

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

Blue Sheet No. 20060259

1. ACTION REQUESTED/PURPOSE:

Presentation to the Board of County Commissioners the Lee County Comprehensive Annual Financial Report (CAFR) for fiscal year 2005.

2. WHAT ACTION ACCOMPLISHES:

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

3. MANAGEMENT RECOMMENDATION:

4. Departmental Category: IS CISL		5. Meeting Date: 03-14-2006	
6. Agenda: <input checked="" type="checkbox"/> Consent Administrative	7. Requirement/Purpose: (specify) Statute		8. Request Initiated: Commissioner Department Clerk of Circuit Courts- Finance & Records Department
	Ordinance		
	Appeals	Admin. Code	Division By: Donna G. Harn Finance Director
	Public	<input checked="" type="checkbox"/> Other Bond Covenants	
Walk-On	<input checked="" type="checkbox"/> FL Auditor General Rules- Chapter 10.550		

9. Background:

The CAFR for the fiscal year ended September 30, 2005, was prepared by the Clerk's Finance & Records Department, General Accounting Office, and audited by KPMG LLP. The audit is required per Chapter 10.550, "Rules of the Auditor General- Local Governmental Entity Audits", and various bond covenants.

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services			County Manager/P.W. Director
					Analyst	Risk	Grants	
				<i>[Signature]</i> 3/2/06	<i>[Signature]</i> 3/2/06	<i>[Signature]</i> 3/2/06	<i>[Signature]</i> 3/2/06	<i>[Signature]</i> HS Slater

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

RECEIVED BY COUNTY ADMIN: <i>[Signature]</i>
DATE: <i>3/2/06</i>
TIME: <i>11:49</i>
COUNTY ADMIN FORWARDED TO: <i>[Signature]</i>
<i>3/2/06</i>
<i>41 30/PC</i>

Rec. by CoAtty
Date: <i>3/2/06</i>
Time: <i>11:08 AM</i>
Forwarded To: <i>[Signature]</i>
<i>[Signature]</i>

Lee County, Florida

Comprehensive Annual Financial Report

For the
Fiscal Year Ended September 30, 2005



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, 2005

Elected Officials

Board of County Commissioners, Port Commissioners:

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

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., Rita Miller, Lee County Visitor & Convention Bureau, Lee County Port Authority, Lee County Water & Wastewater System, Lee County Solid Waste System, Lee County Transportation Facilities, and Lee County Transit.

Lee County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 September 30, 2005

TABLE OF CONTENTS

	PAGE
<i>Introductory Section</i>	
Letter of Transmittal	ix
Organizational Charts	xvi
Government Finance Officers Association Certificate of Achievement	xviii

Financial Section

Independent Auditors' Report	3
Management's Discussion and Analysis (unaudited)	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements	
Governmental Fund Financial Statements	
Governmental Funds Balance Sheet	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets- Governmental Funds	20
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual- General Fund.....	24
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual- Lee County Library	25
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual- MSTU	26
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual- Road Impact Fees	27
Proprietary Fund Financial Statements	
Statement of Net Assets	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets	30
Statement of Cash Flows	32
Fiduciary Fund Statements	
Statement of Fiduciary Net Assets	34
Notes to the Financial Statements	36

Supplemental Financial Information

General Fund Combining Schedules	
Balance Sheet	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (Non-GAAP Budgetary Basis) and Actual.....	82

Lee County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 September 30, 2005

TABLE OF CONTENTS

PAGE

Supplemental Financial Information (continued)

Major Governmental Fund Schedule	
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP- Capital Improvement	86
Non-Major Governmental Funds Combining Statements	
Non-Major Governmental Fund Descriptions	88
Balance Sheet	91
Statement of Revenues, Expenditures, and Changes in Fund Balances	99
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (Non-GAAP Budgetary Basis) and Actual- Special Revenue Funds	108
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (Non-GAAP Budgetary Basis) and Actual- Debt Service Funds	115
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget (Non-GAAP Budgetary Basis) and Actual- Capital Project Funds	119
Enterprise Funds Combining Schedule	
Enterprise Fund Descriptions	122
Schedule of Revenues, Expenses, and Changes in Net Assets- Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP.....	123
Internal Service Funds Combining Statements	
Internal Service Fund Descriptions	126
Statement of Net Assets	127
Statement of Revenues, Expenses, and Changes in Fund Net Assets	128
Statement of Cash Flows	129
Schedule of Revenues, Expenses, and Changes in Net Assets- Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP.....	131
Fiduciary Funds Combining Statement	
Fiduciary Fund Descriptions	136
Statement of Net Assets.....	137
Statement of Changes in Assets and Liabilities- All Agency Funds.....	140

