<u>12,415</u>	<u>35,260</u>	<u>34,538</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(320)</u>	<u>1,161</u>	<u>10,674</u>	<u>11,569</u>	<u>(22,772)</u>	<u>(22,139)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in			2,250	2,250	20,747	19,932
Transfers out			(11,022)	(10,720)		
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(8,772)</u>	<u>(8,470)</u>	<u>20,747</u>	<u>19,932</u>
Net change in fund balances	<u>(320)</u>	<u>1,161</u>	<u>1,902</u>	<u>3,099</u>	<u>(2,025)</u>	<u>(2,207)</u>
Fund balances - beginning	<u>6,786</u>	<u>6,778</u>	<u>4,314</u>	<u>4,322</u>	<u>8,241</u>	<u>9,552</u>
Fund balances - ending	<u>\$6,466</u>	<u>\$7,939</u>	<u>\$6,216</u>	<u>\$7,421</u>	<u>\$6,216</u>	<u>\$7,345</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP All Hazards Protection		Non - GAAP Impact Fees - Community Parks		Non - GAAP Impact Fees - Regional Parks	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$4,568	\$4,611				
Licenses and permits						
Intergovernmental	19	10				
Charges for services						
Fines and forfeitures						
Impact fees	69	79	\$4,484	\$682	\$3,959	\$605
Special assessments						
Miscellaneous	<u>143</u>	<u>344</u>	<u>188</u>	<u>489</u>	<u>400</u>	<u>274</u>
Total revenues	<u>4,799</u>	<u>5,044</u>	<u>4,672</u>	<u>1,171</u>	<u>4,359</u>	<u>879</u>
EXPENDITURES						
Current						
General government	1,758	583	20	209		191
Public safety	1,352	953				
Physical environment						
Transportation						
Economic environment						
Human services						
Culture and recreation				16		365
Capital outlay						
General government						
Public safety	8	341				
Physical environment						
Transportation	101	20				
Economic environment						
Human services						
Culture and recreation			11,341	2,891	9,418	7,410
Debt Service						
Principal retirement						
Interest and fiscal charges			<u>64</u>	<u>204</u>	<u>120</u>	<u>94</u>
Total expenditures	<u>3,219</u>	<u>1,897</u>	<u>11,425</u>	<u>3,320</u>	<u>9,538</u>	<u>8,060</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,580</u>	<u>3,147</u>	<u>(6,753)</u>	<u>(2,149)</u>	<u>(5,179)</u>	<u>(7,181)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		56	10,688	10,666		
Transfers out			<u>(10,636)</u>	<u>(10,625)</u>	<u>(1,250)</u>	<u>(1,250)</u>
Total other financing sources (uses)	<u>0</u>	<u>56</u>	<u>52</u>	<u>41</u>	<u>(1,250)</u>	<u>(1,250)</u>
Net change in fund balances	1,580	3,203	(6,701)	(2,108)	(6,429)	(8,431)
Fund balances - beginning	<u>7,020</u>	<u>7,012</u>	<u>14,832</u>	<u>17,214</u>	<u>10,227</u>	<u>10,165</u>
Fund balances - ending	<u>\$8,600</u>	<u>\$10,215</u>	<u>\$8,131</u>	<u>\$15,106</u>	<u>\$3,798</u>	<u>\$1,734</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Impact Fees - Roads		Non - GAAP Impact Fees - EMS		Non - GAAP Animal Trust Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental						
Charges for services					\$16	\$19
Fines and forfeitures						
Impact fees	\$68,012	\$12,925	\$239	\$238		
Special assessments						
Miscellaneous	<u>2,555</u>	<u>4,457</u>	<u>43</u>	<u>67</u>	<u>41</u>	<u>61</u>
Total revenues	<u>70,567</u>	<u>17,382</u>	<u>282</u>	<u>305</u>	<u>57</u>	<u>80</u>
EXPENDITURES						
Current						
General government		1,853	85	54		
Public safety			100	110		
Physical environment						
Transportation						
Economic environment						
Human services					138	17
Culture and recreation						
Capital outlay						
General government	18,100	5,280	241	225		
Public safety						
Physical environment						
Transportation	94,493	33,407				
Economic environment						
Human services					2	
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges	<u>2,175</u>	<u>1,667</u>				
Total expenditures	<u>114,768</u>	<u>42,207</u>	<u>426</u>	<u>389</u>	<u>140</u>	<u>17</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(44,201)</u>	<u>(24,825)</u>	<u>(144)</u>	<u>(84)</u>	<u>(83)</u>	<u>63</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	26,729	25,581				
Transfers out	<u>(27,578)</u>	<u>(25,977)</u>				
Total other financing sources (uses)	<u>(849)</u>	<u>(396)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	(45,050)	(25,221)	(144)	(84)	(83)	63
Fund balances - beginning	<u>121,709</u>	<u>117,039</u>	<u>1,856</u>	<u>1,854</u>	<u>329</u>	<u>327</u>
Fund balances - ending	<u>\$76,659</u>	<u>\$91,818</u>	<u>\$1,712</u>	<u>\$1,770</u>	<u>\$246</u>	<u>\$390</u>

(continued)

Lee County, Florida
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Non - GAAP Court Administration		Non - GAAP Clerk of Circuit Court's Special Revenue	
	Final Budget	Actual	Final Budget	Actual
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services	\$5,138	\$5,431	\$16,469	\$14,664
Fines and forfeitures	50	48		
Impact fees				
Special assessments				
Miscellaneous	<u>406</u>	<u>1,286</u>	<u>356</u>	<u>344</u>
Total revenues	<u>5,594</u>	<u>6,765</u>	<u>16,825</u>	<u>15,008</u>
EXPENDITURES				
Current				
General government	17,517	15,215	16,537	15,368
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government	2,119	1,371	1,036	75
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt Service				
Principal retirement				
Interest and fiscal charges	<u>19,636</u>	<u>16,586</u>	<u>17,573</u>	<u>15,443</u>
Total expenditures	<u>19,636</u>	<u>16,586</u>	<u>17,573</u>	<u>15,443</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(14,042)</u>	<u>(9,821)</u>	<u>(748)</u>	<u>(435)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,532	10,720		
Transfers out	<u>(446)</u>	<u>(446)</u>		
Total other financing sources (uses)	<u>12,086</u>	<u>10,274</u>	<u>0</u>	<u>0</u>
Net change in fund balances	(1,956)	453	(748)	(435)
Fund balances - beginning	<u>11,926</u>	<u>11,900</u>	<u>2,121</u>	<u>5,512</u>
Fund balances - ending	<u><u>\$9,970</u></u>	<u><u>\$12,353</u></u>	<u><u>\$1,373</u></u>	<u><u>\$5,077</u></u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 SPECIAL REVENUE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Taxes	\$31,741	\$31,949	\$208
Licenses and permits	435	56	(379)
Intergovernmental	23,168	18,554	(4,614)
Charges for services	26,715	26,162	(553)
Fines and forfeitures	488	1,056	568
Impact fees	76,763	14,529	(62,234)
Special assessments	625	650	25
Miscellaneous	8,463	12,254	3,791
Total revenues	<u>168,398</u>	<u>105,210</u>	<u>(63,188)</u>
EXPENDITURES			
Current			
General government	42,330	36,372	5,958
Public safety	4,548	4,030	518
Physical environment	5,863	5,261	602
Transportation	34,756	35,068	(312)
Economic environment	30,563	21,223	9,340
Human services	4,280	2,214	2,066
Culture and recreation	147	501	(354)
Capital outlay			
General government	22,695	6,982	15,713
Public safety	2,186	1,718	468
Physical environment	114	260	(146)
Transportation	100,626	34,748	65,878
Economic environment	788	1,121	(333)
Human services	2	11	(9)
Culture and recreation	20,759	10,301	10,458
Debt Service			
Principal retirement	10		10
Interest and fiscal charges	2,359	1,965	394
Total expenditures	<u>272,026</u>	<u>161,775</u>	<u>110,251</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(103,628)</u>	<u>(56,565)</u>	<u>47,063</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	79,285	75,835	(3,450)
Transfers out	<u>(52,391)</u>	<u>(50,513)</u>	<u>1,878</u>
Total other financing sources (uses)	<u>26,894</u>	<u>25,322</u>	<u>(1,572)</u>
Net change in fund balances	(76,734)	(31,243)	45,491
Fund balances - beginning	<u>216,276</u>	<u>219,460</u>	<u>3,184</u>
Fund balances - ending	<u>\$139,542</u>	<u>\$188,217</u>	<u>\$48,675</u>

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Local Option Gas Tax Revenue Bonds		Certificates of Participation		Road Improvement Revenue Bonds	
	Final Budget	Actual	Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$9,396	\$8,712			\$3,632	\$3,183
Charges for services						
Special assessments						
Miscellaneous	366	30	\$1		26	302
Total revenues	<u>9,762</u>	<u>8,742</u>	<u>1</u>	<u>0</u>	<u>3,658</u>	<u>3,485</u>
EXPENDITURES						
Debt Service						
Principal retirement	2,895	2,895	3,290	\$3,290	1,035	1,035
Interest and fiscal charges	385	384	399	396	47	46
Total expenditures	<u>3,280</u>	<u>3,279</u>	<u>3,689</u>	<u>3,686</u>	<u>1,082</u>	<u>1,081</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>6,482</u>	<u>5,463</u>	<u>(3,688)</u>	<u>(3,686)</u>	<u>2,576</u>	<u>2,404</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,109	1,127	1,420	1,419		
Transfers out	(7,204)	(6,571)			(2,965)	(2,151)
Proceeds from long-term debt						
Total other financing sources (uses)	<u>(6,095)</u>	<u>(5,444)</u>	<u>1,420</u>	<u>1,419</u>	<u>(2,965)</u>	<u>(2,151)</u>
Net change in fund balances	387	19	(2,268)	(2,267)	(389)	253
Fund balances - beginning	4,481	4,481	3,529	3,529	1,595	1,595
Fund balances - ending	<u>\$4,868</u>	<u>\$4,500</u>	<u>\$1,261</u>	<u>\$1,262</u>	<u>\$1,206</u>	<u>\$1,848</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Tourist Development Tax Revenue Bonds		Commercial Paper Projects		Five Cent Local Option Gas Tax Revenue Bonds	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes						
Charges for services	\$300	\$300				
Special assessments			\$276	\$382		
Miscellaneous	171	65		1	\$31	\$16
Total revenues	<u>471</u>	<u>365</u>	<u>276</u>	<u>383</u>	<u>31</u>	<u>16</u>
EXPENDITURES						
Debt Service						
Principal retirement	560	560	2,800	2,800	1,445	1,445
Interest and fiscal charges	262	262			992	992
Total expenditures	<u>822</u>	<u>822</u>	<u>2,800</u>	<u>2,800</u>	<u>2,437</u>	<u>2,437</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(351)</u>	<u>(457)</u>	<u>(2,524)</u>	<u>(2,417)</u>	<u>(2,406)</u>	<u>(2,421)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,694	5,683	2,599	2,492	2,450	2,429
Transfers out	(4,656)	(4,732)	(75)	(75)		
Proceeds from long-term debt						
Total other financing sources (uses)	<u>1,038</u>	<u>951</u>	<u>2,524</u>	<u>2,417</u>	<u>2,450</u>	<u>2,429</u>
Net change in fund balances	687	494	0	0	44	8
Fund balances - beginning	3,654	3,654	0	0	1,956	1,956
Fund balances - ending	<u>\$4,341</u>	<u>\$4,148</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$1,964</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Capital Revenue Bonds		Non - GAAP MSBU Projects Commercial Loan	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Taxes				
Charges for services				
Special assessments			\$884	\$819
Miscellaneous	\$269	\$138	9	17
Total revenues	<u>269</u>	<u>138</u>	<u>893</u>	<u>836</u>
EXPENDITURES				
Debt Service				
Principal retirement	11,260	11,260	631	723
Interest and fiscal charges	10,213	10,212	176	163
Total expenditures	<u>21,473</u>	<u>21,472</u>	<u>807</u>	<u>886</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(21,204)</u>	<u>(21,334)</u>	<u>86</u>	<u>(50)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	21,727	21,546	90	89
Transfers out			(2,652)	(2,540)
Proceeds from long-term debt			2,896	2,563
Total other financing sources (uses)	<u>21,727</u>	<u>21,546</u>	<u>334</u>	<u>112</u>
Net change in fund balances	523	212	420	62
Fund balances - beginning	16,552	17,325	643	705
Fund balances - ending	<u>\$17,075</u>	<u>\$17,537</u>	<u>\$1,063</u>	<u>\$767</u>

(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 DEBT SERVICE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Total		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$13,028	\$11,895	\$(1,133)
Charges for services	300	300	0
Special assessments	1,160	1,201	41
Miscellaneous	873	569	(304)
Total revenues	<u>15,361</u>	<u>13,965</u>	<u>(1,396)</u>
EXPENDITURES			
Debt Service			
Principal retirement	23,916	24,008	(92)
Interest and fiscal charges	12,474	12,455	19
Total expenditures	<u>36,390</u>	<u>36,463</u>	<u>(73)</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(21,029)</u>	<u>(22,498)</u>	<u>(1,469)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	35,089	34,785	(304)
Transfers out	(17,552)	(16,069)	1,483
Proceeds from long-term debt	2,896	2,563	(333)
Total other financing sources (uses)	<u>20,433</u>	<u>21,279</u>	<u>846</u>
Net change in fund balances	(596)	(1,219)	(623)
Fund balances - beginning	32,410	33,245	835
Fund balances - ending	<u>\$31,814</u>	<u>\$32,026</u>	<u>\$212</u>

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 CAPITAL PROJECTS FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Non - GAAP Transportation Capital Improvements		Capital Revenue Bonds- Construction		MSBU Construction Projects	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$6,917	\$6,365				
Intergovernmental	10,420	2,233				
Charges for services		8				
Impact fees	240	240				
Miscellaneous	3,289	5,695	\$1,310	\$1,063	\$140	\$128
Total revenues	<u>20,866</u>	<u>14,541</u>	<u>1,310</u>	<u>1,063</u>	<u>140</u>	<u>128</u>
EXPENDITURES						
Current						
Physical Environment						
Transportation	13,438	7,651			11	
Capital Outlay						
General government	4,610	172	30,989	28,228		
Physical Environment					610	
Transportation	83,587	30,350			24	15
Debt Service						
Interest and fiscal charges	325	247			55	43
Total expenditures	<u>101,960</u>	<u>38,420</u>	<u>30,989</u>	<u>28,228</u>	<u>700</u>	<u>58</u>
Deficiencies of revenues under expenditures	<u>(81,094)</u>	<u>(23,879)</u>	<u>(29,679)</u>	<u>(27,165)</u>	<u>(560)</u>	<u>70</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	14,716	8,268			5	3
Transfers out	(4,979)	(4,887)	(5,266)	(1,256)	(344)	(342)
Proceeds from long-term debt					640	640
Total other financing sources (uses)	<u>9,737</u>	<u>3,381</u>	<u>(5,266)</u>	<u>(1,256)</u>	<u>301</u>	<u>301</u>
Net change in fund balances	(71,357)	(20,498)	(34,945)	(28,421)	(259)	371
Fund balances - beginning	99,098	99,138	34,945	34,945	259	269
Fund balances - ending	<u>\$27,741</u>	<u>\$78,640</u>	<u>\$0</u>	<u>\$6,524</u>	<u>\$0</u>	<u>\$640</u>

See accompanying independent auditors' report.

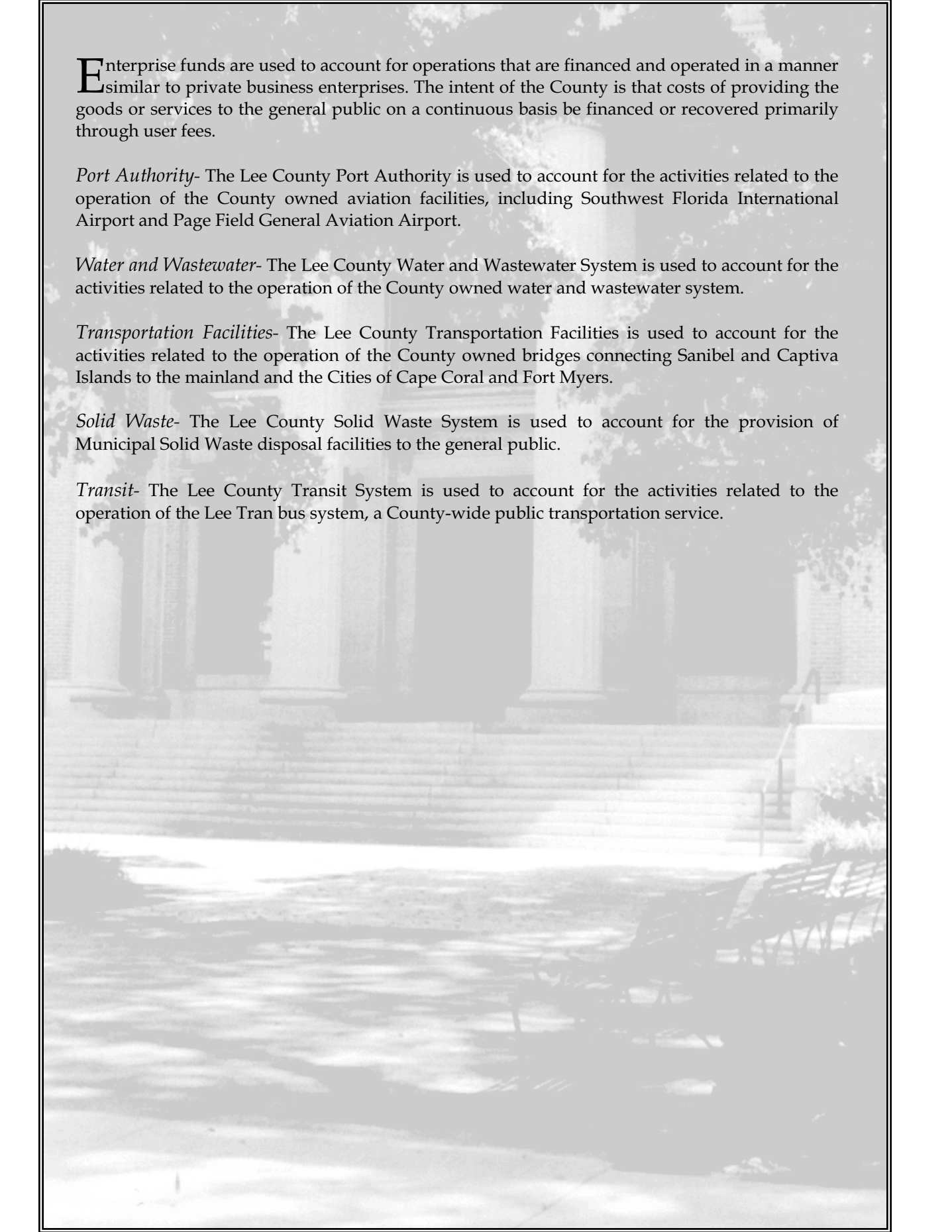
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Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 CAPITAL PROJECTS FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Total		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
REVENUES			
Taxes	\$6,917	\$6,365	\$(552)
Intergovernmental	10,420	2,233	(8,187)
Charges for services		8	8
Impact fees	240	240	
Miscellaneous	4,739	6,886	2,147
Total revenues	<u>22,316</u>	<u>15,732</u>	<u>(6,584)</u>
EXPENDITURES			
Current			
Physical Environment			
Transportation	13,449	7,651	5,798
Capital Outlay			
General government	35,599	28,400	7,199
Physical Environment	610		610
Transportation	83,611	30,365	53,246
Debt Service			
Interest and fiscal charges	380	290	90
Total expenditures	<u>133,649</u>	<u>66,706</u>	<u>66,943</u>
Deficiencies of revenues under expenditures	<u>(111,333)</u>	<u>(50,974)</u>	<u>60,359</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	14,721	8,271	(6,450)
Transfers out	(10,589)	(6,485)	4,104
Proceeds from long-term debt	640	640	
Total other financing sources (uses)	<u>4,772</u>	<u>2,426</u>	<u>(2,346)</u>
Net change in fund balances	(106,561)	(48,548)	58,013
Fund balances - beginning	<u>134,302</u>	<u>134,352</u>	<u>50</u>
Fund balances - ending	<u>\$27,741</u>	<u>\$85,804</u>	<u>\$58,063</u>