Statistical Section

(unaudited)

Description	144
Schedule 1- Net Assets.....	145
Schedule 2- Changes in Net Assets.....	146
Schedule 3- Fund Balances of Governmental Funds.....	148
Schedule 4- Changes in Fund Balances of Governmental Funds.....	149
Schedule 5- Assessed Value and Estimated Actual Value of Taxable Property.....	150
Schedule 6- Property Tax Rates- Direct and Overlapping Governments.....	151
Schedule 7- Principal Property Taxpayers.....	152
Schedule 8- Property Tax Levies and Collections.....	153
Schedule 9- Ratio of Outstanding Debt by Type.....	154

Lee County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 2005

TABLE OF CONTENTS

	PAGE
<i>Statistical Section (continued)</i>	
(unaudited)	
Schedule 10- Pledged Revenue Bond Coverage.....	155
Schedule 11- Demographic and Economic Statistics.....	157
Schedule 12- Principal Employers.....	158
Schedule 13- Government Employees by Function/Program.....	159
Schedule 14- Operating Indicators by Function/Program.....	160
Schedule 15- Capital Asset Statistics by Function.....	161

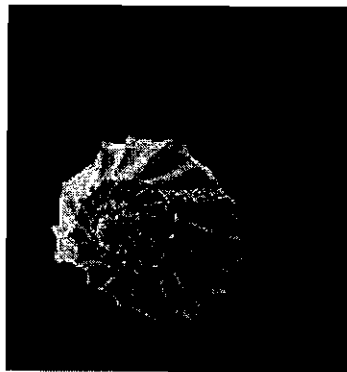
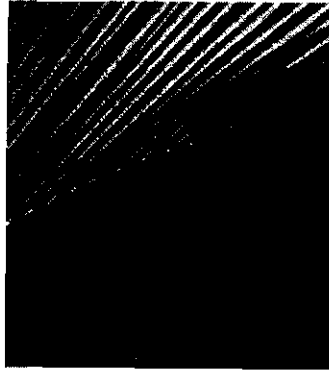
Other Supplemental Schedules
(unaudited)

Tourist Development Tax Refunding Revenue Bonds, Series 2004 - Historical Tourist Development Tax Revenues and Gross Revenues and Debt Service Coverage	164
Capital Revenue Bonds- Pledged Revenues and Debt Service Coverage.....	165
Local Option Gas Tax Refunding Revenue Bonds, Series 1997- Actual Revenues and Coverage of Maximum Annual Debt Service Requirements and Number of Gallons.....	166
Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004- Gas Tax Revenues, Debt Service Coverage, and Number of Taxable Gallons Sold.....	166
Monthly Water Rates	167
Water Restriction Surcharge Adjustment	167
Monthly Wastewater Rates	168
Water and Wastewater Connection Fees	168
Water Meter Installation and Service Connection Fees.....	168
Water and Wastewater Historical Revenues, Expenses and Debt Service Coverage	169
Water and Wastewater Customer Statistics.....	170
Water and Wastewater Top Ten Retail Utility Customers.....	171
Solid Waste Historic Tipping Fees.....	172
Solid Waste Historic Revenue and Operating Expenses	172
Solid Waste Historic Number of Tons of Solid Waste Delivered to the System.....	173
Solid Waste Historical Revenues and Expenses.....	174
Solid Waste Notes to Historical Revenues and Expenses for Fiscal Year 2005.....	175
Transportation Facilities Toll Rates	178
Transportation Facilities Traffic, Revenues and Expenses by Bridge	181
Port Authority- Airlines Serving the Airport.....	182
Port Authority- Airport Enplanements October 2004 - September 2005.....	183
Port Authority- Historical Enplanements by Carrier Type.....	183
Port Authority- Historical Landed Weight by Airline.....	184
Port Authority- Historical Enplanements by Airlines.....	184
Port Authority- Historical Air Service.....	185
Port Authority- Historical Aircraft Operations.....	186
Port Authority- Historical Statement of Net Revenues.....	187
Port Authority- Passenger Facility Charge Revenue Report, and Debt Service Coverage.....	188



This page is intentionally blank.

Introductory Section





This page is intentionally blank.

Charlie Green
Clerk of Circuit Court
Lee County, Florida

December 17, 2005

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, 2005. 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.

The Comprehensive Annual Financial Report is presented in the following four sections:

Introductory Section - includes a Letter of Transmittal, Government Finance Officers Association (GFOA) Certificate of Achievement, and the County's organizational charts. This Letter of Transmittal will present a brief overview of the County's structure and services, a discussion assessing the County's financial condition as well as County awards and acknowledgments indicative of the quality of the County's financial management.

Financial Section - includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A pages 5-14), Basic Financial Statements, Notes, and Combining Statements and Schedules. The MD&A provides a narrative introduction, overview and analysis to accompany the Basic Financial Statements, and should be read in conjunction with this Letter of Transmittal.

Statistical Section - presents additional financial, economic, social and demographic information to provide a more complete understanding of the County and its financial affairs.

Other Supplemental Schedules - disclosure required by bond covenants.

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 are free of material misstatement for the fiscal year ended September 30, 2005. 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, 2005, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented in the Financial Section of this report.

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 64 degrees (F) in January to 82 degrees (F) in August.



Lee County experienced significant growth between 1990 and 2004 increasing its population by approximately 55.5 percent to 521,253. According to the U.S. Census, Lee County is among the 100 fastest growing counties in the nation, and an average of 20,700 people move to Lee County annually. Growth is projected to continue at a slower rate through this decade, increasing population in the County to over 618,000 by 2010, and in the southwest Florida area to more than a million. With more than 26 percent of its residents over the age of 65, the County is well known as a retirement destination. However, the 45-64 age group is growing the most rapidly and is projected to overtake the over-65 age group and comprise 29 percent of the total population by 2010.

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 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 Budget 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 Budget 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 (noncourt-related budget), 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

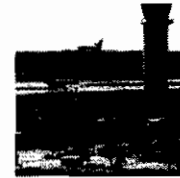
Local Economy

Lee County continues to enjoy a very favorable economic environment with consistent and steady growth. The mainstay of the County's economy is tourism and retirement, and their associated services, such as health, trade, and other service-orientated industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial service industries.



Lee County has long been a popular vacation 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.

Passenger traffic at Southwest Florida International Airport (SWFIA) reflected the upward trend in flight travel. In September 2005, a passenger count at SWFIA of 368,015 set a new record for the month and pushed the fiscal year 2005 total to over 7.4 million, which is a 15.3 percent increase from the prior fiscal year. Each month in fiscal year 2005 exceeded the passenger count for the same month in any year during the Airport's 22-year history. Southwest Florida International Airport opened in 1983 and has served more than 5 million passengers each year since 2000. SWFIA consistently ranks among the 60 busiest airports in the nation. Construction of the new \$438 million Midfield Terminal project was completed in September 2005. The new 28-gate Midfield Terminal is twice the size of the old 17-gate terminal, and includes more parking.



According to the Florida Agency for Workforce Innovations, in 2004, the County's labor force grew to 246,493, representing a 35 percent increase from 2000. Employment in the Southwest Florida region is predicted to grow by 18.3 percent between 2004 and 2012. Currently, approximately 68 percent of employment is concentrated in trade, transportation and utilities, government, professional and business services, leisure and hospitality, and construction. The annual average unemployment rate in 2004 for Lee County was 3.9 percent compared to 4.8 percent for Florida, and 5.5 percent nationally.

Construction activity in the County has continued to increase due to consistent population growth. New construction permitted for single-family homes in Lee County in calendar year 2004 was valued at \$2.1 billion compared to \$1.99 billion in 2003.



Lee County continues to garner numerous favorable rankings nationwide. To name a few: *Inc. Magazine* ranked Fort Myers/Cape Coral 9th among its top 25 medium metropolitan cities for entrepreneurs (2005), *Forbes* magazine ranked Fort Myers/Cape Coral 2nd among the Top 150 Cities for Job Growth in 2005, *U.S. Housing Markets* ranked Fort Myers/Cape Coral as the number one housing market in a metropolitan area in the nation for the second year in a row (2004), *The Milken Institute* named Fort Myers/Cape Coral best performing city in the nation for job growth in their 2004 survey of "Best Performing Cities: Where America's Jobs are created," the *U.S. Census Bureau* has named Cape Coral the 5th fastest growing city in the nation (2004), and *The Boyd Study, Inc.* found Fort Myers/Cape Coral 5th among the top 50 locations in the nation to locate a corporate headquarters (2004).