Enterprise Funds





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

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

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

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

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

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

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 NET ASSETS - BUDGET (NON-GAAP BUDGETARY BASIS)
 AND ACTUAL WITH RECONCILIATION TO GAAP
 ENTERPRISE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Port Authority		Water and Wastewater		Transportation Facilities	
	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES						
User fees	\$49,564	\$48,445	\$74,837	\$87,708		
Tolls					\$44,563	\$37,834
Rentals and franchise fees	4,007	4,539	96	157		
Concessions	39,485	37,187				
Miscellaneous	1,395	257	572	1,630	75	263
Total operating revenues	94,451	90,428	75,505	89,495	44,638	38,097
Less: Rebates	(3,991)	(3,932)				
Net operating revenues	90,460	86,496	75,505	89,495	44,638	38,097
OPERATING EXPENSES						
Salaries and wages	18,885	19,334	16,724	14,829	4,148	3,592
Employee benefits	8,822	10,553	6,382	8,004	1,985	2,445
Contractual services, materials, and supplies	23,525	22,594	18,102	17,130	2,658	1,640
Utilities	5,504	5,277	8,399	7,646	441	344
Repairs and maintenance	2,747	2,420	4,440	3,176	1,796	1,279
Insurance	3,993	4,005	1,219	1,219	2,436	1,564
Other	2,098	1,738	4,386	4,457	1,007	862
Total operating expenses	65,574	65,921	59,652	56,461	14,471	11,726
Operating income	24,886	20,575	15,853	33,034	30,167	26,371
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	7,957	3,594	6,608	4,537	1,501	1,288
Taxes						
Grants		338		35		
Special assessment collections			168	172		
Other debt proceeds			6,200	3,240		
Interest expense	(22,110)	(21,678)	(8,897)	(9,449)	(16,555)	(9,890)
Capital outlay	(43,895)	(15,921)	(107,250)	(40,003)	(23,854)	(8,654)
Principal retirement	(9,170)	(8,435)	(6,016)	(6,196)	(9,109)	(8,783)
Proceeds from disposal of capital assets		42		14		4
Passenger facility charges	19,169	15,478				
Other revenues	7	149	228	1,688	110	119
Other expenses	(26)	(14)	(10)	(3)	(8)	(183)
Total non - operating revenues (expenses)	(48,068)	(26,447)	(108,969)	(45,965)	(47,915)	(26,099)
Income (loss) before contributions, special item and transfers	(23,182)	(5,872)	(93,116)	(12,931)	(17,748)	272
Capital contributions	25,052	22,455	13,698	6,152	453	453
Transfers in	91,409	55,358	24,161	19,054	45,534	38,335
Transfers out	(91,310)	(55,358)	(24,143)	(19,054)	(50,822)	(42,217)
Total contributions and transfers	25,151	22,455	13,716	6,152	(4,835)	(3,429)
Change in net assets	1,969	16,583	(79,400)	(6,779)	(22,583)	(3,157)
Total net assets - beginning	123,643	131,983	123,975	160,609	32,051	35,749
Total net assets - ending	\$125,612	\$148,566	\$44,575	\$153,830	\$9,468	\$32,592
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net assets, budgetary basis		\$16,583		(\$6,779)		(\$3,157)
Add: Capital outlay		15,921		40,003		8,654
Arbitrage adjustments				6		
Principal retirement		8,435		6,196		8,783
Capitalized interest		105				
Capital contributions				39,819		
Capital asset transfers in				2		
Compensated absences						40
Less: Depreciation and amortization		(20,077)		(27,722)		(7,901)
Fair market value adjustment		(210)		(352)		(99)
Inventory adjustments		(64)		(52)		(177)
Compensated absences		(52)		(7)		
Amortization of discount and issuance costs		(769)		(720)		(1,039)
Arbitrage adjustments		(1)				
Loan payments from other governments						
Special assessment collections				(172)		
Other debt proceeds				(3,240)		
Net book value of capital assets disposed		(21)		(184)		(631)
Capital asset adjustments				(2,163)		(10)
Capital asset transfers out				(3)		
Accounts receivable adjustments				(361)		
Change in net assets		\$19,850		\$44,271		\$4,463

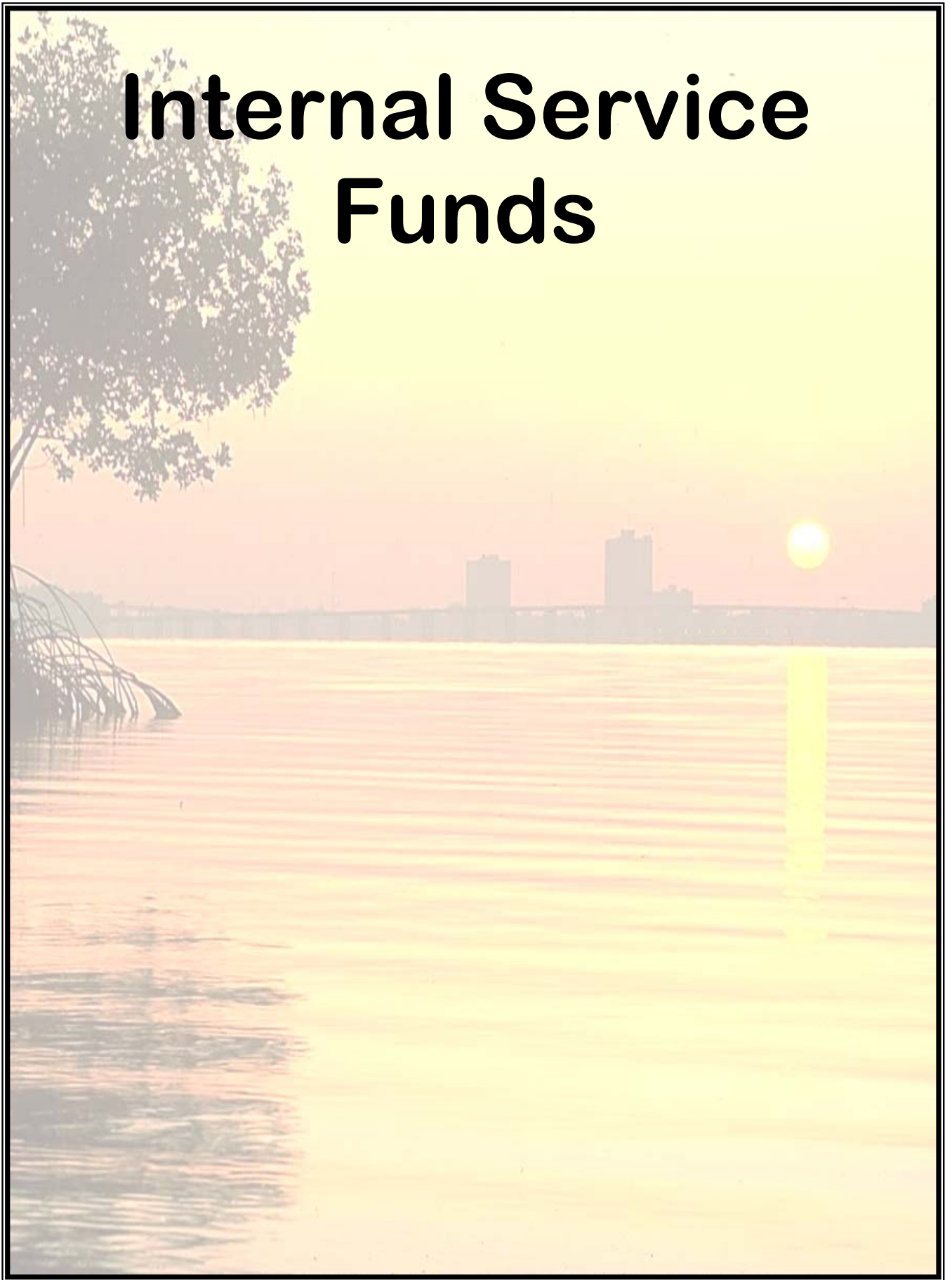
See accompanying independent auditors' report.

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Lee County, Florida
 COMBINING SCHEDULE 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, 2008
 (amounts expressed in thousands)

	Solid Waste		Other Non-Major Transit		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	Budget	Actual	
OPERATING REVENUES							
User fees	\$61,804	\$69,961	\$3,033	\$3,078	\$189,238	\$209,192	\$19,954
Tolls					44,563	37,834	(6,729)
Rentals and franchise fees	1,474	2,221	11	12	5,588	6,929	1,341
Concessions					39,485	37,187	(2,298)
Miscellaneous	15,665	14,548	1	10	17,708	16,708	(1,000)
Total operating revenues	78,943	86,730	3,045	3,100	296,582	307,850	11,268
Less: Rebates					(3,991)	(3,932)	59
Net operating revenues	78,943	86,730	3,045	3,100	292,591	303,918	11,327
OPERATING EXPENSES							
Salaries and wages	3,260	3,218	10,320	9,747	53,337	50,720	2,617
Employee benefits	1,534	1,960	4,970	6,478	23,693	29,440	(5,747)
Contractual services, materials, and supplies	51,094	46,694	4,252	4,092	99,631	92,150	7,481
Utilities	586	616	235	230	15,165	14,113	1,052
Repairs and maintenance	979	1,030	1,375	1,349	11,337	9,254	2,083
Insurance	375	377	646	646	8,669	7,811	858
Other	1,004	954	900	820	9,395	8,831	564
Total operating expenses	58,832	54,849	22,698	23,362	221,227	212,319	8,908
Operating income (loss)	20,111	31,881	(19,653)	(20,262)	71,364	91,599	20,235
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	5,050	3,337	345	447	21,461	13,203	(8,258)
Taxes	2,001	2,036			2,001	2,036	35
Grants	110	363	6,397	6,522	6,507	7,258	751
Special assessment collections					168	172	4
Other debt proceeds					6,200	3,240	(2,960)
Interest expense	(9,195)	(9,195)			(56,757)	(50,212)	6,545
Capital outlay	(49,443)	(20,832)	(5,311)	(1,138)	(229,753)	(86,548)	143,205
Principal retirement	(12,650)	(12,645)	(600)	(600)	(37,545)	(36,659)	886
Proceeds from disposal of capital assets		9	45	71	45	140	95
Passenger facility charges					19,169	15,478	(3,691)
Other revenues		41	8	23	353	2,020	1,667
Other expenses	(4)	(9)			(48)	(209)	(161)
Total non - operating revenues (expenses)	(64,131)	(36,895)	884	5,325	(268,199)	(130,081)	138,118
Income (loss) before contributions, special item and transfers	(44,020)	(5,014)	(18,769)	(14,937)	(196,835)	(38,482)	158,353
Capital contributions			9,059	1,452	48,262	30,512	(17,750)
Transfers in	29,147	28,675	12,325	12,270	202,576	153,692	(48,884)
Transfers out	(28,890)	(28,265)	(600)	(600)	(195,765)	(145,494)	50,271
Total contributions, special item, and transfers:	257	410	20,784	13,122	55,073	38,710	(16,363)
Change in net assets	(43,763)	(4,604)	2,015	(1,815)	(141,762)	228	141,990
Total net assets - beginning	135,122	144,275	8,047	9,305	422,838	481,921	59,083
Total net assets - ending	\$91,359	\$139,671	\$10,062	\$7,490	\$281,076	\$482,149	\$201,073
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net assets, budgetary basis		(\$4,604)		(\$1,815)		\$228	
Add: Capital outlay		20,832		1,138		86,548	
Arbitrage adjustments						6	
Principal retirement		12,645		600		36,659	
Capitalized interest		1				106	
Capital contributions						39,819	
Capital asset transfers in						2	
Compensated absences		13				53	
Less: Depreciation and amortization		(11,598)		(1,845)		(69,143)	
Fair market value adjustment		(65)		(25)		(751)	
Inventory adjustments						(293)	
Compensated absences				(11)		(70)	
Amortization of discount and issuance costs		(391)				(2,919)	
Arbitrage adjustments						(1)	
Loan payments from other governments		(80)				(80)	
Special assessment collections						(172)	
Other debt proceeds						(3,240)	
Net book value of capital assets disposed		(8)		(4)		(848)	
Capital asset adjustments						(2,173)	
Capital asset transfers out						(3)	
Accounts receivable adjustments		(30)				(391)	
Change in net assets		\$16,715		(\$1,962)		\$83,337	

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 the County. Such costs are billed to other departments at estimated cost of operations, plus amounts for equipment replacement and additions.

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

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

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

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

Lee County, Florida
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
As of September 30, 2008
(amounts expressed in thousands)

ASSETS	Information Technology	Governmental Communications Network	Self - Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
Current Assets:							
Cash and equity in pooled cash and investments	\$1,113	\$6,885	\$30,514	\$15,118	\$25,781	\$9,985	\$89,396
Receivables (net)	13	34	417	73	182		719
Due from other funds	860	62	12	759	724		2,417
Inventories					233		233
Other	329	9		130	11		479
Total current assets	2,315	6,990	30,943	16,080	26,931	9,985	93,244
Noncurrent Assets:							
Capital assets:							
Non-depreciable	2,566	203			510		3,279
Depreciable	13,569	8,690	2	31	18,026		40,318
Less accumulated depreciation	(10,636)	(6,908)	(2)	(21)	(10,655)		(28,222)
Total noncurrent assets	5,499	1,985	0	10	7,881	0	15,375
Total assets	7,814	8,975	30,943	16,090	34,812	9,985	108,619
LIABILITIES							
Current liabilities:							
Contracts and accounts payable	377	109	298	183	688		1,655
Accrued liabilities	13	48	88	67	339		555
Due to other funds	14	28	2	59	4		107
Due to other governments	2	6	9	7	27		51
Self-insurance claims payable			4,907	1,126		2,192	8,225
Compensated absences	3	5	4	2	14		28
Total current liabilities	409	196	5,308	1,444	1,072	2,192	10,621
Noncurrent liabilities:							
Self-insurance claims payable				9,023			9,023
Compensated absences	8	37	35	16	135		231
Total noncurrent liabilities	8	37	35	9,039	135	0	9,254
Total liabilities	417	233	5,343	10,483	1,207	2,192	19,875
NET ASSETS							
Invested in capital assets, net of related debt	5,499	1,985	25,600	10	7,881		15,375
Unrestricted	1,898	6,757	\$25,600	5,597	25,724	7,793	73,369
Total net assets	\$7,397	\$8,742	\$25,600	\$5,607	\$33,605	\$7,793	\$88,744

See accompanying independent auditors' report.

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Information Technology	Governmental Communications		Self - Insurance		Fleet Management	Sheriff's Internal Service	Total
		Network	General Liability	Group Health and Dental	General Liability			
OPERATING REVENUES								
User fees	\$14,851	\$2,054	\$12,388	\$49,853	\$9,637	\$22,437	\$111,220	
Total operating revenues	14,851	2,054	12,388	49,853	9,637	22,437	111,220	
OPERATING EXPENSES								
Salaries and wages	103	289	322	447	1,460		2,621	
Employee benefits	32	118	159	208	805		1,322	
Contractual services, materials and supplies	9,659	191	568	3,112	4,675	1,149	19,354	
Utilities	2,827	178	6	8	59		3,078	
Repairs and maintenance	465	627	1		2,118		3,211	
Insurance		4	5,910		43	1,002	6,959	
Insurance claims			2,106	45,111		15,913	63,130	
Other	146	164	73	105	300		788	
Depreciation	1,478	306	3	1	1,725		3,513	
Total operating expenses	14,710	1,877	9,148	48,992	11,185	18,064	103,976	
Operating income (loss)	141	177	3,240	861	(1,548)	4,373	7,244	
NON-OPERATING REVENUES (EXPENSES)								
Interest earnings	64	206	322	873	834	64	2,363	
Grants		(69)					(69)	
Gain (loss) on disposal of capital assets	(3)	(19)			380		358	
Other revenues	5	237	694	205	11		1,152	
Total non-operating revenues (expenses)	66	355	1,016	1,078	1,225	64	3,804	
Income (loss) before transfers	207	532	4,256	1,939	(323)	4,437	11,048	
Capital contributions	19				7		26	
Transfers in	3			1,540			1,543	
Transfers out	(2)						(2)	
Total transfers	20	0	0	1,540	7	0	1,567	
Change in net assets	227	532	4,256	3,479	(316)	4,437	12,615	
Total net assets - beginning	7,170	8,210	1,351	22,121	33,921	3,356	76,129	
Total net assets - ending	\$7,397	\$8,742	\$5,607	\$25,600	\$33,605	\$7,793	\$88,744	

See accompanying independent auditors' report.

Lee County, Florida
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff's Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$191	\$1,620	\$7,114				\$8,925
Receipts from interfund services provided	14,843	790	42,736	\$12,322	\$8,957	\$22,437	102,085
Payments to suppliers	(14,013)	(915)	(47,724)	(8,688)	(6,667)	(17,794)	(95,801)
Payments to employees	(121)	(407)	(528)	(377)	(1,710)		(3,143)
Payments for interfund services used	(25)	(200)	(122)	(93)	(530)		(970)
Net cash provided by operating activities	<u>875</u>	<u>888</u>	<u>1,476</u>	<u>3,164</u>	<u>50</u>	<u>4,643</u>	<u>11,096</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grant issued		(69)					(69)
Transfers in			1,540				1,540
Net cash provided by (used in) noncapital financing activities	<u>0</u>	<u>(69)</u>	<u>1,540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,471</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Additions to capital assets	(1,307)	(366)			(1,778)		(3,451)
Principal paid on bonds, loans, leases, and interfund loans					(1,390)		(1,390)
Interest paid on bonds, loans, leases, and interfund loans					(35)		(35)
Proceeds from sale of capital assets					384		384
Net cash used in capital and related financing	<u>(1,307)</u>	<u>(366)</u>	<u>0</u>	<u>0</u>	<u>(2,819)</u>	<u>0</u>	<u>(4,492)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	68	219	920	311	918	64	2,500
Net cash provided by investing activities	<u>68</u>	<u>219</u>	<u>920</u>	<u>311</u>	<u>918</u>	<u>64</u>	<u>2,500</u>
Net increase (decrease)	(364)	672	3,936	3,475	(1,851)	4,707	10,575
Cash and equity in pooled cash and investments at beginning of year	1,477	6,213	26,578	11,643	27,632	5,278	78,821
Cash and equity in pooled cash and investments at end of year	<u>\$1,113</u>	<u>\$6,885</u>	<u>\$30,514</u>	<u>\$15,118</u>	<u>\$25,781</u>	<u>\$9,985</u>	<u>\$89,396</u>
Classified as:							
Current assets	<u>\$1,113</u>	<u>\$6,885</u>	<u>\$30,514</u>	<u>\$15,118</u>	<u>\$25,781</u>	<u>\$9,985</u>	<u>\$89,396</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions of capital assets	\$19				\$7		\$26
Transfers in of capital assets	3						3
Transfers out of capital assets	(2)						(2)
Decrease in fair value of investments	(4)	(\$20)	(\$84)	(\$40)	(84)		(232)

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended September 30, 2008
 (amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff's Internal Service Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$141	\$177	\$861	\$3,240	(\$1,548)	\$4,373	\$7,244
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	1,478	306	1	3	1,725		3,513
Other revenues	5	237	205	693	11		1,151
(Increase) decrease in accounts receivable	(3)	1	(196)		33		(165)
(Increase) decrease in due from other funds	181	9	(12)	(759)	(724)		(1,305)
Decrease in due from other governments		107					107
Decrease in inventories					62		62
Increase in other assets	(329)	(8)		(55)	(8)		(400)
Increase (decrease) in contracts and accounts payable	(620)	97	(820)	177	282		(884)
Increase in accrued liabilities	7	26	48	38	195		314
Increase (decrease) in due to other funds	14	1	(3)	52	(3)		61
Increase (decrease) in due to other governments		(67)		1	2		(64)
Increase (decrease) in compensated absences	1	2	(5)		23		21
Increase (decrease) in other liabilities			1,397	(226)		270	1,441
Total adjustments	734	711	615	(76)	1,598	270	3,852
Net cash provided by operating activities	\$875	\$888	\$1,476	\$3,164	\$50	\$4,643	\$11,096

Lee County, Florida
 COMBINING SCHEDULE 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, 2008
 (amounts expressed in thousands)

	Information Technology		Governmental Communications Network	
	Budget	Actual	Budget	Actual
OPERATING REVENUES				
User fees	\$14,916	\$14,851	\$1,518	\$2,054
Total operating revenues	<u>14,916</u>	<u>14,851</u>	<u>1,518</u>	<u>2,054</u>
OPERATING EXPENSES				
Salaries and wages	100	102	283	287
Employee benefits	26	33	89	117
Contractual services, materials, and supplies	9,800	9,659	133	191
Utilities	2,776	2,827	226	178
Repairs and maintenance	520	465	720	627
Insurance			5	4
Insurance claims				
Other	139	146	168	164
Total operating expenses	<u>13,361</u>	<u>13,232</u>	<u>1,624</u>	<u>1,568</u>
Operating income (loss)	<u>1,555</u>	<u>1,619</u>	<u>(106)</u>	<u>486</u>
NON - OPERATING REVENUES (EXPENSES)				
Interest revenue		68	25	226
Interest expense				
Grants			(54)	(69)
Capital outlay	(2,141)	(1,307)	(945)	(366)
Principal retirement				
Proceeds from disposal of PP&E				
Other revenues		5	124	237
Total non - operating revenues (expenses)	<u>(2,141)</u>	<u>(1,234)</u>	<u>(850)</u>	<u>28</u>
Income (loss) before operating transfers	<u>(586)</u>	<u>385</u>	<u>(956)</u>	<u>514</u>
Transfers in				
Transfers out				
Total transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	(586)	385	(956)	514
Total net assets - beginning	<u>1,524</u>	<u>3,757</u>	<u>6,293</u>	<u>5,409</u>
Total net assets - ending	<u>\$938</u>	<u>\$4,142</u>	<u>\$5,337</u>	<u>\$5,923</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP				
Change in net assets, budgetary basis		\$385		\$514
Add: Capital outlay		1,307		366
Compensated absences				
Principal retirement				
Capital contributions		19		
Capital asset transfers in		3		
Claims payable reserve				
Less: Depreciation and amortization		(1,478)		(306)
Fair market value adjustment		(4)		(20)
Inventory				
Compensated absences		(1)		(2)
Capital asset transfers out		(2)		
Net book value of PP&E disposed		(2)		(20)
Claims payable reserve				
Change in net assets		<u>\$227</u>		<u>\$532</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING SCHEDULE 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, 2008
(amounts expressed in thousands)

	Self-Insurance Group Health and Dental		Self-Insurance General Liability	
	Budget	Actual	Budget	Actual
OPERATING REVENUES				
User fees	\$47,992	\$49,853	\$11,746	\$12,388
Total operating revenues	<u>47,992</u>	<u>49,853</u>	<u>11,746</u>	<u>12,388</u>
OPERATING EXPENSES				
Salaries and wages	456	452	348	322
Employee benefits	169	208	126	159
Contractual services, materials, and supplies	4,099	3,112	656	568
Utilities	7	8	7	6
Repairs and maintenance			3	2
Insurance			8,736	5,910
Insurance claims	45,437	43,714	3,852	2,332
Other	120	105	109	73
Total operating expenses	<u>50,288</u>	<u>47,599</u>	<u>13,837</u>	<u>9,372</u>
Operating income (loss)	<u>(2,296)</u>	<u>2,254</u>	<u>(2,091)</u>	<u>3,016</u>
NON - OPERATING REVENUES (EXPENSES)				
Interest revenue	700	956	185	363
Interest expense				
Grants				
Capital outlay				
Principal retirement				
Proceeds from disposal of PP&E				
Other revenues		205		694
Total non - operating revenues (expenses)	<u>700</u>	<u>1,161</u>	<u>185</u>	<u>1,057</u>
Income (loss) before operating transfers	<u>(1,596)</u>	<u>3,415</u>	<u>(1,906)</u>	<u>4,073</u>
Transfers in	1,565	1,540		
Transfers out	(25)			
Total transfers	<u>1,540</u>	<u>1,540</u>	<u>0</u>	<u>0</u>
Change in net assets	(56)	4,955	(1,906)	4,073
Total net assets - beginning	<u>25,619</u>	<u>26,846</u>	<u>11,706</u>	<u>9,453</u>
Total net assets - ending	<u>\$25,563</u>	<u>\$31,801</u>	<u>\$9,800</u>	<u>\$13,526</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP				
Change in net assets, budgetary basis		\$4,955		\$4,073
Add: Capital outlay				
Compensated absences		6		
Principal retirement				
Capital contributions				
Capital asset transfers in				
Claims payable reserve				226
Less: Depreciation and amortization		(1)		(3)
Fair market value adjustment		(84)		(40)
Inventory				
Compensated absences				
Capital asset transfers out				
Net book value of PP&E disposed				
Claims payable reserve		(1,397)		
Change in net assets		<u>\$3,479</u>		<u>\$4,256</u>

(continued)

Lee County, Florida
COMBINING SCHEDULE 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, 2008
(amounts expressed in thousands)

	Fleet Management		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	
OPERATING REVENUES					
User fees	\$15,357	\$9,637	\$91,529	\$88,783	(\$2,746)
Total operating revenues	<u>15,357</u>	<u>9,637</u>	<u>91,529</u>	<u>88,783</u>	<u>(2,746)</u>
OPERATING EXPENSES					
Salaries and wages	1,448	1,437	2,635	2,600	35
Employee benefits	643	805	1,053	1,322	(269)
Contractual services, materials, and supplies	5,419	4,675	20,107	18,205	1,902
Utilities	81	59	3,097	3,078	19
Repairs and maintenance	2,375	2,056	3,618	3,150	468
Insurance	43	43	8,784	5,957	2,827
Insurance claims			49,289	46,046	3,243
Other	336	300	872	788	84
Total operating expenses	<u>10,345</u>	<u>9,375</u>	<u>89,455</u>	<u>81,146</u>	<u>8,309</u>
Operating income	<u>5,012</u>	<u>262</u>	<u>2,074</u>	<u>7,637</u>	<u>5,563</u>
NON - OPERATING REVENUES (EXPENSES)					
Interest revenue	1,018	918	1,928	2,531	603
Interest expense	(62)		(62)	0	62
Grants			(54)	(69)	(15)
Capital outlay	(6,628)	(1,876)	(9,714)	(3,549)	6,165
Principal retirement	(1,038)	(1,390)	(1,038)	(1,390)	(352)
Proceeds from disposal of PP&E	530	384	530	384	(146)
Other revenues	3	11	127	1,152	1,025
Total non - operating revenues (expenses)	<u>(6,177)</u>	<u>(1,953)</u>	<u>(8,283)</u>	<u>(941)</u>	<u>7,342</u>
Income (loss) before operating transfers	<u>(1,165)</u>	<u>(1,691)</u>	<u>(6,209)</u>	<u>6,696</u>	<u>12,905</u>
Transfers in	2,164	1,064	3,729	2,604	(1,125)
Transfers out	(2,164)	(1,064)	(2,189)	(1,064)	1,125
Total transfers	<u>0</u>	<u>0</u>	<u>1,540</u>	<u>1,540</u>	<u>0</u>
Change in net assets	(1,165)	(1,691)	(4,669)	8,236	12,905
Total net assets - beginning	<u>25,966</u>	<u>27,819</u>	<u>71,108</u>	<u>73,284</u>	<u>2,176</u>
Total net assets - ending	<u>\$24,801</u>	<u>\$26,128</u>	<u>\$66,439</u>	<u>\$81,520</u>	<u>\$15,081</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP					
Change in net assets, budgetary basis		(\$1,691)		\$8,236	
Add: Capital outlay		1,876		3,549	
Compensated absences				6	
Principal retirement		1,390		1,390	
Capital contributions		7		26	
Capital asset transfers in				3	
Claims payable reserve				226	
Less: Depreciation and amortization		(1,725)		(3,513)	
Fair market value adjustment		(84)		(232)	
Inventory		(62)		(62)	
Compensated absences		(23)		(26)	
Capital asset transfers out				(2)	
Net book value of PP&E disposed		(4)		(26)	
Claims payable reserve				(1,397)	
Change in net assets		<u>(\$316)</u>		<u>\$8,178</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, and other governments. The County currently reports only agency funds.

Town of Fort Myers Beach- To account for road and park 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 road and park impact fees that are collected on behalf of the City of Bonita Springs per an inter-local agreement.

Bonita Springs Road Impact Fees- To account for the assets held by the Board as an agent for the City of Bonita Springs.

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

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

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

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

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

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

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

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Agency Funds		
	Board Of County Commissioners		
	City of Bonita Springs	Bonita Springs Road Impact Fees	Construction Management
ASSETS			
Cash and equity in pooled cash and investments	\$2	\$1,251	\$346
Receivables (net) Accounts Due from other governments			
Total assets	2	1,251	346
LIABILITIES			
Contracts and accounts payable		36	
Due to individuals			
Due to other governments	2	1,215	
Bonds and deposits			346
Total liabilities	\$2	\$1,251	\$346

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Agency Funds			
	Board Of County Commissioners			Clerk of Circuit Court
	Fire Impact Fees	School Impact Fees	Cash Bonds	
ASSETS				
Cash and equity in pooled cash and investments	\$137	\$4,303	\$2,142	\$17,301
Receivables (net)				
Accounts		4		53
Due from other governments				11
Total assets	137	4,307	2,142	17,365
LIABILITIES				
Contracts and accounts payable		14		106
Due to individuals		332		
Due to other governments	137	3,961	56	2,641
Bonds and deposits			2,086	14,618
Total liabilities	\$137	\$4,307	\$2,142	\$17,365

(continued)

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 As of September 30, 2008
 (amounts expressed in thousands)

	Agency Funds		
	Sheriff	Tax Collector	Total
ASSETS			
Cash and equity in pooled cash and investments	\$266	\$17,616	\$43,364
Receivables (net)			
Accounts		9	66
Due from other governments	1	236	248
Total assets	267	17,861	43,678
LIABILITIES			
Contracts and accounts payable	44		200
Due to individuals	223	3,855	4,410
Due to other governments		14,006	22,018
Bonds and deposits			17,050
Total liabilities	\$267	\$17,861	\$43,678

Lee County, Florida
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Town of Ft. Myers Beach</i>				
ASSETS				
Cash and equity in pooled cash and investments	\$86	\$87	\$173	\$0
Total assets	<u>86</u>	<u>87</u>	<u>173</u>	<u>0</u>
LIABILITIES				
Due to other governments	86	175	261	0
Total liabilities	<u>86</u>	<u>175</u>	<u>261</u>	<u>0</u>
<i>City of Bonita Springs</i>				
ASSETS				
Cash and equity in pooled cash and investments	531	2,518	3,047	2
Total assets	<u>531</u>	<u>2,518</u>	<u>3,047</u>	<u>2</u>
LIABILITIES				
Due to other governments	531	4,784	5,313	2
Total liabilities	<u>531</u>	<u>4,784</u>	<u>5,313</u>	<u>2</u>
<i>Bonita Springs Road Impact Fees</i>				
ASSETS				
Cash and equity in pooled cash and investments	6,448	5,498	10,695	1,251
Total assets	<u>6,448</u>	<u>5,498</u>	<u>10,695</u>	<u>1,251</u>
LIABILITIES				
Contracts and accounts payable	1,679	5,539	7,182	36
Due to other governments	4,769		3,554	1,215
Total liabilities	<u>6,448</u>	<u>5,539</u>	<u>10,736</u>	<u>1,251</u>
<i>Construction Management</i>				
ASSETS				
Cash and equity in pooled cash and investments	123	235	12	346
Receivables (net)				
Total assets	<u>123</u>	<u>235</u>	<u>12</u>	<u>346</u>
LIABILITIES				
Bonds and deposits	123	237	14	346
Total liabilities	<u>\$123</u>	<u>\$237</u>	<u>\$14</u>	<u>\$346</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Fire Impact Fees</i>				
ASSETS				
Cash and equity in pooled cash and investments	\$1,013	\$1,040	\$1,916	\$137
Receivables (net)				
Total assets	<u>1,013</u>	<u>1,040</u>	<u>1,916</u>	<u>137</u>
LIABILITIES				
Due to other governments	1,013	1,792	2,668	137
Total liabilities	<u>1,013</u>	<u>1,792</u>	<u>2,668</u>	<u>137</u>
<i>School Impact Fees</i>				
ASSETS				
Cash and equity in pooled cash and investments	5,948	5,399	7,044	4,303
Receivables (net)	0	8	4	4
Total assets	<u>5,948</u>	<u>5,407</u>	<u>7,048</u>	<u>4,307</u>
LIABILITIES				
Contracts and accounts payable	33	6,849	6,868	14
Due to individuals	400	114	182	332
Due to other governments	5,515	4,116	5,670	3,961
Total liabilities	<u>5,948</u>	<u>11,079</u>	<u>12,720</u>	<u>4,307</u>
<i>Cash Bonds</i>				
ASSETS				
Cash and equity in pooled cash and investments	2,395	977	1,230	2,142
Total assets	<u>2,395</u>	<u>977</u>	<u>1,230</u>	<u>2,142</u>
LIABILITIES				
Due to other governments	0	1,286	1,230	56
Bonds and deposits	2,395	1,114	1,423	2,086
Total liabilities	<u>2,395</u>	<u>2,400</u>	<u>2,653</u>	<u>2,142</u>
<i>Clerk of Circuit Court</i>				
ASSETS				
Cash and equity in pooled cash and investments	20,879	218,847	222,425	17,301
Receivables (net)	0	71	18	53
Due from other governments	0	11		11
Total assets	<u>20,879</u>	<u>218,929</u>	<u>222,443</u>	<u>17,365</u>
LIABILITIES				
Contracts and accounts payable	249	61,603	61,746	106
Due to other governments	3,433	95,327	96,119	2,641
Bonds and deposits	17,197	60,456	63,035	14,618
Total liabilities	<u>\$20,879</u>	<u>\$217,386</u>	<u>\$220,900</u>	<u>\$17,365</u>

(continued)

Lee County, Florida
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2008
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Sheriff</i>				
ASSETS				
Cash and equity in pooled cash and investments	\$400	\$4,307	\$4,441	\$266
Due from other governments	0	666	665	1
Total assets	<u>400</u>	<u>4,973</u>	<u>5,106</u>	<u>267</u>
LIABILITIES				
Contracts and accounts payable	51	44	51	44
Due to individuals	349	4,093	4,219	223
Total liabilities	<u>400</u>	<u>4,137</u>	<u>4,270</u>	<u>267</u>
<i>Tax Collector</i>				
ASSETS				
Cash and equity in pooled cash and investments	13,444	1,290,954	1,286,782	17,616
Receivables (net)	10	106	107	9
Due from other governments	604	1,048	1,416	236
Total assets	<u>14,058</u>	<u>1,292,108</u>	<u>1,288,305</u>	<u>17,861</u>
LIABILITIES				
Due to individuals	2,248	93,989	92,382	3,855
Due to other governments	11,810	1,198,120	1,195,924	14,006
Total liabilities	<u>14,058</u>	<u>1,292,109</u>	<u>1,288,306</u>	<u>17,861</u>
<i>Total</i>				
ASSETS				
Cash and equity in pooled cash and investments	51,267	1,529,862	1,537,765	43,364
Receivables (net)	10	185	129	66
Due from other governments	604	1,725	2,081	248
Total assets	<u>51,881</u>	<u>1,531,772</u>	<u>1,539,975</u>	<u>43,678</u>
LIABILITIES				
Contracts and accounts payable	2,012	74,035	75,847	200
Due to individuals	2,997	98,196	96,783	4,410
Due to other governments	27,157	1,305,600	1,310,739	22,018
Bonds and deposits	19,715	61,807	64,472	17,050
Total liabilities	<u>\$51,881</u>	<u>\$1,539,638</u>	<u>\$1,547,841</u>	<u>\$43,678</u>

Statistical Section



Statistical Section

(unaudited)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Lee County, Florida
SCHEDULE 1
NET ASSETS
Last Eight Fiscal Years
(dollars in thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities								
Invested in capital assets, net of related debt	\$479,665	\$538,217	\$600,096	\$670,833	\$769,454	\$974,518	\$1,148,026	\$1,318,137
Restricted for:								
Capital projects	148,459	179,728	214,202	220,591	237,428	346,005	370,932	333,179
Debt service	20,528	21,334	21,640	22,453	25,742	19,567	21,940	20,138
Claibourne and Foulds Trust	1	1	1	1				
Unrestricted	207,217	240,731	234,752	284,293	357,515	449,732	520,745	527,270
Governmental activities net assets	<u>855,870</u>	<u>980,011</u>	<u>1,070,691</u>	<u>1,198,171</u>	<u>1,390,139</u>	<u>1,789,822</u>	<u>2,061,643</u>	<u>2,198,724</u>
Business-type Activities								
Invested in capital assets, net of related debt	283,959	309,741	422,635	540,009	657,657	733,834	860,208	942,028
Restricted for:								
Capital projects	78,688	92,091	93,338	75,726	77,919	92,848	69,877	65,661
Debt service	85,350	69,935	54,455	35,677	30,965	30,706	37,626	40,954
Renewal and replacement	12,390	14,884	15,799	16,924	23,893	24,079	16,547	13,849
Unrestricted	164,460	182,777	198,513	241,545	228,357	246,428	252,241	258,169
Business-type activities net assets	<u>624,847</u>	<u>669,428</u>	<u>784,740</u>	<u>909,881</u>	<u>1,018,791</u>	<u>1,127,895</u>	<u>1,236,499</u>	<u>1,320,661</u>
Primary Government								
Invested in capital assets, net of related debt	763,624	847,958	1,022,731	1,210,842	1,427,111	1,708,352	2,008,234	2,260,165
Restricted for:								
Capital projects	227,147	271,819	307,540	296,317	315,347	438,853	440,809	398,840
Debt service	105,878	91,269	76,095	58,130	56,707	50,273	59,566	61,092
Renewal and replacement	12,390	14,884	15,799	16,924	23,893	24,079	16,547	13,849
Claibourne and Foulds Trust	1	1	1	1				
Unrestricted	371,677	423,508	433,265	525,838	585,872	696,160	772,986	785,439
Total primary government net assets	<u>\$1,480,717</u>	<u>\$1,649,439</u>	<u>\$1,855,431</u>	<u>\$2,108,052</u>	<u>\$2,408,930</u>	<u>\$2,917,717</u>	<u>\$3,298,142</u>	<u>\$3,519,385</u>

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

Note: Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt, restricted, and unrestricted.

* Fiscal year 2006 reflects a cumulative prior period adjustment for impact fees that were treated as deferred revenues in prior years.