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 2005 include:

- Construction of the Midfield Terminal Complex at Southwest Florida International Airport. The \$438 million project, which includes a 750,000 square foot terminal and 28 gates, was completed in September, 2005.
- Construction of 40,000 square feet Lakes Regional Library.
- Construction of joint County/School Board multigenerational gymnasium at Waka Hatchee Community Park.



- Widening of Pondella Road.
- Completed the Fiesta Village Waste Water Treatment Plant Expansion and Reuse Interconnect project.
- Completed a 52,000 square foot indoor gun range. Law enforcement will use this facility to train in a highly sophisticated, real scenario environment; however, it will also be open to the public.
- Lovers Key Beach Restoration project.
- Relocation of Alico Road water line.

Projects currently in progress include the following:

- Construction and replacement of Spans A, B, and C of the Sanibel Bridge between Punta Rassa and Sanibel Island over San Carlos Bay. The replacement of the Sanibel Bridge and Toll Plaza will cost approximately \$143 million.
- Construction of the addition of a third 600 ton-per-day boiler unit at the Waste-to-Energy facility at a projected cost of \$110 million, which will increase capacity by 50 percent to 1,800 tons per day. This project will be funded with revenue bonds which will be repaid through garbage fees.
- Expansion of the disposal area at the Lee Hendry landfill with the addition of a 25-acre double-lined Class 1 landfill cell. The cost is estimated to be \$13.3 million.
- Construction of the North Lee County Water Treatment Plant. This will be a reverse osmosis treatment facility that will have an initial treatment capacity of 5 million gallons per day (mgd) and will easily be expanded to its ultimate capacity of 10 mgd in future years. This facility will cost approximately \$43 million.
- Construction of Three Oaks Wastewater Treatment Plant to 7 million gallons per day for approximately \$45 million.
- Expansion of Gateway Wastewater Treatment Plant for an estimated cost of \$33 million.
- Olga Water Treatment Plant Reservoir and plant improvements for approximately \$8 million.
- Replacement of the Fort Myers Beach Wastewater Treatment Plant filtration system for approximately \$6 million.
- Expansion of the Justice Center. A multi-story tower will be constructed, the existing Pods will be renovated, and the Justice Center Annex Building (Sun Trust Bank Building) will be renovated for approximately \$100 million.
- Widening of Summerlin Road to six lanes, San Carlos Road to Gladiolus Road, for approximately \$44 million.
- Widening of Alico Road to six lanes from US 41 to Three Oaks Parkway for approximately \$6 million.
- Estero Community Park for an estimated project cost of \$12 million.
- Construction of Ten Mile Linear Park and Filter Marsh from Six Mile Cypress Parkway to Colonial Blvd for approximately \$12 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 the State Board of Administration's (SBA) Local Government Surplus Funds Investment Pool Trust Fund. 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 at least 101 or 102 percent with the collateral held in the County's name by a third-party safekeeping agent. The collateral is valued weekly and interest earned ranged from 1.79 percent to 3.73 percent.
- The County invested in a flex repurchase agreement that was collateralized by at least 104 or 105 percent with the collateral held in the County's name by a third-party safekeeping agent. The collateral was valued daily and the rate of return was 6.95 percent. The flex repurchase agreement ended in March, 2005.
- The Florida State Board of Administration operates an investment pool for local governments. The underlying securities and the State General Fund collateralize investments in the pool. The average yield for the fiscal year was 2.74 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 one to seventeen months and interest earned ranged from 1.625 to 4.19 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 Clerk of Circuit Court and 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 Lee County Clerk of Circuit Court purchases an insurance policy to provide health and dental care benefits to employees. The Sheriff's Office maintains a separate self-insurance program to administer their insurance activities.

Awards and Acknowledgments

Awards

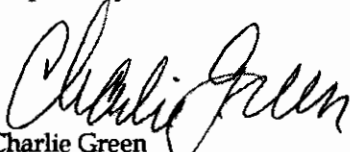
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2004. This was the twentieth consecutive year 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.


The County also received GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2004. To qualify for this award the government's budget document was judged to be superior in several categories including policy documentation, financial planning, and organization.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and the various managers and fiscal officers of the County Departments. The efforts of Finance's General Accounting personnel, specifically Terry Mallow, Michele Crowell, Sean O'Neill, Tracy Schatzman, Marcia Simons, Pat Stokes, Emily Sibert, Laz Rodriguez-Delgado, and Betty Spencer are especially noteworthy.

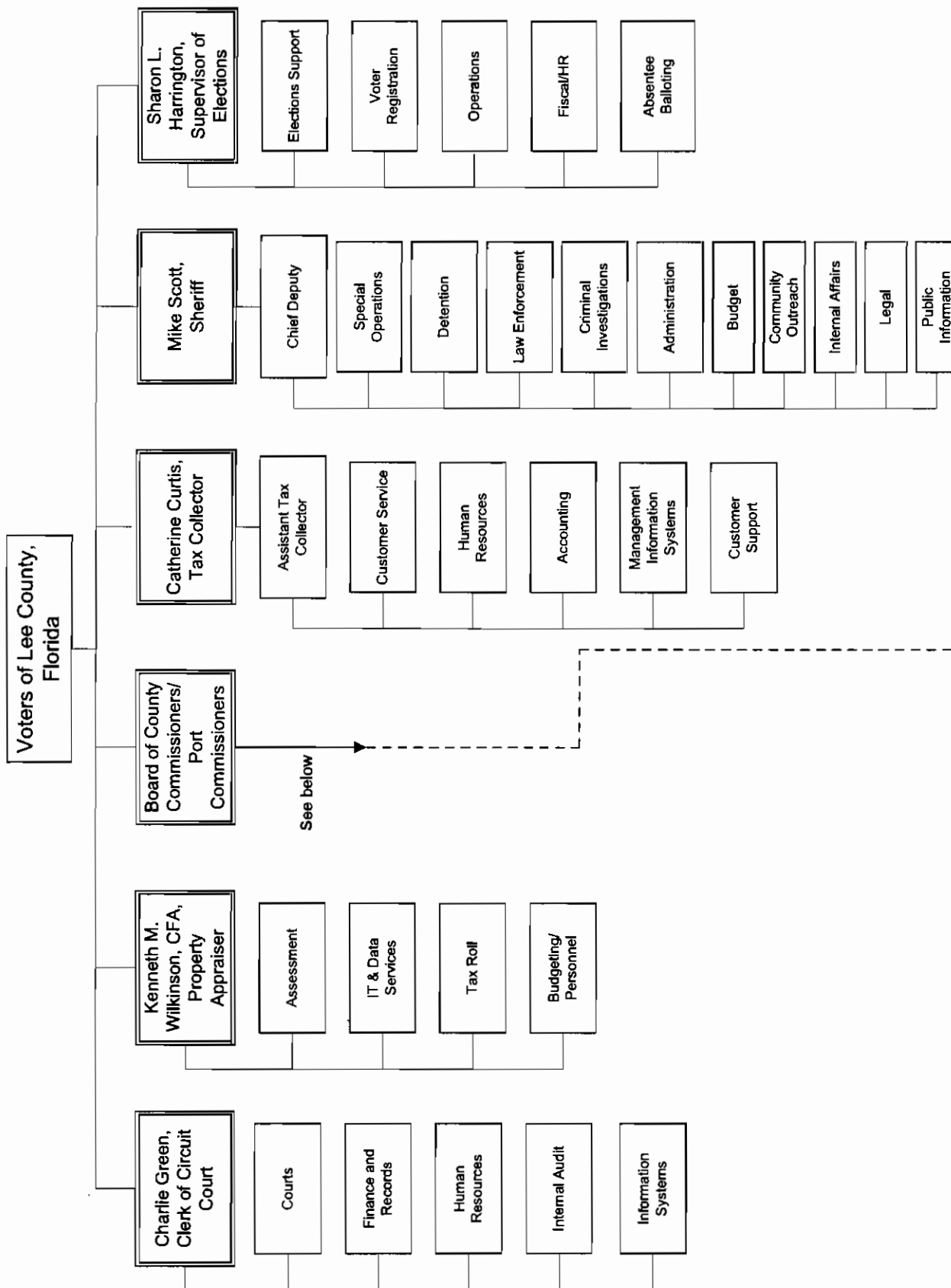
Respectfully submitted,


Charlie Green
Clerk of Circuit Court


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

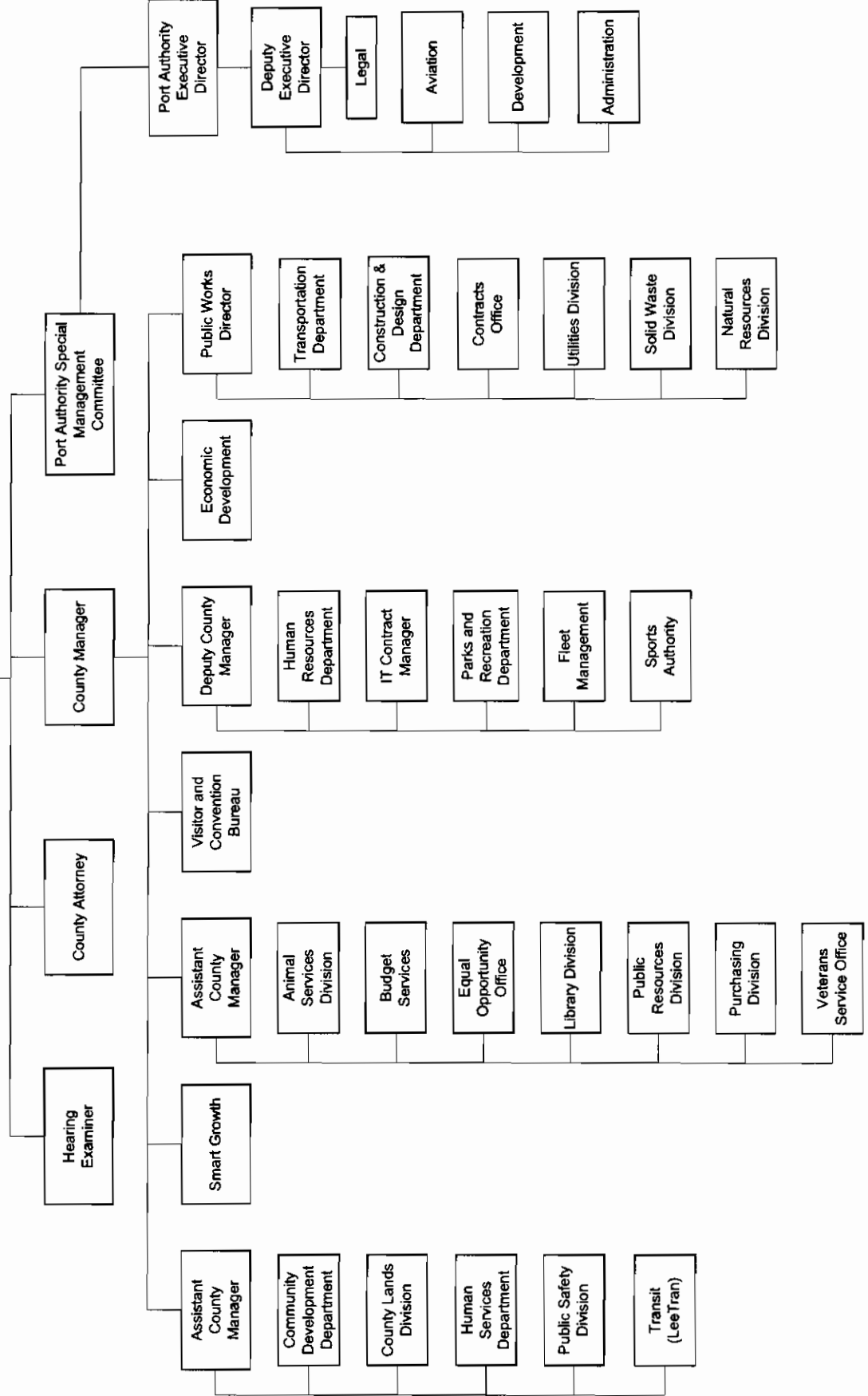
Lee County Government

as of September 30, 2005



Board of County Commissioners/Port Commissioners

Commissioner, District 1 Robert P. Janes	Commissioner, District 2 Douglas R. St. Cemy	Commissioner, District 3 Ray Judah	Commissioner, District 4 Tammara Hall	Commissioner, District 5 John E. Albion
---	---	---------------------------------------	--	--



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, 2004

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.



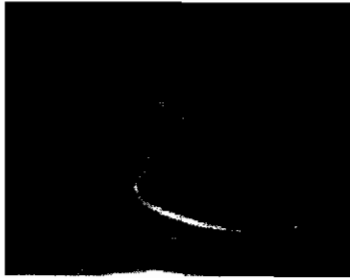
Nancy L. Ziehl

President

Jeffrey R. Enow

Executive Director

Financial Section





This page is intentionally blank.