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

	2001	2002	2003	2004	2005	2006*	2007	2008
Expenses								
Governmental Activities:								
General government	\$90,497	\$110,508	\$107,961	\$123,068	\$130,947	\$151,914	\$202,104	\$240,356
Public safety	106,738	120,421	127,463	150,499	174,137	197,743	228,403	242,867
Physical environment	8,585	8,725	8,754	14,619	16,262	22,794	24,951	14,365
Transportation	32,828	31,732	54,173	41,246	38,794	45,934	60,292	56,408
Economic environment	16,117	13,829	18,244	17,418	19,109	21,649	23,409	25,769
Human services	11,716	14,401	19,143	16,015	19,155	20,751	22,947	24,921
Culture and recreation	42,116	43,661	49,208	57,436	61,329	63,490	72,903	71,266
Interest on long-term debt	13,112	13,441	12,450	11,925	12,763	11,852	13,904	13,007
Total governmental activities expenses	321,709	356,718	397,396	432,226	472,496	536,127	648,913	688,959
Business-type Activities:								
Airport	40,746	40,686	50,787	52,775	54,242	94,532	100,605	108,382
Water and wastewater	42,411	43,722	51,083	65,986	72,222	84,408	91,121	96,895
Transit	10,341	11,354	12,646	14,236	16,855	18,652	21,456	24,805
Transportation facilities	21,158	21,956	23,709	21,420	22,887	23,779	26,742	31,430
Solid waste	48,890	46,344	47,993	67,278	52,799	61,196	64,798	75,997
Total business-type activities expenses	163,546	164,062	186,218	221,695	219,005	282,567	304,722	337,509
Total primary government expenses	\$485,255	\$520,780	\$583,614	\$653,921	\$691,501	\$818,694	\$953,635	\$1,026,468
Program Revenues								
Governmental Activities:								
Charges for services:								
General government	\$25,171	\$34,241	\$41,107	\$48,446	\$69,135	\$76,869	\$79,183	\$75,516
Public safety	24,773	23,756	24,969	29,748	41,645	47,394	48,257	41,546
Physical environment	1,694	1,503	1,550	2,215	2,621	3,309	2,871	2,270
Transportation	2,503	10,523	2,547	2,621	3,470	3,091	2,588	1,393
Economic environment	183		3					
Human services	699	1,114	1,299	1,926	2,302	2,705	3,173	2,976
Culture and recreation	2,584	2,708	2,819	2,886	3,248	3,599	4,484	4,430
Operating grants and contributions	30,342	34,194	37,274	49,073	45,473	43,793	31,262	31,593
Capital grants and contributions	5,510	20,929	12,200	15,864	17,136	18,680	17,779	12,711
Total governmental activities program revenues	93,459	128,968	123,768	152,779	185,030	199,440	189,397	172,435
Business-type Activities:								
Charges for services:								
Airport	45,794	44,043	50,838	60,874	80,191	99,430	101,409	101,974
Water and wastewater	44,556	46,313	52,574	62,729	66,880	70,670	72,681	89,495
Transit	1,608	1,511	1,874	2,031	2,520	3,074	3,054	3,100
Transportation facilities	29,168	30,247	31,973	33,423	43,846	41,192	41,134	38,097
Solid waste	53,228	53,963	55,860	61,191	62,479	76,510	79,094	84,399
Operating grants and contributions	4,384	4,673	6,487	20,941	4,763	6,310	5,899	7,347
Capital grants and contributions	31,803	32,566	62,898	80,444	46,128	59,161	69,501	70,330
Total business-type activities program revenues	210,541	213,316	262,504	321,633	306,807	356,347	372,772	394,742
Total primary government program revenues	\$304,000	\$342,284	\$386,272	\$474,412	\$491,837	\$555,787	\$562,169	\$567,177

(continued)

Lee County, Florida
SCHEDULE 2

CHANGES IN NET ASSETS
Last Eight Fiscal Years
(dollars in thousands)

	2001	2002	2003	2004	2005	2006*	2007	2008
Net (Expense) Revenue*								
Governmental activities	(\$228,250)	(\$227,750)	(\$273,628)	(\$279,447)	(\$287,466)	(\$336,687)	(\$459,516)	(\$516,524)
Business-type Activities	46,995	49,254	76,286	99,938	87,802	73,780	68,050	57,233
Total primary government net expense	(\$181,255)	(\$178,496)	(\$197,342)	(\$179,509)	(\$199,664)	(\$262,907)	(\$391,466)	(\$459,291)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes	\$222,375							
Property taxes		\$216,050	\$248,411	\$289,206	\$316,947	\$377,567	\$466,026	\$463,880
Gas taxes		15,992	16,547	18,060	19,319	20,124	19,541	18,260
Tourist taxes		10,834	11,089	12,318	11,603	18,728	22,986	23,768
Communication taxes		6,244	7,511	6,528	8,577	9,518	10,457	10,946
Franchise fees		5,136	5,515	6,031	6,912	8,836	9,352	9,161
Impact fees	10,165	24,821	18,365	20,434	30,954	68,829	39,671	14,769
Unrestricted grants and contributions	30,399	31,817	33,387	45,103	44,608	62,618	76,509	59,471
Investment earnings	36,167	15,553	11,478	8,169	21,802	47,806	64,510	37,376
Gain on sale of capital assets	23							
Miscellaneous	17,253	17,922	15,888	18,731	24,843	24,851	31,233	24,171
Transfers	5,759	7,522	(3,705)	(17,653)	(6,131)	(4,464)	(8,948)	(8,197)
Total governmental activities general revenues and transfers	322,141	351,891	364,486	406,927	479,434	634,413	731,337	653,605
Business-type Activities:								
Property taxes	1,717	1,928	1,916	1,697	1,801	1,783	2,337	2,036
Franchise fees		868	782	931	907	1,464	1,535	2,221
Investment earnings	29,050	8,171	5,922	4,228	10,382	21,788	26,770	12,452
Gain on sale of capital assets	41	316	36					
Miscellaneous	659	1,265	958	694	1,887	5,825	964	2,023
Special Item-Assumption of GES net assets			25,707					
Transfers	(5,759)	(7,522)	3,705	17,653	6,131	4,464	8,948	8,197
Total Business-type activities general revenues, special item, and transfers	25,708	5,026	39,026	25,203	21,108	35,324	40,554	26,929
Total primary government general revenues, special item, and transfers	\$347,849	\$356,917	\$403,512	\$432,130	\$500,542	\$669,737	\$771,891	\$680,534
Change in Net Assets								
Governmental activities	\$93,891	\$124,141	\$90,858	\$127,480	\$191,968	\$297,726	\$271,821	\$137,081
Business-type activities	72,703	54,280	115,312	125,141	108,910	109,104	108,604	84,162
Total primary government	\$166,594	\$178,421	\$206,170	\$252,621	\$300,878	\$406,830	\$380,425	\$221,243

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

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

* Fiscal year 2006 reflects a cumulative prior period adjustment for impact fees that were treated as deferred revenues in prior years.

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

	2001	2002	2003	2004	2005	2006 [*]	2007	2008
General Fund								
Reserved:								
Advances						\$45,960	\$65,814	\$25,947
Inventory	\$138	\$138	\$144	\$156	\$168	186	462	544
Unreserved, designated for:								
Next fiscal year's expenditures					39,695	42,762	25,622	20,653
Unfunded other post employment benefits						18,000	16,437	25,000
Roads revolving loan program					30,000	31,000		1,088
Road construction grant							10,000	
Unfunded mandates					2,000	2,000	2,000	3,000
Economic incentives					1,500	1,500	1,500	25,000
Fort Myers Beach transportation loan					1,000	1,000	1,000	
SWFAS commitment							2,000	
Community Corrections Facility								10,000
Unreserved, undesignated	72,973	87,151	67,173	91,500	70,036	57,380	123,921	163,804
Total General Fund	\$73,111	\$87,289	\$67,317	\$91,656	\$144,399	\$199,788	\$248,756	\$275,036
All Other Governmental Funds								
Reserved:								
Advances			\$1,700	\$1,700	\$1,700		\$189	\$139
Inventory	\$1,362	\$1,457	1,321	1,854	2,170	\$2,291	2,321	1,855
Debt service	20,276	21,078	21,365	22,173	25,445	24,582	28,041	26,160
Claibourne & Foulds Trust	1	1	1	1				
Unreserved, designated for:								
Next fiscal year's expenditures					206,404	279,989	303,854	274,702
Unfunded other post employment benefits							4,281	
Conservation 2020					38,975	18,546	14,628	
Bequests							1,374	1,418
Hurricane contingency					1,930			
Debt service	11,037	8,357	8,481	4,750	5,238	4,966	4,371	5,038
Unreserved, undesignated, reported in:								
Special Revenue Funds	141,749	146,861	165,200	187,079	178,800	238,898	206,245	235,502
Capital Projects Funds	133,571	158,593	188,748	245,803	27,328	38,452	109,944	79,663
Total All Other Governmental Funds	\$307,996	\$336,347	\$386,816	\$463,360	\$487,990	\$607,724	\$675,248	\$624,477

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

* Fiscal year 2006 reflects a cumulative prior period adjustment for impact fees that were treated as deferred revenues in prior years.

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

	2001	2002	2003	2004	2005	2006*	2007	2008
Revenues								
Taxes	\$222,375	\$254,254	\$289,073	\$332,143	\$363,358	\$434,782	\$528,362	\$526,015
Licenses and permits	8,578	9,641	10,772	13,560	19,249	18,660	11,760	5,415
Intergovernmental	61,291	67,747	74,653	95,934	96,031	117,215	107,328	90,618
Charges for services	43,170	49,349	53,902	64,906	82,876	92,684	97,994	92,123
Fines and forfeitures	2,133	2,634	3,492	3,286	1,533	1,749	2,236	2,073
Impact fees	10,165	24,758	18,365	20,434	30,954	68,830	39,671	14,769
Special assessments	2,455	2,475	2,129	3,120	4,044	2,491	2,075	2,024
Miscellaneous	53,109	31,982	32,589	29,694	54,055	74,102	91,788	59,019
Total revenues	403,276	442,840	484,975	563,077	652,100	810,513	881,214	792,056
Expenditures								
Current								
General government	79,313	95,236	88,890	103,334	105,547	119,119	142,153	161,143
Public safety	105,151	114,462	121,566	141,274	165,699	189,841	217,040	236,717
Physical environment	8,659	8,283	7,899	13,565	15,119	22,357	24,618	13,698
Transportation	31,878	23,300	32,611	32,701	29,797	37,127	49,940	44,826
Economic environment	17,111	13,503	17,589	17,309	19,025	21,509	23,299	25,629
Human services	11,255	13,745	15,307	15,410	18,501	20,155	22,291	24,382
Culture and recreation	42,244	38,043	43,633	53,081	56,474	58,049	67,007	65,381
Capital outlay	66,706	67,104	84,702	90,935	126,643	232,694	241,054	199,458
Debt service								
Principal retirement	16,348	17,865	19,884	23,125	25,058	20,221	20,567	24,008
Interest and fiscal charges	13,918	13,317	12,421	10,905	11,936	12,137	13,954	14,770
Bond issuance costs				1,872	422		1,031	
Total expenditures	392,583	404,858	444,502	503,511	574,221	733,209	822,954	810,012
Excess (deficiencies) of revenues over (under) expenditures	10,693	37,982	40,473	59,566	77,879	77,304	58,260	(17,956)
Other Financing Sources (Uses)								
Transfers in	61,840	88,386	111,649	94,281	95,542	136,592	142,010	136,352
Transfers out	(56,645)	(85,746)	(124,222)	(111,224)	(101,319)	(142,188)	(154,103)	(146,090)
Surplus to state and other local governments				(1,791)				
Insurance proceeds					65	94		
Proceeds from capital leases	23	242						
Bond premium					1,132			
Proceeds from long-term debt	350	1,665	2,775	115,491	31,696	1,365	70,325	3,203
Payments to refunding escrow agent				(55,440)	(27,622)			
Total other financing sources (uses)	5,568	4,547	(9,798)	41,317	(506)	(4,137)	58,232	(6,535)
Net change in fund balances	\$16,261	\$42,529	\$30,675	\$100,883	\$77,373	\$73,167	\$116,492	(\$24,491)
Debt service as a percentage of noncapital expenditures	9.3%	9.2%	9.0%	8.7%	8.4%	6.5%	6.1%	6.4%

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

* Fiscal year 2006 reflects a cumulative prior period adjustment for impact fees that were treated as deferred revenues in prior years.

Lee County, Florida
 SCHEDULE 5
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Nine Fiscal Years
 (dollars in thousands)

Fiscal Year	Real Property			Personal Property	Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ¹
	Residential Property	Commercial Property	Other						
2000	\$18,906,436	\$4,054,140	\$483,421	\$1,813,495	\$5,926,907	\$19,330,585	\$23.7426	\$31,184,986	80.99%
2001	21,056,101	4,356,799	510,814	1,993,614	6,419,037	21,498,291	24.5212	34,371,145	81.22%
2002	24,196,619	4,835,958	584,619	2,256,562	7,380,178	24,493,580	26.1369	39,406,325	80.88%
2003	28,601,778	5,100,577	612,303	2,598,152	9,130,847	27,781,963	26.0916	46,222,203	79.86%
2004	33,974,995	5,463,467	711,938	3,040,545	11,134,146	32,056,799	25.5880	54,486,377	79.27%
2005	40,146,873	6,101,600	758,194	3,248,635	13,644,616	36,610,686	24.7705	64,109,276	78.39%
2006	51,598,837	7,988,437	1,021,789	3,455,695	18,280,190	45,784,568	23.7771	82,578,117	77.58%
2007	73,753,174	11,065,933	990,847	3,850,680	28,459,057	61,201,577	21.9282	118,369,446	75.75%
2008	78,264,100	12,649,523	1,212,764	4,122,676	28,724,259	67,524,804	20.4350	125,483,375	76.70%

Source: Lee County Property Appraiser

Values are reported beginning in 2000 because certain data was unavailable prior to that date.

¹ Includes tax-exempt property

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Lee County	4.4751	4.4751	4.3277	4.3277	4.3277	4.3277	4.2610	3.9332	3.5216	3.6506
Operating millage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt service millage	<u>0.8532</u>	<u>1.0124</u>	<u>1.0124</u>	<u>1.0124</u>	<u>1.0124</u>	<u>1.0124</u>	<u>1.0124</u>	<u>1.0124</u>	<u>0.9536</u>	<u>0.5000</u>
Capital improvements millage	<u>5.3283</u>	<u>5.4875</u>	<u>5.3401</u>	<u>5.3401</u>	<u>5.3401</u>	<u>5.3401</u>	<u>5.2734</u>	<u>4.9456</u>	<u>4.4752</u>	<u>4.1506</u>
Total Lee County millage	<u>9.3060</u>	<u>8.9410</u>	<u>8.7980</u>	<u>8.4780</u>	<u>8.5720</u>	<u>8.3460</u>	<u>8.0650</u>	<u>7.8820</u>	<u>7.0120</u>	<u>6.9600</u>
School District	5.9873	5.9873	5.9873	5.8033	5.8033	5.6831	5.5287	5.2787	4.8787	4.7698
Operating millage	<u>0.9056</u>	<u>0.8605</u>	<u>0.7914</u>	<u>0.7144</u>	<u>0.5712</u>	<u>0.4218</u>	<u>0.2311</u>	<u>0.1119</u>	<u>0.0627</u>	<u>0.0627</u>
Debt service millage	<u>6.8929</u>	<u>6.8478</u>	<u>6.7787</u>	<u>6.5177</u>	<u>6.3745</u>	<u>6.1049</u>	<u>5.7598</u>	<u>5.3906</u>	<u>4.9414</u>	<u>4.8325</u>
Total Cape Coral millage	2.0126	1.9181	1.7291	1.7291	1.7291	1.7291	2.5000	2.4801	2.5000	2.1966
Operating millage	<u>0.3386</u>	<u>0.3638</u>	<u>0.3279</u>	<u>0.2607</u>	<u>0.4901</u>	<u>0.3870</u>	<u>0.2893</u>	<u>0.3218</u>	<u>0.3983</u>	<u>0.1467</u>
Debt service millage	<u>2.3512</u>	<u>2.2819</u>	<u>2.0570</u>	<u>1.9898</u>	<u>2.2192</u>	<u>2.1161</u>	<u>2.7893</u>	<u>2.8019</u>	<u>2.8983</u>	<u>2.3433</u>
Total Sanibel millage	5.7816	5.7820	5.7820	7.7816	7.7816	7.7816	7.2100	7.2100	6.8000	6.2560
Fort Myers	1.0961	1.0961	1.0961	1.0400	1.0400	1.0000	0.8500	0.7498	0.6096	0.6053
Fort Myers Beach	<u>0.0000</u>	<u>0.0000</u>	<u>1.2200</u>	<u>1.2200</u>	<u>1.0885</u>	<u>0.9976</u>	<u>0.9976</u>	<u>0.9976</u>	<u>0.7919</u>	<u>0.7244</u>
Bonita Springs ¹	16.1218	16.0078	16.9338	18.5491	18.5038	18.0002	17.6067	17.1499	16.0412	14.7615
Total municipalities millage	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6240
South Florida Water Management Dist.	0.0392	0.0360	0.0358	0.0358	0.0327	0.0295	0.0300	0.0295	0.0223	0.0214
Lee County Hyacinth Control	0.3928	0.3792	0.3595	0.3595	0.3294	0.2984	0.2720	0.2247	0.1695	0.1636
Lee County Mosquito Control	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0394
West Coast Inland Waterway	1.1604	1.2114	1.2114	1.2114	1.2114	1.2114	1.2114	1.0028	0.9300	0.8398
MSTU (Unincorporated)	<u>0.5755</u>	<u>0.9630</u>	<u>0.9630</u>	<u>0.9630</u>	<u>0.9630</u>	<u>0.9630</u>	<u>0.6055</u>	<u>0.6055</u>	<u>0.4085</u>	<u>0.3972</u>
Lee County Library	<u>2.9049</u>	<u>3.3266</u>	<u>3.3067</u>	<u>3.3067</u>	<u>3.2735</u>	<u>3.2393</u>	<u>2.8559</u>	<u>2.5995</u>	<u>2.2673</u>	<u>2.0854</u>
Total special districts millage	<u>0.0090-5.1424</u>	<u>1.708-6.000</u>	<u>0.0079-6.000</u>	<u>0.0509-6.000</u>	<u>0.0044-6.000</u>	<u>0.0438-6.000</u>	<u>0.0011-6.000</u>	<u>0.0012-6.000</u>	<u>0.0462-6.000</u>	<u>0.245-3.000</u>
Other special districts ²	33.6610	33.7629	34.3786	35.6739	35.6894	34.9256	33.8010	32.5770	29.7957	27.9575
Total direct and overlapping rates ³										

¹ Bonita Springs incorporated during 2000 therefore there is no prior years' data available.

² Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

³ Does not include Other special districts since reported as a range. Overlapping rates are those of Lee County that apply to property owners within Lee County. Not all overlapping rates apply to all Lee County property owners (e.g. special assessments only apply to the property owners located in that district).

Source: Lee County Budget Office

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

<u>Taxpayer</u>	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Coconut Point Developers LLC	\$145,878	1	0.158%			
Christian & Missionary Alliance, Inc.	138,650	2	0.150%	\$58,475	4	0.250%
Ginn La Naples LTD	132,321	3	0.143%			
Centex Homes	129,915	4	0.141%			
Bay Colony Gateway Inc	118,124	5	0.128%			
Edison Mall Business Trust	93,822	6	0.102%	87,636	1	0.375%
Gulf Coast Town Center CMBS	89,941	7	0.097%			
Thieman Enterprises LLC	87,501	8	0.095%			
Beach Road Development LP	85,423	9	0.093%			
K Hovnanian First Homes LLC	74,044	10	0.080%			
Long Bay Partners LLC				70,169	2	0.300%
Cape Coral Holdings				60,847	3	0.260%
Merry Land & Investment Co., Inc.				51,799	5	0.222%
WCI Communities				44,031	6	0.188%
US Home				40,276	7	0.172%
Gatorland Vistas, Inc.				39,015	8	0.167%
TGM Gulfstream, Inc				29,856	9	0.128%
Casa Ybel Beach and Racquet Club				28,732	10	0.123%
Total	\$1,095,619		1.187%	\$510,836		2.185%

Source: Lee County Property Appraiser

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year ¹	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount ²	Percentage of Levy			
1999	\$155,025	\$149,167	96.22%	743	\$149,910	96.70%
2000	181,814	174,167	95.79%	834	175,001	96.25%
2001	192,595	184,800	95.95%	656	185,456	96.29%
2002	219,911	211,175	96.03%	603	211,778	96.30%
2003	255,095	244,304	95.77%	685	244,989	96.04%
2004	297,850	285,130	95.73%	286	285,416	95.83%
2005	326,026	312,673	95.90%	26	312,699	95.91%
2006	388,369	372,541	95.92%	(187) ³	372,354	95.88%
2007	479,590	460,870	96.10%	(43) ³	460,827	96.09%
2008	478,895	458,933	95.83%		458,933	95.83%

Sources: Lee County Tax Collector

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

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

³ Collections are negative due to Value Reductions for the tax roll.

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

Fiscal Year	General Bonded Debt						Other Governmental Activities Debt				
	Capital Revenue Bonds ¹	Gas Tax Bonds	Tourist Development Tax Bonds	Certificates of Participation	Total	Percentage of Estimated Actual Taxable Property Value ²	Per Capita ³	Special Assessment Bonds	Commercial Paper	Notes	Capital Leases
1999	\$160,803	\$69,895	\$10,140	\$22,740	\$263,578	0.91%	0.62	\$6,750	\$2,410	\$4,004	\$9,615
2000	171,038	66,305	9,790	21,515	268,648	0.86%	0.61	5,245	100	5,071	8,001
2001	163,003	62,565	9,415	20,235	255,218	0.74%	0.56	3,890	450	4,672	6,526
2002	153,888	58,635	9,025	18,835	240,403	0.61%	0.51	2,910	1,640	4,399	5,176
2003	144,303	54,575	8,615	17,385	224,878	0.49%	0.45	1,755	3,225	3,776	3,531
2004	189,603	50,343	8,195	15,865	264,006	0.48%	0.51	1,075	2,650	3,234	1,832
2005	178,688	46,653	7,650	14,275	247,266	0.39%	0.45	475	1,365	3,320	57
2006	167,863	41,567	7,120	12,615	229,165	0.28%	0.39		2,800	3,006	5
2007	220,703	36,385	6,580	10,805	274,473	0.23%	0.45		640	4,846	
2008	209,443	31,010	6,020	6,125	252,598	0.20%	0.40				

Business-Type Activities Debt

Fiscal Year	Port Authority			Transportation Facilities		Water and Wastewater Revenue Bonds		Sewer District General Obligation Bonds		Total Primary Government ⁴	Percentage of Personal Income ³	Per Capita ³
	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Obligation Bonds	Obligation Bonds	Capital Leases			
1999	\$105,375	\$193,850	\$168,795	\$154,910	\$5,590	\$7,900	\$13,694	\$35	\$936,471	8.47%	2.19	
2000	427,730	187,900	165,215	151,950	4,610	3,000	13,157	7	1,240,662	10.56%	2.81	
2001	422,465	181,145	160,360	147,055	3,570	750	20,099		1,206,207	9.63%	2.65	
2002	408,670	167,100	156,930	142,020	1,870		29,533		1,160,651	8.47%	2.44	
2003	406,150	157,720	152,505	202,850	1,280		24,862		1,182,532	8.23%	2.39	
2004	403,530	146,805	151,190	197,980		20,000	21,444		1,213,746	7.76%	2.33	
2005	396,030	135,415	210,935	192,915		16,400	24,598	126	1,229,424	6.44%	2.24	
2006	389,800	204,005	205,185	187,655		26,400	39,169	79	1,286,148	6.20%	2.20	
2007	389,800	191,965	198,600	182,170		32,712	37,002	30	1,312,558	5.41%	2.13	
2008	381,660	179,345	191,785	177,365		31,878	36,823		1,256,940	4.81%	2.02	

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

¹ Excludes accreted interest of \$8,454,000

² See Schedule 5 for property value data.

³ See Schedule 11 for personal income and population data for 1999 through 2008. These ratios are calculated using personal income and population for the prior calendar year.

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

Source: Lee County Clerk of Courts Finance and Records Department

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

Fiscal Year	Passenger Facility Charge Revenue Bonds						Port Authority Line of Credit ²					
	Passenger Facility Charge Revenues	Less: Operating Expenses ¹	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage	Page Field General Aviation Airport Revenues	Less: Operating Expenses ¹	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1999	\$6,616	n/a	\$6,616	\$995	\$2,440	1.93						
2000	6,724	n/a	6,724	1,640	2,392	1.67						
2001	7,236	n/a	7,236	1,705	2,328	1.79						
2002	6,488	n/a	6,488	1,770	2,257	1.61						
2003	7,930	n/a	7,930	1,845	2,182	1.97						
2004	12,878	n/a	12,878	1,920	2,103	3.20						
2005	15,615	n/a	15,615	2,005	2,018	3.88						
2006	15,567	n/a	15,567	2,090	1,927	3.88	\$7,129	\$5,853	\$1,276	\$59	\$59	21.63
2007	16,858	n/a	16,858	2,185	1,830	4.20	8,026	6,974	1,052	\$230	317	1.92
2008	15,478	n/a	15,478	2,285	1,727	3.86	12,334 ³	7,996	4,338	4,338	400	0.92
							8,904	8,678	226	295	164	0.49

Fiscal Year	Port Authority Revenue Bonds						Solid Waste System Revenue Bonds					
	Airport Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage	Solid Waste System Revenues ⁹	Less: Operating Expenses ¹	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1999	\$36,831	4 \$22,525	\$14,306	\$2,890	\$3,680	2.18	\$52,418	\$26,640	\$25,778	\$5,115	\$12,908	1.43
2000	36,951	6 21,290	15,661	3,070	3,488	2.39	56,667	27,101	29,566	5,950	12,558	1.60
2001	37,713	6 28,273	9,440	3,275	3,275	1.44	60,204	29,335	30,869	6,755	12,149	1.63
2002	34,848	6 26,774	8,074	3,495	3,043	1.23	58,264	30,275	27,989	7,640	9,937	1.59
2003	39,656	6 29,995	9,661	7,883	1,668	1.01	60,168	30,394	29,774	9,380	8,308	1.68
2004	43,184	6 31,209	11,975	4,856	1,524	1.88	64,674	33,905	30,769	10,915	7,882	1.64
2005	62,657	8 33,902	28,755	615	4,016	6.21	67,356	35,659	31,697	11,390	7,369	1.69
2006	87,911	8 47,573	40,338	5,410	20,507	1.56	82,864	44,399	38,465	11,940	6,918	2.04
2007	86,661	8 51,679	34,982	5,670	20,196	1.35	88,584	48,793	39,791	12,040	9,473	1.85
2008	88,587	8 54,941	33,646	5,855	19,972	1.30	89,490	54,022	35,468	12,620	9,521	1.60

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

¹ As defined by bond resolutions - Generally, current operating expense which doesn't include interest expense, depreciation or amortization expense.

² Ten years of data are not provided as the Line of Credit was issued in 2004.

³ Additional principal payment was made in 2007 with funds transferred from the Airport discretionary fund. Amount in Revenues column includes the transferred amount.

⁴ As defined by bond resolutions - Generally, all revenues generated from the operation of all County airports, with the exception of passenger facility charges and grants.

⁵ As defined by bond resolutions - Generally, current operating expense of all County airports which does not include interest expense, depreciation, or rebates.

⁶ As defined by bond resolutions - Generally, all revenues generated from the operation of Southwest Florida International Airport, with the exception of passenger facility charges and grants.

⁷ As defined by bond resolutions - Generally, current operating expense of Southwest Florida International Airport which includes arbitrage rebate liability and does not include interest expense, depreciation, unpaid Other Post Employment Benefits expense or rebates.

⁸ As defined by bond resolutions - Generally, all revenues generated from the operation of Southwest Florida International Airport with the exception of passenger facility charges and grants but including surplus passenger facility charges per Federal Aviation Administration approvals.

⁹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Waste - to - Energy Facility, the landfill, and the collection services.

¹⁰ Excludes expense related to hurricane damage which is treated in the financial statements as non-operating expense.

(continued)

Lee County, Florida
SCHEDULE 10

PLEDGED REVENUE BOND COVERAGE
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water and Wastewater Revenue Bonds					Transportation Facilities Revenue Bonds					
	Water and Wastewater Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Transportation Facilities Revenues ³	Less: Operating Expenses ²	Debt Service		Net Available Revenue	Coverage
				Principal	Interest			Principal	Interest		
1999	\$37,982	\$18,470	\$19,512	\$4,195	\$1,395	\$29,082	\$6,405	\$3,150	\$9,920	\$22,677	1.74
2000	53,089	21,192	31,897	3,940	7,431	29,833	5,873	3,580	9,764	23,960	1.80
2001	55,010	21,849	33,161	5,935	7,220	31,884	6,430	3,750	9,590	25,454	1.91
2002	51,144	23,348	27,796	6,735	6,968	30,630	6,911	3,430	7,646	23,719	2.14
2003	55,665	27,545	28,120	5,285	6,680	32,297	9,193	4,425	8,328	23,104	1.81
2004	65,229	34,231	30,998	6,150	8,667	33,937	8,453	4,755	7,029	25,484	2.16
2005	71,495	42,108	29,387	5,065	9,112	45,164	9,856	5,415	6,720	35,308	2.91
2006	78,990	50,699	28,291	5,260	8,888	44,549	10,808	5,750	9,182	33,741	2.26
2007	81,898	55,143	26,755	5,485	8,650	43,959	13,129	6,585	9,621	30,830	1.90
2008	95,382	56,882	38,500	4,805	8,449	39,395	11,864	6,815	9,396	27,531	1.70

Fiscal Year	Florida Department of Environmental Protection Loans					
	Water and Wastewater Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
1999	\$37,982	\$18,470	\$19,512	\$421	\$300	27.06
2000	53,089	21,192	31,897	436	285	44.24
2001	55,010	21,849	33,161	452	269	45.99
2002	51,144	23,348	27,796	469	252	38.55
2003	55,665	27,545	28,120	486	235	39.00
2004	65,229	34,231	30,998	504	217	42.99
2005	71,495	42,108	29,387	522	199	40.76
2006	78,990	50,699	28,291	541	180	39.24
2007	81,898	55,143	26,755	727	220	28.25
2008	95,382	56,882	38,500	1,391	473	20.65

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

¹ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Water and Wastewater System. The pledge of these revenues to the FDEP loan is subordinate to the revenue bonds pledge.
² As defined by bond resolutions - Generally, current operating expense which doesn't include interest expense, depreciation or amortization expense.
³ As defined by bond resolutions - Generally, all revenues generated from the operation of the Lee County Transportation Facilities, including but not limited to toll revenues and investment earnings.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
 SCHEDULE 11
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Year	Population ¹	Total Personal Income (in thousands)	Per Capita Personal Income ²	Median Age ²	School Enrollment ³	Unemployment Rates (Percentage) ⁴		
						County	State	National
1999	427,180	\$11,051,147	\$25,870	44.6	56,919	2.6	3.9	4.2
2000	440,888	11,754,074	26,660	45.3	58,700	2.6	3.6	4.0
2001	454,918	12,519,798	27,521	45.2	60,553	3.2	4.8	4.7
2002	475,073	13,706,331	28,851	45.6	61,274	4.0	5.5	5.8
2003	495,088	14,375,870	29,037	45.6	62,566	4.0	5.1	6.0
2004	521,253	15,644,366	30,013	45.8	70,782	4.0	4.6	5.1
2005	549,442	19,098,604	34,760	44.2	75,558	2.9	3.7	4.8
2006	585,608	20,736,965	35,411	43.7	78,775	2.7	3.4	4.4
2007	615,741	24,266,353	39,410	43.2	80,526	5.2	4.3	4.5
2008	623,725	26,111,623	41,864	42.7	79,457	9.2	6.8	6.0

Sources: ¹Bureau of Economic and Business Research. Population for 2008 is projected.

² Woods and Poole Economics, Inc, MSA Profile.

³ District School Board of Lee County.

⁴ Florida Agency for Workforce Innovation, Office of Labor Market Statistics, and U.S. Department of Labor, Bureau of Labor Statistics.

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

<u>Employer</u>	2008*			1999		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Lee County School Board	12,650	1	4.45%	8,026	1	n/a
Lee Memorial Health System	8,600	2	3.03%	3,202	2	n/a
Publix Super Markets	4,215	3	1.48%	2,839	3	n/a
Lee County Government	2,610	4	0.92%	2,030	4	n/a
Wal-Mart Corporation	2,400	5	0.84%	1,850	5	n/a
City of Cape Coral	2,056	6	0.72%	1,370	6	n/a
Lee County Sheriff's Office	1,470	7	0.52%			
U.S. Postal Service	1,397	8	0.49%			
Florida Gulf Coast University	1,292	9	0.45%			
Chico's FAS	1,120	10	0.39%			
Meristar Corporation				1,250	7	n/a
Department of Children and Families				1,182	8	n/a
Southwest Regional Medical Center				1,030	9	n/a
WCI Communities				1,007	10	n/a
Total	37,810		13.29%	23,786		n/a

* As of November, 2008

Source: Lee County Office of Economic Development, and Florida Agency for Workforce Innovations

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

Function/Program	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:								
General government	1,035	1,089	1,137	1,153	1,271	1,363	1,416	1,402
Public safety	1,315	1,445	1,552	1,651	1,827	1,981	1,961	1,979
Physical environment	68	73	73	79	85	90	90	85
Transportation	205	212	229	234	247	267	271	252
Economic environment	49	50	53	59	64	68	66	61
Human services	49	50	55	57	65	64	67	68
Culture and recreation	428	434	450	520	546	562	566	517
Business-type activities:								
Airport	257	261	269	282	319	342	359	355
Water and wastewater	33	179	196	256	279	291	291	281
Transit	166	163	166	169	239	254	257	257
Transportation facilities	135	130	125	132	132	125	114	101
Solid waste	20	21	30	36	55	71	71	71
Total	3,760	4,107	4,335	4,628	5,129	5,478	5,529	5,429

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* .

Sources: Lee County Budget Office, Lee County Sheriff Finance Department, Lee County Clerk of Circuit Court Human Resources Department, Lee County Property Appraiser Finance Department, Lee County Tax Collector Human Resources Department, Lee County Supervisor of Elections Human Resources Department, Lee County Port Authority Human Resources Department, and 20th Judicial Circuit Court Finance Department

Lee County, Florida
SCHEDULE 14
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Eight Fiscal Years

<u>Function/program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Community Development								
Building Permits Issued	50,000	55,000	61,000	92,000	122,000	119,000	84,414	36,916
Inspections	124,000	150,000	200,000	237,500	290,000	360,600	230,574	88,965
Public Safety/EMS ¹								
E-911 calls processed	112,512	115,287	123,864	143,160	147,730	155,450	155,482	162,630
Sheriff Department ²								
Physical arrests	11,857	13,645	14,597	15,233	15,007	17,856	19,887	22,777
Traffic tickets	28,439	38,056	37,529	40,718	44,158	64,272	67,885	68,054
Natural Resources								
Environmental lab tests performed	74,337	76,657	77,327	88,449	96,049	106,670	106,435	111,392
Pollutant storage tanks inspections	696	727	780	858	860	673	932	1,058
Solid Waste								
Number of business and residential customers ³	176,424	183,335	191,041	196,889	216,804	225,711	240,874	245,257
Volume of solid waste collection (tons per year) ⁴	430,665	444,147	486,486	533,754	581,000	605,747	559,484	517,889
Volume of recycling collection (tons per year) ⁵	32,625	35,655	39,853	44,209	46,802	51,651	53,782	56,355
Megawatt hours of electricity sold	239,407	215,468	231,296	229,479	236,533	218,399	222,005	293,805
Water and Wastewater								
Water customers	52,914	55,151	68,243	71,241	73,670	77,149	78,961	79,536
Wastewater customers	34,928	39,408	46,528	48,830	51,774	55,668	57,535	57,908
Meter installations	1,618	1,627	2,149	3,531	3,754	3,493	1,914	630
Department of Transportation								
Number of signal and flasher locations maintained	392	410	419	425	433	453	459	472
Number of streetlights maintained	1,846	1,632	2,052	2,138	2,138	2,194	3,380	4,314
Number of Driveway and ROW permits issued	1,811	2,369	2,761	4,128	6,435	7,601	3,758	1,071
Asphalt road resurfacing (in thousands of tons)	27	59	58	61	83	54	35	47
Bridges								
Toll paying traffic per year								
Sanibel	3,456,438	3,406,557	3,249,378	3,192,595	2,910,454	2,835,333	2,889,783	2,925,251
Mid-point Memorial ⁶	13,700,380	14,880,050	15,795,078	16,578,145	17,958,287	17,981,689	17,571,604	8,347,488
Cape Coral ⁶	14,359,196	14,747,594	15,423,942	16,303,265	17,355,653	17,450,273	17,263,048	8,544,776
Transit								
Number of bus passenger trips	2,318,342	2,240,545	2,335,842	2,512,886	2,821,676	2,891,968	3,037,194	3,061,461
Number of bus route miles	427	414	418	418	418	418	418	416
Port Authority								
Number of enplanements	2,665,387	2,618,297	2,973,330	3,393,275	3,741,071	3,803,563	4,061,936	3,868,588
Number of deplanements	2,612,321	2,567,351	2,918,338	3,343,355	3,678,511	3,749,462	4,009,718	3,826,610
Human Services								
Number of emergency services provided with General								
Fund County Service dollars (mortgage, rent, utilities, etc.)	803	1,053	874	876	525	602	617	628
Animal Services								
Officer responses	13,005	17,548	23,663	18,549	18,209	19,285	21,906	24,383
Animal placement	3,233	3,969	3,827	3,050	2,987	3,255	3,354	2,767
Library								
Cardholders	187,213	196,523	209,618	223,376	243,917	257,032	280,879	302,025
Items available for circulation	1,046,221	1,077,870	1,132,113	1,211,717	1,238,611	1,347,502	1,384,045	1,410,281
Total circulation	2,814,023	3,164,773	3,628,490	3,618,912	3,171,641	3,484,762	4,059,126	4,942,611
Parks and Recreation								
Number of public parks maintained	58	60	58	59	65	65	65	65
Number of public pools maintained	9	9	9	9	9	9	9	9
Number of public boat ramps maintained	5	5	5	5	6	7	7	7

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Source: Various Lee County Departments

¹ Based on calendar year.

² Fiscal Year is the year the Sheriff published the statistics for 2001 to 2004. 2005 and following years are based on the BOCC fiscal year.

³ Unincorporated Lee County, the City of Bonita Springs, and Town of Fort Myers Beach.

⁴ Total solid waste processed and landfilled for unincorporated Lee County, Hendry County, and the cities of Sanibel, Fort Myers, Cape Coral, Bonita Springs, and Fort Myers Beach.

⁵ Total tons recycled for unincorporated Lee County and the cities of Sanibel, Fort Myers, and Cape Coral.

⁶ One way tolling beginning in fiscal year 2008.