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

Independent Auditors' Report

To the Board of County Commissioners
and the Constitutional Officers of
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, 2005, 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 the Lee County, Florida's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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, 2005, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, Lee County library fund, MSTU fund and road impact fees 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 December 16, 2005 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 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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

December 16, 2005
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, 2005. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. 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 2005 the County's assets exceeded its liabilities, resulting in net assets of \$2,408,930,000. Governmental and business-type assets exceeded its liabilities by \$1,390,139,000 and \$1,018,791,000, respectively.
- The County's total net assets increased \$300,878,000, or 14.3 percent, in comparison to prior year.
- The County had \$585,872,000 of unrestricted net assets that can be used to meet the County's ongoing obligations.
- Total revenues increased \$85,837,000, or 9.5 percent, in comparison to prior year.
- Total expenses increased \$37,580,000, or 5.7 percent, in comparison to prior year.
- The County's governmental activities reported total net assets of \$1,390,139,000, which is an increase of \$191,968,000, or 16.0 percent, in comparison to prior year. Approximately 25.7 percent of the total, or \$357,515,000, is unreserved, undesignated, and thus available for use at the County's discretion.
- The County's business-type activities reported total net assets of \$1,018,791,000, which is an increase of \$108,910,000, or 12.0 percent, in comparison to prior year. More than 22.4 percent of the total, or \$228,357,000, 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 segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue. The County maintains 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 Statements 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, permanent 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, Road Impact Fees, 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 18-27) 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.

Five of the County's governmental funds, the General Fund, Lee County Library, Municipal Service Taxing Unit (MSTU), Road Impact Fees, 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 28-33), like government-wide financial statements, are prepared on the full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

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

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

Lee County, Florida

Fiduciary Fund Financial Statement

The fiduciary fund financial statement (found on page 34) 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 2005 and 2004.

Lee County, Florida
Summary of Net Assets
September 30, 2005 and 2004
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$860,832	\$723,675	\$569,067	\$632,285	\$1,429,899	\$1,355,960
Capital assets	989,065	902,341	1,488,816	1,298,393	2,477,881	2,200,734
Total assets	1,849,897	1,626,016	2,057,883	1,930,678	3,907,780	3,556,694
Other liabilities	166,577	118,569	76,321	101,981	242,898	220,550
Non-current liabilities	293,181	309,276	962,771	918,816	1,255,952	1,228,092
Total liabilities	459,758	427,845	1,039,092	1,020,797	1,498,850	1,448,642
Net Assets:						
Invested in capital assets, net of related debt	769,454	670,833	657,657	540,009	1,427,111	1,210,842
Restricted	263,170	243,045	132,777	128,327	395,947	371,372
Unrestricted	357,515	284,293	228,357	241,545	585,872	525,838
Total net assets	<u>\$1,390,139</u>	<u>\$1,198,171</u>	<u>\$1,018,791</u>	<u>\$909,881</u>	<u>\$2,408,930</u>	<u>\$2,108,052</u>

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 used to acquire the assets. The invested in capital assets, net of related debt balance of \$1,427,111,000 (59.3 percent of total net assets) increased \$216,269,000, or 17.9 percent, in comparison to prior year.

The restricted net asset balance of \$395,947,000 (16.4 percent of total net assets), increased \$24,575,000, or 6.6 percent, in comparison to prior year. This balance represents assets that are subject to external restrictions imposed by creditors, through bond covenants, by grantors, or by law, on how they are used.

The unrestricted net asset balance of \$585,872,000 (24.3 percent of total net assets), increased \$60,034,000 or 11.4 percent, in comparison to prior year. This balance represents assets that are available for spending at the County's discretion.