Lee County, Florida
SCHEDULE 15
CAPITAL ASSET STATISTICS BY FUNCTION
Last Eight Fiscal Years
(in units)

	<u>2001*</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities								
General Government	8,642	10,573	10,510	9,140	10,107	11,010	11,493	12,638
Public Safety	2,433	6,491	7,287	6,646	7,581	8,055	8,997	9,789
Physical Environment	408	440	463	401	447	433	505	521
Transportation	2,999	3,142	3,256	3,224	3,237	3,264	3,360	3,396
Economic Environment	142	152	165	134	147	202	214	206
Human Services	869	967	967	893	842	885	875	818
Culture and Recreation	3,439	3,884	4,030	3,668	4,022	4,085	4,340	4,182
	<u>18,932</u>	<u>25,649</u>	<u>26,678</u>	<u>24,106</u>	<u>26,383</u>	<u>27,934</u>	<u>29,784</u>	<u>31,550</u>
Business-type Activities								
Port Authority	2,016	2,068	2,162	1,990	2,061	2,147	2,227	2,262
Water and Wastewater	3,998	4,421	5,240	6,429	7,814	9,033	10,800	12,776
Transportation Facilities	729	778	814	784	881	995	1,071	984
Solid Waste	290	313	372	354	407	441	459	482
Transit	377	472	456	412	504	541	606	631
	<u>7,410</u>	<u>8,052</u>	<u>9,044</u>	<u>9,969</u>	<u>11,667</u>	<u>13,157</u>	<u>15,163</u>	<u>17,135</u>

Note: Data is reported beginning in fiscal year 2001 since certain data was unavailable prior to the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* .

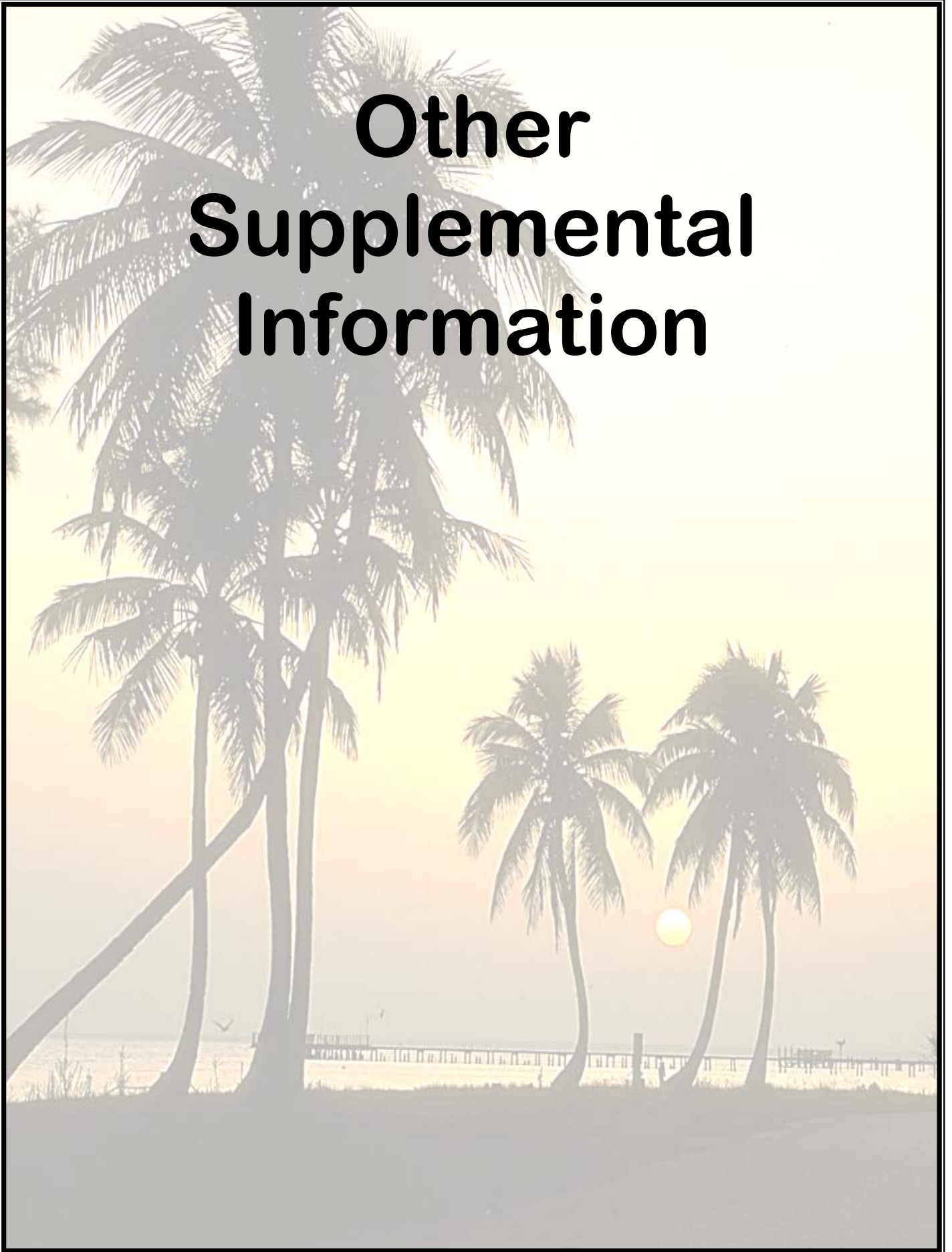
* Fiscal year 2001 does not contain information from the Lee County Sheriff's Office.

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



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Other Supplemental Information



Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS, SERIES 2004
 September 30, 2008
 (unaudited)
 (dollars in thousands)

Historical Tourist Development Tax Revenues and Gross Revenues and
 Debt Service Coverage

<u>Fiscal Year Ended September 30</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tourist Development Tax Revenues	\$11,089	\$12,318	\$11,603	\$13,279	\$13,792	\$14,267
Stadium Rental Revenue (Gross Revenues)	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
Total Pledged Funds ⁽¹⁾⁽²⁾	\$11,389	\$12,618	\$11,903	\$13,579	\$14,092	\$14,567
Maximum Annual Debt Service Payable from Pledged Funds	833	833	825	825	825	825
Debt Service Coverage ⁽³⁾	13.7x	15.1x	14.4x	16.5x	17.1x	17.7x

⁽¹⁾ Investment earnings, if any, have not been included in these calculations.

⁽²⁾ This figure includes only Tourist Development Tax revenues as defined in the Bond Resolution. Revenues from the 2% tax increase which went into effect in 2006 are not included.

⁽³⁾ The Bond Resolution requires 1.75 times the Maximum Annual Debt Service for the issuance of Additional Bonds.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
 CAPITAL REVENUE BONDS
 September 30, 2008
 (unaudited)

Pledged Revenues and Debt Service Coverage

<u>Revenues</u> ⁽¹⁾	Historical				Projected		
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Ambulance Service Receipts	\$13,870,181	\$15,428,511	\$14,955,468	\$16,944,873	\$17,000,250	\$17,340,255	\$17,687,060
Excess County Officer Fees	19,329,909	22,004,668	20,289,470	18,566,672	18,566,672	18,572,572	18,573,162
Race Track Funds	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Communication Services Tax	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
First Guaranteed Entitlement	579,000	579,000	579,000	579,000	579,000	579,000	579,000
License Fees (Mobile Home/Alcohol/Insurance)	780,419	828,577	832,813	820,958	750,000	765,000	780,300
Sales Tax	41,197,944	45,312,441	42,195,424	36,506,532	35,004,340	35,000,000	35,000,000
Investment Earnings	3,441,929	8,511,003	12,878,956	10,188,989	10,290,879	10,393,788	10,601,663
Data Processing Fees	10,031,791	9,527,331	10,619,000	10,450,058	10,763,560	11,086,467	11,419,061
Sub-Total Pledged Revenues	\$92,054,423	\$105,014,781	\$105,173,381	\$96,880,332	\$95,777,951	\$96,560,332	\$97,463,496
Maximum Annual Debt Service	19,642,988	21,776,744	21,776,744	21,776,744	21,776,744	21,776,744	21,776,744
Debt Service Coverage	4.69 x	4.82 x	4.83 x	4.45 x	4.40 x	4.43 x	4.48 x
Plus Limited Availability Revenues⁽²⁾							
Building and Zoning Permits and Fees	23,328,301	21,457,252	14,622,510	8,205,593	6,378,309	6,442,092	6,506,513
Pledged Gas Taxes							
Constitutional Gas Tax	5,601,896	5,693,219	5,857,298	5,568,295	5,697,496	5,754,471	5,812,016
County (7th cent) Gas Tax	2,450,751	2,535,530	2,551,614	2,426,138	2,492,071	2,516,992	2,542,162
Ninth Cent (Voted) Gas Tax (Net of Series '93 and '03 Debt Service through 2009 when Issue Retired)	2,297,851	2,362,886	2,307,353	2,101,397	2,090,250	2,111,153	2,132,264
Total Pledged Revenues	\$125,733,222	\$137,063,668	\$130,512,156	\$115,181,755	\$112,436,077	\$113,385,040	\$114,456,451
Maximum Annual Debt Service	19,642,988	21,776,744	21,776,744	21,776,744	21,776,744	21,776,744	21,776,744
Debt Service Coverage	6.40 x	6.29 x	5.99 x	5.29 x	5.16 x	5.21 x	5.26 x

⁽¹⁾ Not all sources of Pledged Revenues may be legally available to pay debt service on all series of Bonds.

⁽²⁾ Availability to pay debt service may be limited.

SOURCE: Lee County Clerk of Courts Finance and Records Department for historical and projected figures; Division of Budget Services for projected figures

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LOCAL OPTION GAS TAX BONDS
 September 30, 2008
 (unaudited)

Local Option Gas Tax Refunding Revenue Bonds, Series 1997

Actual Revenues and Coverage of Maximum Annual Debt Service Requirements and Number of Gallons
 (dollars in thousands)

County Fiscal Year ¹	Six Cent	Maximum Annual Debt Service	Debt Service Coverage Ratio	State Fiscal Year ²	Number of Gallons ⁴		
	Local Option Gas Tax Revenues				Motor Fuel	Diesel Fuel ³	Total Gallons
1999	\$7,386	\$3,312	2.23	1998	210,503,207	28,670,595	239,173,802
2000	7,588	3,310	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
2002	7,666	3,300	2.32	2002	237,330,501	31,254,455	268,584,956
2003	7,919	3,298	2.40	2003	247,547,557	31,740,145	279,287,702
2004	8,642	3,293	2.62	2004	264,515,852	34,435,223	298,951,075
2005	9,287	3,289	2.82	2005	288,353,645	40,208,692	328,562,337
2006	9,702	3,288	2.95	2006	299,544,192	46,160,096	345,704,288
2007	9,276	3,285	2.82	2007	303,698,720	44,871,752	348,570,472
2008	8,713	3,279	2.66	2008	283,149,975	42,495,823	325,645,798

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.

Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004

Gas Tax Revenues and Number of Taxable Gallons Sold
 (dollars in thousands)

County Fiscal Year ¹	Five Cent Local Option Gas Tax Revenues	Percentage Increase (Decrease)	State Fiscal Year ²	Gallons of Motor Fuel ³	Percentage Increase (Decrease)
1999	\$5,474	N/A	1999	210,503,207	N/A
2000	5,574	1.8%	2000	221,552,425	5.2%
2001	5,450	-2.2%	2001	228,825,414	3.3%
2002	5,661	3.9%	2002	237,330,501	3.7%
2003	5,851	3.4%	2003	247,547,557	4.3%
2004	6,388	9.2%	2004	264,515,852	6.9%
2005	6,731	5.4%	2005	288,353,645	9.0%
2006	6,978	3.7%	2006	299,544,192	3.9%
2007	6,874	-1.5%	2007	303,698,720	1.4%
2008	6,364	-7.4%	2008	283,149,975	-6.8%

Five Cent Local Option Gas Tax Debt Service Coverage

County Fiscal Year ¹	Five Cent Local Option Gas Tax Revenues	Maximum Annual Debt Service	Debt Service Coverage Ratio
2003	\$5,851	\$2,472	2.37
2004	6,388	2,539	2.52
2005	6,731	2,539	2.65
2006	6,978	2,539	2.75
2007	6,874	2,436	2.82
2008	6,364	2,436	2.61

Allocation of Gas Tax Revenues

City of Cape Coral	25.52%
City of Fort Myers	14.00%
Sanibel	5.00%
Town of Ft. Myers Beach	1.27%
City of Bonita Springs	4.75%
Lee County	49.46%
	100.00%

¹ County fiscal year ended September 30.

² State fiscal year ended June 30.

³ Number of gallons sold in Lee County.

Source: Lee County Clerk of Courts Finance and Records Department and Lee County Budget Services

Lee County, Florida
SUPPLEMENTAL SCHEDULES
 LEE COUNTY WATER AND WASTEWATER SYSTEMS
 September 30, 2008
 (Unaudited)

Monthly Water Rates

Customer Classification

<u>Residential Service</u>	<u>Monthly Service Charge</u>	<u>User Charge Per 1,000 Gallons For Each ERU</u>	
Single - family	\$7.78 per unit	1 - 6,000	\$2.84
		6,001 - 12,000	3.49
		12,001 - 18,000	4.14
		18,001 and above	5.43
Multi - family	\$6.21 per unit/lot	1 - 6,000	2.84
		6,001 - 12,000	3.49
		12,001 - 18,000	4.14
		18,001 and above	5.43
Recreational vehicle	\$3.14 per unit/lot	1 - 6,000	2.84
		6,001 - 12,000	3.49
		12,001 - 18,000	4.14
		18,001 and above	5.43
Mobile Home	\$6.21 per unit/lot	1 - 6,000	2.84
		6,001 - 12,000	3.49
		12,001 - 18,000	4.14
		18,001 and above	5.43

Each residential service account will be charged a monthly administrative fee of \$ 2.82.

An additional well field development surcharge of \$ 0.50 per ERU will be assessed to those residential customers whose monthly water consumption exceeds their initial water conservation block during the monthly billing period (6,000 gallons per ERU).

The total monthly rate for residential service is the sum of the: a) service charge; b) administrative fee; c) well field development surcharge (if applicable); and d) user charges in accordance with this schedule.

<u>Commercial and All Non-Residential</u>	<u>Monthly Service Charge</u>	<u>ERU Ratio</u>	<u>User Charge Per 1,000 Gallons For Each ERU</u>	
5/8"	\$10.60	1.0	1 - 6,000	\$2.84
3/4"	14.50	1.5	6,001 - 12,000	3.49
1"	22.28	2.5	12,001 - 18,000	4.14
1½"	41.73	5.0	18,001 and above	5.43
2"	65.07	8.0		
3"	127.32	16.0	<u>Non-irrigation class</u>	
4"	197.35	25.0	Per 1,000	2.84
6"	391.87	50.0		
8"	625.30	80.0	<u>Irrigation class</u>	
10"	1,131.07	145.0	1 - 6,000	3.49
			6,001 - 12,000	4.14
			12,001 and over	5.43

An additional well field development surcharge of \$0.50 per ERU will be assessed to those commercial and non-residential customers whose monthly water consumption exceeds their initial water conservation block during the monthly billing period (6,000 gallons per ERU).

The total monthly rate is the sum of the service and the user charges.

Water Restriction Surcharge Adjustment

In the event that the South Florida Water Management District or other authority having appropriate jurisdiction declares a water shortage requiring a mandatory water usage reduction in the amount of 15%, the water user charges listed above will be increased by 18%.

In the event that a reduction of water use greater than 15% is required, the County Commission may establish by resolution, a surcharge based upon the recommendation of the Public Works Director in order to meet revenues required to comply with existing bond debt service covenants, or to meet other requirements of the water system.

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
 LEE COUNTY WATER AND WASTEWATER SYSTEMS
 September 30, 2008
 (Unaudited)

Monthly Wastewater Rates

Customer Classification

<u>Residential Service</u>	<u>Monthly Service Charge</u>	<u>User Charge Per 1,000 Gallons</u>	<u>Unmetered User Charge</u>
Single - family	\$12.57 per unit	\$4.59	\$20.68 per unit
Multi - family	\$10.08 per unit/lot	4.59	\$16.55 per unit/lot
Recreational vehicle	\$5.10 per unit/lot	4.59	\$8.28 per unit/lot
Mobile Home	\$10.08 per unit/lot	4.59	\$16.55 per unit/lot

Each residential service account shall be charged a monthly administrative fee of \$4.05.

No wastewater user charge shall be imposed on metered water usage above nine thousand (9,000) gallons per month, per residential service dwelling unit.

The total monthly rate for residential service is the sum of the: a) service charge; b) administrative fee; and c) user charges, in accordance with the schedule.

Commercial and All Non-Residential

<u>Meter Size</u>	<u>Monthly Service Charge</u>	<u>User Charge Per 1,000 Gallons</u>
5/8"	\$16.62	\$4.59
3/4"	22.97	4.59
1"	35.54	4.59
1½"	67.54	4.59
2"	104.89	4.59
3"	205.43	4.59
4"	318.10	4.59
6"	634.64	4.59
8"	1,012.81	4.59
10"	1,830.52	4.59

Unmetered commercial and non-residential charges will be calculated individually based on estimates of wastewater discharges and the above schedule of rates.

The total monthly rate for residential service is the sum of the service and the user charges.

Water and Wastewater Connection Fees

<u>Customer Classification</u>	<u>Number ERU's</u>	<u>Water Charge</u>	<u>Wastewater Charge</u>
<u>Residential Service</u>			
Single - family	1.00	\$2,440.00	\$2,660.00
Multi - family (per Dwelling Unit)	0.80	1,952.00	2,128.00
Recreational vehicle (per Dwelling Unit/Lot)	0.40	976.00	1,064.00
<u>Commercial and All Non-Residential</u>			
Charge Per Gallon		9.76	10.64

Water Meter Installation and Service Connection Fees

<u>Meter Size</u>	<u>Installation Charge</u>	<u>Tap-In Charge</u>
5/8"	\$250.00	\$660.00
3/4"	275.00	690.00
1"	330.00	745.00
1½"	540.00	920.00
2"	625.00	1,005.00
3" and above	Actual Cost	Actual Cost
Wastewater Main Tap Charge		Actual Cost

In addition to new installations, these rates may also apply to water and sewer service upgrades or facility locations.

Charges for larger meter and wastewater main taps will be based on estimates of actual time and expense. Amounts collected by the County in excess of actual costs will be credited to the customer's account or be refunded, as may be applicable. Amounts due, caused by underestimation, will be billed and payable to Lee County Utilities.

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2008
(Unaudited)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Water and wastewater sales revenues	\$65,434	\$69,439	\$71,306	\$87,553
Other operating revenue ⁽¹⁾	<u>1,232</u>	<u>1,215</u>	<u>1,375</u>	<u>1,942</u>
Total operating revenues	66,666	70,654	72,681	89,495
Operating expenses ⁽²⁾	<u>42,108</u>	<u>50,699</u>	<u>55,143</u>	<u>56,882</u>
Net operating revenue	24,558	19,955	17,538	32,613
Interest income ⁽³⁾	2,473	4,145	4,584	2,467
Special assessments ⁽⁴⁾	<u>769</u>	<u>776</u>	<u>0</u>	<u>0</u>
Net available revenues	27,800	24,876	22,122	35,080
Net available revenues after other transfers	27,800	24,876	22,122	35,080
Connection fee revenues ⁽⁵⁾	24,462	22,519	15,859	6,784
Net revenues and connection fees	52,262	47,395	37,981	41,864
Senior lien debt service	14,177	14,148	14,135	13,254
Senior lien debt service coverage:				
Without pledged connection fees	1.96	1.76	1.57	2.65
With pledged connection fees	3.69	3.35	2.69	3.16
Other debt service requirements ⁽⁶⁾	721	721	947	1,864
Net available revenues and other funds received for capital improvements and other purposes ⁽⁷⁾	<u><u>\$12,902</u></u>	<u><u>\$10,007</u></u>	<u><u>\$7,040</u></u>	<u><u>\$19,962</u></u>

(1) Amount shown includes miscellaneous operating revenues including bulk water sales, meter installation charges, turn-on and turn-off fees, etc.

(2) Amount shown does not include depreciation or amortization expenses which are not considered an operating expense pursuant to the County's Bond Resolution.

(3) Amount shown includes interest earnings on unrestricted fund balances as defined in the Bond Resolution.

(4) The proceeds of certain special assessments are pledged to the Series 1993 Bondholders only and are not a pledged revenue for the County's other Water and Sewer Revenue Bonds. The Series 1993 bonds were retired on 10/1/06.

(5) Includes all Connection Fees, only a portion of which may be legally available to pay debt service under Florida law.

(6) Includes State Revolving Fund (SRF) indebtedness.

(7) Amount shown does not include Connection Fees and associated interest earnings.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
 September 30, 2008
 (Unaudited)

Customer Statistics:

Historical customer statistics with respect to the Lee County Water System are set forth below:

County Water System Customer Accounts and Sales Statistics

Fiscal Year Ended September 30 (Historical)	Average Annual No. of Retail Customers	Amount (000s of gallons)	Daily Flow (MGD)	Retail Sales (000s of gallons)	Average Monthly Use Per Customer (gallons)
1999	36,520	4,421,481	12.11	3,437,072	7,843
2000	49,262	6,680,207	18.25	5,222,801	8,835
2001	50,112	6,686,475	18.32	5,478,555	9,111
2002	50,929	6,901,403	18.91	5,546,934	9,076
2003	59,381	7,872,668	21.57	6,233,513	8,748
2004	65,806	8,775,003	23.98	7,087,734	8,976
2005	69,373	8,708,193	23.86	8,379,038	10,065
2006	73,492	9,603,709	26.31	7,975,812	9,044
2007	75,164	8,715,271	23.88	8,699,462	9,645
2008	74,688	8,832,235	24.20	7,503,846	8,372
Average Annual Historical Growth Rate	<u>10.28%</u>	<u>11.52%</u>		<u>11.58%</u>	

* Amounts shown do not include wholesale water customers and associated water sales of the County.

Historical customer statistics with respect to the Lee County Wastewater System are set forth below:

County Wastewater System Customer Accounts and Sales Statistics¹

Fiscal Year Ended September 30 (Historical)	Average Annual No. of Retail Customers	Billed Flow ^{1,2} (000s of gallons)	Total Treated (000s of gallons) ³	Daily Flow (MGD)
1999	28,448	2,639,722	3,692,237	10.12
2000	31,731	2,321,193	4,162,428	11.37
2001	32,895	3,365,843	4,298,095	11.78
2002	34,474	3,278,316	4,307,770	11.80
2003	41,861	3,993,214	4,791,857	13.13
2004	45,960	5,332,320	5,709,457	15.60
2005	45,685	5,305,122	5,523,955	15.13
2006	49,329	5,517,229	6,235,968	17.08
2007	54,415	5,747,455	5,906,267	16.18
2008	54,403	5,824,545	6,086,665	16.63
Average Annual Historical Growth Rate	<u>8.45%</u>	<u>9.36%</u>		

¹ Amounts shown do not include wholesale treatment services (sales) by the County

² Amounts shown represent metered water use that is billed the wastewater flow charge for rate application purposes

³ Amount shown includes flows treated by the City of Fort Myers based on an agreement entered into between the City of Fort Myers and the County that currently allocates 50.0% of total City treatment capacity to the County (approximately 11.50 MGD).

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2008
(Unaudited)

County System Top Ten Retail Utility Customers (Based on Sales Revenue)

<u>Customer</u>	<u>Class</u>	<u>Meter Size</u>	<u>Type of Service</u>	<u>System Revenue</u>	<u>% of Total County Sales Revenue</u>
Landings Env. Wrm. Assoc. Inc.	Multifamily	6"	Water/Sewer	\$609,542	0.760%
Gulf Coast Town Center	Commercial	10"	Water/Sewer	352,190	0.439%
Shell Point Village	Commercial	8"	Water/Sewer	334,795	0.417%
Lee County Port Authority	Commercial	6"	Water/Sewer	284,493	0.355%
Jamaica Bay Assoc. LDT	Multifamily	8"	Water	279,353	0.348%
Lee Memorial Health System	Commercial	2"	Water/Sewer	265,232	0.331%
Sanibel Harbour Resort	Commercial	6"	Water/Sewer	263,211	0.328%
Indian Creek Park	Multifamily	6"	Water/Sewer	261,193	0.326%
Bayside Estates	Multifamily	3"	Water/Sewer	218,387	0.272%
Corkscrew Woodlands Assoc., Inc.	Multifamily	6"	Water/Sewer	213,309	0.266%
				\$3,081,705	3.842%

Source: Lee County Utilities Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2008
(unaudited)

Historic Tipping Fees for Solid Waste System

Fiscal Year	Unincorporated Area ⁽¹⁾	Incorporated Area
1999	\$64.25	\$52.63
2000	63.31	50.00
2001	59.65	50.00
2002	56.15	47.00
2003	54.94	48.15
2004	54.16	48.15
2005	54.82	48.15
2006	57.51	49.59
2007	58.40	51.20
2008	59.77	53.25

(1) Includes Surcharges

Source: Lee County Solid Waste Division

Historic Revenue and Operating Expenses of Lee County
Solid Waste Enterprise Fund
September 30, 2008
(unaudited)
(amounts in thousands)

Fiscal Year	Revenues	Operating Expenses	Net Revenues	Annual Debt Service	Coverage	Net Assets
1999	\$ 52,481	\$ 26,640	\$ 25,778	\$ 18,023	1.42	\$ 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
2002	58,264	30,275	27,989	17,577	1.59	118,836
2003	60,168	30,394	29,774	17,688	1.68	131,392
2004	64,690	32,805*	31,885	18,797	1.70	147,051
2005	67,356	35,659*	31,697	18,759	1.69	163,798
2006	82,865	44,399	38,466	18,858	2.04	187,842
2007	88,584	48,793	39,791	21,513	1.85	215,911
2008	89,490	54,022	35,468	22,141	1.60	232,626

*Excludes expense related to hurricane damage which is treated in the financial statements as non-operating expense.

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
 September 30, 2008
 (unaudited)

Historic Solid Waste Tonnage

The following table provides the historic tons of solid waste delivered to the System for FY 1999 through FY 2008.

Lee County Historic Solid Waste Delivered to the System						
Fiscal Year	Unincorporated Area		Incorporated Area		Hendry County ⁽¹⁾	
	Processible Solid Waste ⁽²⁾	Non-Processible Solid Waste ⁽³⁾	Processible Solid Waste ⁽²⁾	Non-Processible Solid Waste ⁽³⁾	Processible Solid Waste	Non-Processible Solid Waste ⁽³⁾
1999 ⁽⁴⁾	202,000	45,700	145,036	6,200	27,570	7,100
2000 ⁽⁴⁾	248,800	50,100	132,800	12,200	32,800	7,300
2001 ⁽⁵⁾	230,300	44,600	173,200	6,300	33,400	8,200
2002 ⁽⁵⁾	250,100	19,800	175,200	2,800	34,100	7,500
2003 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	282,786	4,135	204,776		32,949	9,292
2004 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	315,276	8,805	228,303		34,227	8,127
2005 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	294,152	9,081	232,140		40,706	9,404
2006 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	302,615	14,284	252,006		46,942	16,551
2007 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	290,989	24,640	228,642		46,342	5,780
2008 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	317,429	15,939	235,969		45,353	783

(1) Hendry County began delivering solid waste to the system in December 1992.

(2) Processible Waste - Waste quantities generated by Lee County which are anticipated to be processed at the County's Waste-to-Energy Facility. This does not include processible waste that is recovered/recycled.

(3) Non-processible Waste - Waste generated by Lee County which is landfilled. Includes construction and demolition debris and bulky waste. It does not include non-processibles that are recycled, horticultural waste, and ash residue.

(4) Based on actual solid waste tonnage records, and reflects the incorporation of the Town of Fort Myers Beach.

(5) Reflects incorporation of the Town of Fort Myers Beach and Bonita Springs.

(6) The County only accepts a nominal amount of Lee County Unincorporated Non-Processible Waste at the Regional Landfill.

Source: Lee County Solid Waste Division

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2008

HISTORICAL REVENUES AND EXPENSES		
Lee County, Florida		
Solid Waste System		
System Income (\$)	Fiscal Year 2007	Fiscal Year 2008
1. WTE Facility Energy Revenues.....	10,663,082	14,146,165
2. WTE Facility Ferrous/Non-Ferrous Revenues.....	259,335	0
3. Hendry County Disposal Revenues.....	991,060	1,188,552
4. Disposal Facility Assessment	9,126,068	9,016,061
5. Interest Income.....	6,703,744	2,768,661
6. Reserve Fund Earnings.....	797,821	503,840
7. Franchise Fees.....	1,534,542	2,220,404
8. Solid Waste Program Revenues.....	54,739,564	56,276,281
9. Rate Stabilization Reserve Fund.....	0	0
10. Resource Recovery Tip Fees Revenues.....	included in line 7	included in line 7
11. Landfill Tip Fee Revenues.....	included in line 7	included in line 7
12. MSTU Tax Fund.....	2,336,567	2,035,859
13. Other Revenue.....	<u>3,948,179</u>	<u>4,714,324</u>
14. TOTAL SYSTEM INCOME.....	91,099,962	92,870,147
15. Non-applied Income.....	<u>2,729,346</u>	<u>3,379,715</u>
16. NET SYSTEM INCOME.....	88,370,616	89,490,432
System Expenses (\$)		
Landfill Operation Costs		
17. Landfill Operating Costs.....	3,494,119	3,531,098
18. Landfill Closure Operating Costs.....	1,322,101	813,622
WTE Facility Operation Costs		
19. Operation and Maintenance Charge.....	11,359,872	13,833,037
20. Energy Credit.....	1,057,188	1,401,126
21. Ferrous/Non-Ferrous Credit.....	259,335	0
22. Pass Through Costs.....	2,451,295	3,542,267
23. County Operations	6,489,714	6,349,883
24. Regulation Service Charge.....	91,200	108,124
Solid Waste Program Costs		
25. Solid Waste Program Costs.....	<u>31,147,123</u>	<u>36,854,995</u>
26. TOTAL SYSTEM EXPENSES.....	57,671,947	66,434,152
27. Non-applied Expenses.....	<u>8,879,086</u>	<u>12,411,671</u>
28. NET SYSTEM EXPENSES.....	48,792,861	54,022,481
System Annual Debt Service (\$)		
29. Series 2001 Refunded 1991 Bonds	16,974,564	16,937,543
30. Series 2006A Bonds.....	3,610,101	4,138,969
31. Series 2006B Bonds.....	<u>928,607</u>	<u>1,064,645</u>
32. TOTAL ANNUAL DEBT SERVICE.....	21,513,272	22,141,157
33. NET REVENUES APPLIED TO D.S.	39,577,755	35,467,951
34. DEBT SERVICE COVERAGE.....	184%	160%

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2008
(unaudited)

NOTES TO HISTORICAL
REVENUES AND EXPENSES FOR
FISCAL YEAR 2008

1. Electrical revenues from the Seminole Electric Cooperative Power Purchase Agreement.
2. The WTE Facility Ferrous/Non-Ferrous Revenue per the Covanta Energy Agreement.
3. The Hendry County Disposal Revenues in accordance with the terms and conditions stipulated in the Hendry County Disposal Agreement.
4. The Disposal Facilities Assessment based on the FY08 assessment fee of \$18.00 per ton.
5. Interest Income is equal to the sum of the annual interest earnings on the various Solid Waste Program balances (including Solid Waste Operations, Solid Waste Administration, Right-of-Way Cleanup, Hazardous Waste, Rate Stabilization and Recycling) for FY08.
6. Reserve Fund Earnings are equal to the sum of the interest earnings on the debt service reserve funds of the Series 2001 Bonds for FY08.
7. Franchise Fees calculated at 5.5 percent as per Collection Hauler collection agreements.
8. The Solid Waste Program Revenues are equal to the sum of the Solid Waste Operations, Solid Waste Management and Right-of-Way Cleanup surcharges. Plus the Solid Waste Collection and Billing revenues and Horticulture Waste Tip Fee revenues.
9. The Rate Stabilization Reserve Fund is used to minimize annual fluctuations in the disposal rates. The total dollars in the Rate Stabilization Fund ending in FY 2008 were \$15.7 million as provided by the Lee County Clerk of Courts Finance and Records Department. Currently Rate Stabilization is held in reserve and not applied to revenues.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2008
(Unaudited)

Notes to Historical Revenues and Expenses (continued):

10. The Resource Recovery Tip Fees for FY08 are based on the following per ton fees:
MSW - \$53.25, Commercial Horticulture- \$28.50, Cities Residential Horticulture - \$17.00, Tires - \$115.00, Extra Large Tires - \$150.00.
11. Landfill Tips Fees based on a \$53.25 per ton tip fee.
12. The MSTU Tax Fund Revenue from the City of Cape Coral.
13. Other Revenue is the sum of Grant Awards, Material Recovery Facility Revenues, Hendry County Loan Repayments, Contractual Reimbursements, New Construction Assessments, Upper Captiva Hurricane-related Revenues, and Other Miscellaneous Revenue including advanced disposal fees and delinquent accounts.
14. The Total System Income is the sum of Lines 1 through 13.
15. Non-applied Income consists of income that the County derives from certain sources, which is not within the definition of Revenues and Net Revenues and, therefore, is not applied toward debt service coverage. Non-applied Income is equal to the sum of the Material Recovery Facility Revenues (\$2,867,221), Construction Fund Interest Income (\$60,404), Hurricane Charley FEMA reimbursement (\$409,747), and Florida Department of Environmental Protection Grant award (\$42,343).
16. Net System Income is equal to the Total System Income (Line 14) less the Non-applied Income (Line 15).
17. Landfill Operating Costs are equal to the total landfill operating costs including the agreement for operation of the landfill with Waste Management, Inc.
18. Lee County Solid Waste previously maintained an escrow account to demonstrate financial assurance and changed to using the Financial Test in FY 2003. Operating costs associated with closure are \$35,191 for FY 2008.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2008
(Unaudited)

Notes to Historical Revenues and Expenses (continued):

19. The Operation and Maintenance Charge (O & M) is based on the Initial Operation and Maintenance Charge of \$12,454,411 for 427,216 tons processed in a billing year plus \$13.2904 per ton up to 569,619 tons or tonnage declared by Lee County for a total of \$14,347,000. The Initial O & M charge was established for January 2005 and is adjusted annually based on published indices. If the operator achieves above 90% throughput the contract allows for an additional per ton fee.
20. Energy Credit is based on 10 percent of the Net Energy Revenues. Net Energy Revenue is equal to the Facility Energy Revenues (Line 1) minus the Regulation Service Charge (Line 24) minus FPL stand-by and electricity consumption (\$92,268) plus electrical costs for the Material Recycling Facility usage (\$65,483).
21. Ferrous/Non-Ferrous Credit is equal to 50 percent of the total Ferrous Revenues received and 50 percent of the net Non-Ferrous Revenue (Line 2) after repayment of the capital investment of the non-ferrous recovery system.
22. Pass through Costs include FPL stand-by plus electricity consumption, lime, sewer, propane, water, reuse water, ammonia, insurance, mercury reduction reagent, ash testing, emissions testing and miscellaneous sales tax.
23. County Operations include expenses related to disposal administration costs, horticultural processing, Waste-to-energy transfer station, ash hauling.
24. The Regulation Service Charge for FY08 is \$108,124 based on the Seminole Electric Cooperative Power Purchase Agreement.
25. The Solid Waste Program Costs are equal to the sum of the Solid Waste Operations, Solid Waste Management, Right-of-Way Clean-up, Hazardous Waste, and Recycling Program Costs; plus Hendry County Transfer Station O&M, Solid Waste Residential Collection, and Billing
26. The Total System Expenses equal the sum of Lines 17 through 25.

SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2008
(Unaudited)

Notes to Historical Revenues and Expenses (continued):

27. Non-applied Expenses are equal to the sum of the Landfill Closure Operating Costs (Line 18) and Depreciation (\$11,598,049). These expenses are not Operating Expenses as defined in the Indenture and are, therefore, not applied in determining debt service coverage.
28. Net System Expenses are equal to the Total System Expenses (Line 26) less the Non-applied Expenses (Line 27).
29. The Series 2001 Refunded Revenue Bonds are the annual debt service payments for the refunding of the Series 1991 Revenue Bonds as provided by the Lee County Clerk of Courts Finance and Records Department.
30. The Series 2006A Bonds are the annual debt service payments for the Series 2006A Revenue Bonds as provided by the Lee County Clerk of Courts Finance and Records Department.
31. The Series 2006B Refunding Revenue Bonds are the annual debt service payments for the refunding of the Series 1995 Revenue Bonds as provided by the Lee County Clerk of Courts Finance and Records Department.
32. Total Annual Debt Service equals the sum of the Series 2001 Bonds (Line 29), the Series 2006A Bonds (Line 30), and the Series 2006B Bonds (Line 31).
33. Net Revenues Applied to D.S. (Debt Service) is equal to the Net System Income (Line 16) less the Net System Expenses (Line 28).
34. The Debt Service Coverage is equal to the Net System Revenues Applied to D.S. (Line 33), divided by the Total Annual Debt Service (Line 32).

Source: Lee County Solid Waste Division

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2008
 (Unaudited)

Toll Revenue - Sanibel Bridge

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2008</u>
Motorcycles	\$ 2.00
2 axles	6.00
3 axles	9.00
4 axles	12.00
5 axles	15.00
6 or more axles, per axle	3.00

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

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

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

Source: June 2007 Toll Resolution

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

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

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2008
 (Unaudited)

The County has offered, in addition to ETC's valid only on the Cape Coral Bridge, a combination transponder, which is valid on all three facilities. Commuters can also choose to purchase unlimited discount programs that are valid on all three facilities. The costs of combination unlimited discount programs are also subject to proration as described above in the case of ETC's for the Sanibel Causeway. The costs are as follows:

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

Type of Discount Program	Vehicle	Cost of Discount Program	Additional Toll	
Annual ⁽¹⁾	Initial Vehicle	\$ 107.00	\$ 1.00 for Cape Coral or Midpoint; \$ 2.00 for Sanibel	
	Second Vehicle	53.50	\$ 1.00 for Cape Coral or Midpoint; \$2 .00 for Sanibel	
	Initial Vehicle	730.00	-0-	
	Second Vehicle	365.00	-0-	
	Semiannual ⁽²⁾	Initial Vehicle	74.00	\$ 1.00 for Cape Coral or Midpoint; \$ 2.00 for Sanibel
		Second Vehicle	37.00	\$ 1.00 for Cape Coral or Midpoint; \$ 2.00 for Sanibel
Initial Vehicle		500.00	-0-	
Second Vehicle		250.00	-0-	

Source: June 2007 Toll Resolution

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

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

Toll Revenue - Cape Coral Bridge and Midpoint Memorial Bridge

The schedule below reflects the toll structure:

<u>Vehicle Class</u>	<u>September 30, 2008</u>
Motorcycles	\$ 1.00
2 axles	2.00
3 axles	4.00
4 axles	6.00
5 axles	8.00
6 or more axles, per axle	2.00
Commuter Discounts	(See below)

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2008
 (Unaudited)

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

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

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

Source: June 2007 Toll Resolution

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

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

Variable Pricing Program

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

Vehicle Class	Specified Off-Peak Hour Toll Without ETC	Specified Off-Peak Hour Toll With ETC
Motorcycles	\$1.00	n/a
2 axles	2.00	\$ 1.50/0.75
3 axles	4.00	3.00
4 axles	6.00	4.50
5 axles	8.00	6.00
6 or more axles	2.00 per axle	1.50 per axle

Source: Lee County Department of Transportation

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2008
 (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				
1999	11,468,036	96,573	11,564,609		\$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%	11,846	2,605	9,241
2002	14,733,131	146,919	14,880,050	8.61%	12,099	2,183	9,916
2003	15,626,841	168,237	15,795,078	6.15%	13,115	2,668	10,447
2004	16,264,245	313,900	16,578,145	4.96%	14,072	2,878	11,194
2005	17,547,324	410,963	17,958,287	8.33%	15,520	3,439	12,081
2006	17,528,811	452,878	17,981,689	0.13%	15,571	4,305	11,266
2007	17,181,104	390,500	17,571,604	-2.28%	15,144	4,772	10,372
2008 ⁽³⁾	8,165,132	182,356	8,347,488	-52.49%	12,956	3,285	9,671

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.
- (3) One-way tolling was implemented; tolls are only collected in the westbound direction and traffic figures include only one-way traffic.

CAPE CORAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
1999	12,977,169	96,925	13,074,094		\$10,730	\$1,767 ⁽³⁾	\$8,963
2000	13,440,431	95,631	13,536,062	3.53%	10,934	1,922	9,012
2001	14,250,084	109,112	14,359,196	6.08%	11,775	2,585	9,190
2002	14,630,067	117,527	14,747,594	2.70%	11,491	2,163	9,328
2003	15,286,228	137,714	15,423,942	4.59%	12,395	2,840	9,555
2004	16,040,912	262,353	16,303,265	5.70%	13,148	3,142	10,006
2005	17,041,302	314,351	17,355,653	6.46%	14,404	3,821	10,583
2006	17,117,630	332,643	17,450,273	0.55%	14,269	4,312	9,957
2007	16,956,173	306,875	17,263,048	-1.07%	14,124	4,799	9,325
2008 ⁽⁴⁾	8,369,252	175,524	8,544,776	-50.50%	12,675	3,271	9,404

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.
- (3) Includes \$185,370 attributed to Midpoint Memorial Bridge.
- (4) One-way tolling was implemented; tolls are only collected in the westbound direction and traffic figures include only one-way traffic.

SANIBEL CAUSEWAY TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC ⁽¹⁾			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses ⁽²⁾ (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic ⁽¹⁾	Total				
1999	3,346,640	33,365	3,380,005		\$6,317	\$1,213	\$5,104
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	1,733	4,970
2002	3,362,488	44,069	3,406,557	-1.44%	6,469	1,762	4,707
2003 ⁽³⁾	3,216,833	32,545	3,249,378	-4.61%	6,184	2,037	4,147
2004	3,133,096	59,499	3,192,595	-1.75%	6,363	1,864	4,499
2005 ⁽⁴⁾	2,832,771	77,683	2,910,454	-8.84%	14,243	2,187	12,056
2006	2,777,745	57,588	2,835,333	-2.58%	11,776	2,200	9,576
2007	2,839,065	50,718	2,889,783	1.92%	12,270	2,130	10,140
2008	2,852,072	73,279	2,925,351	1.23%	12,461	1,737	10,724

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

- (1) Includes motorcycles and 3 to 5-axle vehicles.
- (2) Does not include depreciation.
- (3) In January 2003, the Sanibel Causeway experienced a structural failure of support beams on two of its three spans. In January and February 2003, cracks were discovered in all three spans of the Sanibel Causeway, necessitating temporary closure of the Sanibel Causeway and the imposition of weight and speed restrictions upon its reopening. These events were the main cause of the traffic decrease for 2003.
- (4) Toll increase effective 11/1/04.

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30,2008
 (unaudited)

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

Fiscal Year	Revenues	Operating Expenses	Net Available for Debt Service	Debt Service	Coverage
1999	\$29,082	\$6,405	\$22,677	\$13,070	1.74
2000	29,833	5,873	23,960	13,344	1.80
2001	31,884	6,430	25,454	13,340	1.91
2002	30,630	6,911	23,719	11,076	2.14
2003	32,297	9,193	23,104	12,753	1.81
2004	33,937	8,453	25,484	11,784	2.16
2005	45,164	9,856	35,308	12,135	2.91
2006	44,549	10,808	33,741	14,932	2.26
2007	43,959	13,129	30,830	16,206	1.90
2008	39,395	11,864	27,531	16,211	1.70

Source: Lee County Clerk of Courts Finance and Records Department

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 September 30, 2008
 (Unaudited)

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

Airlines Serving the Airport¹

Domestic Carriers

AirTran Airways*
 American Airlines*
 Continental Airlines*
 Delta Air Lines *
 Frontier Airlines
 JetBlue*
 Midwest Airlines
 Northwest Airlines*
 Shuttle America
 Southwest*
 Spirit Airlines*
 Sun Country
 US Airways*
 USA 3000*

Regionals/Commuters

American Eagle
 Cape Air
 Chautauqua
 Comair
 Continental Express
 Pinnacle Republic

International Air Carriers

Air Berlin
 Air Canada
 LTU Int'l Airways
 Sunwing
 Westjet

Air Cargo Carriers

DHL
 Fedex
 United Parcel Service

¹ As of September, 2008. During the peak winter months, a number of other domestic and international charter airlines also operate at the Airport.

* Denotes Participating Airline as defined in Use Agreements

Source: Lee County Port Authority

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 September 30, 2008
 (Unaudited)

Airport Enplanements October 2007 - September 2008

	<u>Commercial Air Carriers</u>	<u>Regionals/ Commuters</u>	<u>International Air Carriers</u>	<u>Domestic Charters</u>	<u>Total Enplanements</u>	Total Enplanements for Month in <u>Prior Year</u>	Percentage <u>Change</u>
October 2007	236,056	11,872	5,671	236	253,835	244,684	3.7%
November 2007	305,720	11,943	8,386	227	326,276	330,778	-1.4%
December 2007	309,640	12,215	9,094	113	331,062	348,959	-5.1%
January 2008	359,349	10,597	10,552	373	380,871	395,093	-3.6%
February 2008	387,100	11,837	10,336	409	409,682	407,875	0.4%
March 2008	491,732	17,889	12,425	252	522,298	537,106	-2.8%
April 2008	426,405	12,821	8,713	251	448,190	502,219	-10.8%
May 2008	289,257	7,755	5,918	460	303,390	320,671	-5.4%
June 2008	236,273	9,176	4,001	328	249,778	263,526	-5.2%
July 2008	237,220	9,915	5,387	250	252,772	269,855	-6.3%
August 2008	214,299	6,852	6,060	219	227,430	248,170	-8.4%
September 2008	151,444	7,288	4,272	0	163,004	193,000	-15.5%

The following table sets forth the historical enplanements for the Airport by air carrier type, as well as the annual percentage increase in enplaned passengers.

Historical Enplanements by Carrier Type

<u>Fiscal Year</u>	<u>Commercial Air Carriers</u>	<u>Regionals/ Commuters</u>	<u>International Air Carriers</u>	<u>Domestic Charters</u>	<u>Airport Total</u>
1999	2,167,791	174,317	65,639	49,214	2,456,961
2000	2,276,770	168,508	69,001	53,683	2,567,962
2001	2,527,503	118,256	79,558	35,225	2,760,542
2002	2,347,675	105,176	45,322	36,081	2,534,254
2003	2,637,152	129,875	58,395	57,351	2,882,773
2004	3,055,423	134,044	70,807	11,914	3,272,188
2005	3,495,001	160,366	75,913	9,791	3,741,071
2006	3,484,671	224,102	91,865	2,925	3,803,563
2007	3,799,938	154,413	103,988	3,597	4,061,936
2008	3,644,495	130,160	90,815	3,118	3,868,588
<u>Compounded Growth</u>					
1999-2008	4.84%	-2.62%	3.00%	-22.18%	4.21%

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2008
(Unaudited)

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2008
(Unaudited)

HISTORICAL LANDED WEIGHT BY AIRLINE (1000 lbs)

HISTORICAL ENPLANEMENTS BY AIRLINE

Airline	FY 2007		FY 2008		Airline	FY 2007		FY 2008	
	Landed Weight	Share	Landed Weight	Share		Enplanements	Share	Enplanements	Share
Delta	558,561	11.2%	537,691	11.8%	AirTran	412,966	10.2%	479,573	12.4%
JetBlue	481,682	9.6%	524,454	11.5%	Delta	482,821	11.9%	476,417	12.3%
AirTran	497,314	10.0%	521,789	11.4%	JetBlue	427,486	10.5%	448,815	11.6%
Southwest	461,116	9.2%	478,364	10.5%	Southwest	385,316	9.5%	393,970	10.2%
US Airways	560,376	11.2%	384,345	8.4%	US Airways	451,692	11.1%	371,331	9.6%
Continental	397,034	7.9%	372,755	8.2%	Continental	347,195	8.5%	342,122	8.8%
Northwest	364,085	7.3%	304,078	6.7%	Northwest	307,133	7.6%	270,874	7.0%
Spirit Airlines	325,842	6.5%	263,035	5.8%	USA 3000	236,003	5.8%	244,191	6.3%
USA 3000	268,043	5.4%	253,936	5.6%	American	246,542	6.1%	239,614	6.2%
American	265,811	5.3%	246,833	5.4%	Spirit Airlines	290,357	7.1%	216,970	5.6%
Cargo	230,118	4.6%	199,760	4.4%	International Airlines	103,988	2.6%	90,815	2.3%
International Airlines	153,034	3.1%	134,884	3.0%	Sun Country	58,900	1.5%	51,513	1.3%
Midwest Airlines	83,190	1.7%	63,380	1.4%	American Eagle	60,803	1.5%	49,124	1.3%
Sun Country	75,600	1.5%	59,009	1.3%	Midwest Airlines	63,565	1.6%	45,540	1.2%
American Eagle	63,716	1.3%	52,414	1.1%	Frontier	43,910	1.1%	37,541	1.0%
Frontier	50,625	1.0%	44,820	1.0%	Shuttle America	36,456	0.9%	26,024	0.7%
Shuttle America	46,495	0.9%	33,913	0.7%	Comair	37,945	0.9%	24,693	0.6%
Comair	36,678	0.7%	25,625	0.6%	Continental Express	11,008	0.3%	19,888	0.5%
Continental Express	10,071	0.2%	17,595	0.4%	Cape Air	12,473	0.3%	14,502	0.4%
Cape Air	13,256	0.3%	15,438	0.3%	Pinnacle	19,368	0.5%	11,993	0.3%
Pinnacle	21,009	0.4%	12,596	0.3%	Republic Airline	3,262	0.1%	8,090	0.2%
Republic Airline	3,365	0.1%	9,057	0.2%	Domestic Charters	3,597	0.1%	3,118	0.1%
Domestic Charters	7,186	0.1%	6,336	0.1%	Chautauqua	9,487	0.2%	1,870	0.0%
Chautauqua	9,980	0.2%	1,788	0.0%	United	9,271	0.2%	-	0.0%
United	11,366	0.2%	611	0.0%	Am Trans Air	325	0.0%	-	0.0%
Gulfstream	114	0.0%	17	0.0%	Gulfstream	67	0.0%	-	0.0%
Am Trans Air	672	0.0%	-	0.0%	Independence	-	0.0%	-	0.0%
Total	4,996,339	100%	4,564,523	100%		4,061,936	100%	3,868,588	100%

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2008
(Unaudited)

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

PRIMARY DOMESTIC ORIGIN & DESTINATION PASSENGER MARKETS

Fiscal Year 2007						Fiscal Year 2008					
Rank	Market	Nonstop Service	Nonstop Miles	Total O&D Passengers	Percent of Total	Rank	Market	Nonstop Service	Nonstop Miles	Total O&D Passengers	Percent of Total
1	Boston	•	1,117	484,590	6.00%	1	Detroit	•	1,007	515,560	6.70%
2	New York (Newark)	•	1,291	424,900	5.26%	2	New York (Newark)	•	1,337	462,320	6.01%
3	New York (JFK)	•	1,504	419,030	5.19%	3	Boston	•	1,265	460,790	5.99%
4	Detroit	•	1,119	412,460	5.11%	4	Chicago (O'Hare)	•	1,009	456,130	5.93%
5	Chicago (O'Hare)	•	960	399,230	4.95%	5	New York (JFK)	•	1,548	377,060	4.90%
6	Minneapolis	•	1,211	302,120	3.74%	6	Minneapolis	•	1,076	316,260	4.11%
7	Philadelphia	•	1,278	260,690	3.23%	7	Philadelphia	•	1,153	283,940	3.69%
8	Chicago (Midway)	•	1,105	248,860	3.08%	8	Chicago (Midway)	•	911	254,280	3.30%
9	Cleveland	•	1,159	202,110	2.50%	9	Indianapolis	•	1,023	244,440	3.18%
10	Indianapolis	•	991	195,700	2.42%	10	Cleveland	•	956	197,320	2.56%
11	Atlanta	•	904	175,660	2.18%	11	Baltimore	•	1,032	188,060	2.44%
12	Baltimore	•	1,152	172,680	2.14%	12	Atlanta	•	1,232	181,460	2.36%
13	Washington (National)	•	772	172,170	2.13%	13	St. Louis	•	895	158,170	2.06%
14	St. Louis	•	914	154,710	1.92%	14	Pittsburgh	•	956	150,780	1.96%
15	Pittsburgh	•	1,035	141,240	1.75%	15	Washington (National)	•	947	143,340	1.86%
16	Milwaukee	•	1,037	123,180	1.53%	16	Providence	•	1,155	133,420	1.73%
17	Hartford	•	1,401	115,340	1.43%	17	Cincinnati	•	910	127,330	1.65%
18	Cincinnati	•	930	113,310	1.40%	18	Milwaukee	•	1,035	125,820	1.64%
19	Providence	•	1,573	108,620	1.35%	19	Atlantic City	•	981	116,610	1.52%
20	Columbus	•	1,101	99,150	1.23%	20	Hartford	•	1,293	106,200	1.38%
21	Buffalo	•	1,361	90,250	1.12%	21	Denver	•	1,071	104,450	1.36%
22	Denver	•	1,299	84,740	1.05%	22	Buffalo	•	998	91,900	1.19%
23	Atlantic City	•	982	81,960	1.02%	23	Columbus	•	975	89,150	1.16%
24	Long Island, NY	•	1,210	80,570	1.00%	24	Dallas/Ft. Worth	•	1,050	77,190	1.00%
25	Dallas/Ft. Worth	•	1,092	74,310	0.92%	25	Kansas City	•	946	74,780	0.97%
26	Las Vegas	•	1,899	71,140	0.88%	26	Charlotte	•	918	70,240	0.91%
27	Charlotte	•	617	68,260	0.85%	27	Las Vegas	•	1,252	68,120	0.89%
28	Flint	•	1,310	65,910	0.82%	28	Houston	•	760	61,740	0.80%
29	Houston	•	1,080	59,550	0.74%	29	Flint	•	1,310	56,690	0.74%
30	Kansas City	•	1,036	57,120	0.71%	30	Nashville	•	919	55,840	0.73%
Total- Top 30 Markets				5,459,560	67.6%	Total- Top 30 Markets				5,749,390	74.7%
Total - All Other Markets				2,612,094	32.4%	Total - All Other Markets				1,945,808	25.3%
Total - All Markets				8,071,654	100.0%	Total - All Markets				7,695,198	100.0%

Average

Stage Length¹

Airport 1,186 miles
United States 1,147 miles

Average

Stage Length¹

Airport 1,179 miles
United States 1,064 miles

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2008
 (Unaudited)

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

HISTORICAL AIRCRAFT OPERATIONS

Fiscal Year	Commercial Air Carriers	Regionals/Commuters	International Air Carriers	Domestic Charters	General Aviation ¹	All-Cargo	Military	Airport Total
1999	35,142	16,354	870	864	22,011	1,610	1,855	78,706
2000	35,786	14,938	886	940	22,161	1,602	1,847	78,160
2001	41,096	11,684	1,196	570	20,408	1,588	2,187	78,729
2002	36,440	10,666	602	728	15,101	1,616	3,205	68,358
2003	40,866	11,554	708	616	17,514	1,660	2,468	75,386
2004	47,128	11,298	944	272	19,081	2,140	1,525	82,388
2005	58,266	12,950	1,104	198	15,025	2,174	1,794	91,511
2006	57,570	13,782	1,198	112	10,973	2,546	1,148	87,329
2007	64,622	10,326	1,476	162	11,866	2,336	401	91,189
2008	61,708	9,834	1,362	116	13,865	2,242	711	89,838
<u>Compounded Growth Rate</u>								
1999-2008	5.25%	-4.52%	4.16%	-16.69%	-4.11%	3.06%	-8.35%	1.21%

¹ Also includes activity by miscellaneous air taxis.

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
September 30, 2008
(dollars in thousands)

HISTORICAL STATEMENT OF NET REVENUES¹
FISCAL YEARS 2004-2008

OPERATING REVENUES:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
User Fees	\$15,780	\$26,912	\$38,250	\$37,220	\$42,112
Rentals and Franchise Fees	1,306	1,508	1,682	1,688	2,088
Concessions	25,109	29,441	35,932	38,145	37,131
Interest Revenue	740	2,433	4,921	5,786	2,927
Miscellaneous	<u>249</u>	<u>757</u>	<u>4,400</u>	<u>911</u>	<u>738</u>
Total Operating Revenues	43,184	61,051	85,185	83,750	84,996
OPERATING EXPENSES ² :					
Salaries and Wages	12,289	13,231	15,098	16,181	17,774
Employee Benefits	4,303	4,657	5,827	6,598	7,447
Contractual Services, Materials and Supplies	7,325	9,416	14,798	15,196	17,021
Utilities	2,030	2,321	4,560	5,438	4,823
Repairs and Maintenance	1,021	1,055	2,090	2,298	2,341
Insurance	1,287	1,695	2,061	3,975	3,920
Other	1,632	1,412	2,473	1,863	1,614
Arbitrage Rebate ³	<u>1,322</u>	<u>115</u>	<u>666</u>	<u>130</u>	<u>1</u>
Total Operating Expenses	31,209	33,902	47,573	51,679	54,941
NET REVENUES:	11,975	27,149	37,612	32,071	30,055
Transfers ⁴		1,606	2,726	2,911	3,591
Debt Service Interest	1,524	4,016	20,507	20,196	19,972
Principal	<u>4,856</u>	<u>615</u>	<u>5,410</u>	<u>5,670</u>	<u>5,855</u>
TOTAL DEBT SERVICE:	6,380	4,631	25,917	25,866	25,827
BOND SERVICE REQUIREMENT COVERAGE BEFORE TRANSFER	1.88	5.86	1.45	1.24	1.16
BOND SERVICE REQUIREMENT COVERAGE AFTER TRANSFER ⁵	1.88	6.21	1.56	1.35	1.30

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

² Operating Expenses do not include depreciation, amortization and unpaid Other Post Employment Benefits expense (\$1,070,000, FY2007; \$2,115,000, FY2008) in accordance with the bond resolution.

³ Annual, accrued arbitrage rebate liability is included as a Current Expense in accordance with the bond resolution, but not under applicable GAAP standards. Current amounts payable may be found in the Changes in Long-Term Debt table in the footnotes.

⁴ Includes transfers from surplus Passenger Facility Charges (PFC) used to pay debt service on the Series 2000 bonds in accordance with Federal Aviation Administration approvals.

⁵ Includes only PFC transfers and does not include any other discretionary fund transfers from the airport fund.

Source: Lee County Clerk of Courts Finance and Records Department

LEE COUNTY PORT AUTHORITY
 Southwest Florida International Airport
PASSENGER FACILITY CHARGE REVENUE REPORT
 For Fiscal Year Ending September 30, 2008
 (unaudited)

Total Enplaned Passengers	Eligible Enplaned Passengers	Net PFC Cash Collections	Interest Income	Total PFC Revenue
3,868,588	3,801,565	\$15,478,257	\$394,926	\$15,873,183

Southwest Florida International Airport
ESTIMATED DEBT SERVICE COVERAGE
 Series 1998 Bonds
 For Fiscal Year Ending September 30, 2008
 (unaudited)

Actual PFC Revenues	Actual 2008 PFC debt service requirements*	Actual debt service factor
\$15,873,183	\$4,064,450	3.91

* Debt service requirements reported on a bond year basis.

Source: Lee County Port Authority