Lee County, Florida

The following schedule compares the revenues, 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, 2005 and 2004
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$122,421	\$87,842	\$255,916	\$221,179	\$378,337	\$309,021
Operating grants and contributions	45,473	49,073	4,763	20,941	50,236	70,014
Capital grants and contributions	17,136	15,864	46,128	80,444	63,264	96,308
General revenues:						
Taxes	363,358	332,143	2,708	1,697	366,066	333,840
Impact fees	30,954	20,434			30,954	20,434
Grant and contributions not restricted to specific programs	44,608	45,103			44,608	45,103
Other	46,645	26,900	12,269	4,922	58,914	31,822
Total revenues	<u>670,595</u>	<u>577,359</u>	<u>321,784</u>	<u>329,183</u>	<u>992,379</u>	<u>906,542</u>
Expenses:						
Program activities:						
General government	138,114	129,323			138,114	129,323
Public safety	173,319	149,751			173,319	149,751
Physical environment	16,126	14,501			16,126	14,501
Transportation	38,016	40,501			38,016	40,501
Economic environment	18,904	17,238			18,904	17,238
Human services	18,890	15,765			18,890	15,765
Culture and recreation	59,379	55,666			59,379	55,666
Interest on long-term debt	12,763	11,925			12,763	11,925
Indirect expenses	(3,015)	(2,444)	3,015	2,444		
Business-type activities:						
Airport			53,829	52,436	53,829	52,436
Water and wastewater			70,982	64,953	70,982	64,953
Transit			16,470	13,886	16,470	13,886
Transportation facilities			22,307	20,995	22,307	20,995
Solid Waste			52,402	66,981	52,402	66,981
Total expenses	<u>472,496</u>	<u>432,226</u>	<u>219,005</u>	<u>221,695</u>	<u>691,501</u>	<u>653,921</u>
Total change in net assets before transfers	198,099	145,133	102,779	107,488	300,878	252,621
Transfers	(6,131)	(17,653)	6,131	17,653		
Increase in net assets	<u>191,968</u>	<u>127,480</u>	<u>108,910</u>	<u>125,141</u>	<u>300,878</u>	<u>252,621</u>
Net assets October 1	1,198,171	1,070,691	909,881	784,740	2,108,052	1,855,431
Net assets September 30	<u>\$1,390,139</u>	<u>\$1,198,171</u>	<u>\$1,018,791</u>	<u>\$909,881</u>	<u>\$2,408,930</u>	<u>\$2,108,052</u>

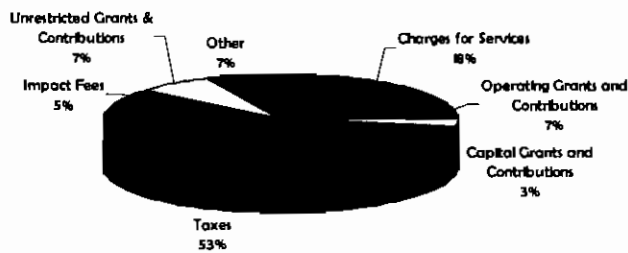
Total revenues increased \$85,837,000, or 9.5 percent, in comparison to prior year. Total expenses increased \$37,580,000, or 5.7 percent, in comparison to prior year.

Governmental Activities

The governmental activities increased the County's total assets, total liabilities, and total net assets by \$223,881,000, \$31,913,000, and \$191,968,000, respectively. The increase in net assets resulting from governmental activities is 63.8 percent of the total increase in net assets. The increase in the governmental activities' invested in capital assets net of related debt is \$98,621,000, or 14.7 percent, in comparison to prior year.

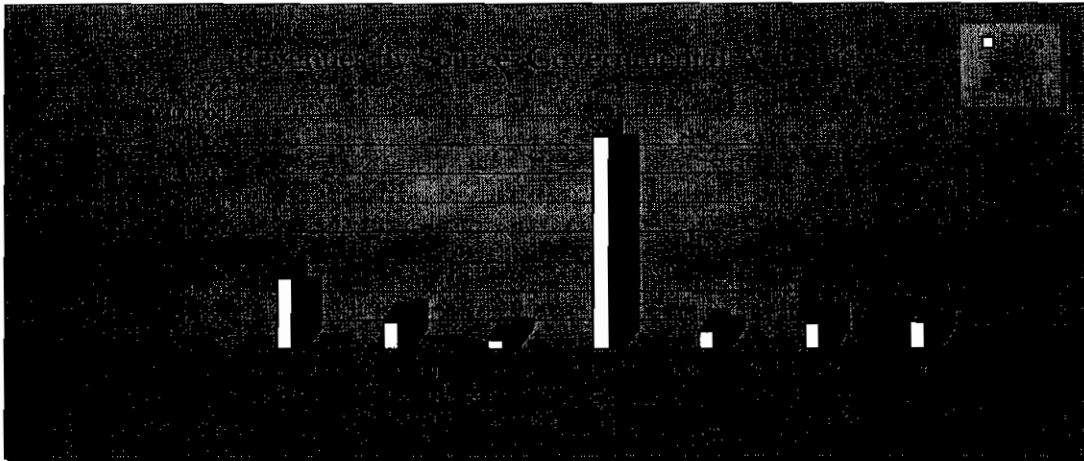
The following is a chart of revenues by source for governmental activities by percent of total revenues for fiscal year 2005.

Revenues by Source- Governmental Activities



Total revenues for governmental activities increased \$93,236,000 or 16.1 percent, in comparison to prior year.

The following is a chart of revenues by source for governmental activities for fiscal years 2005 and 2004.



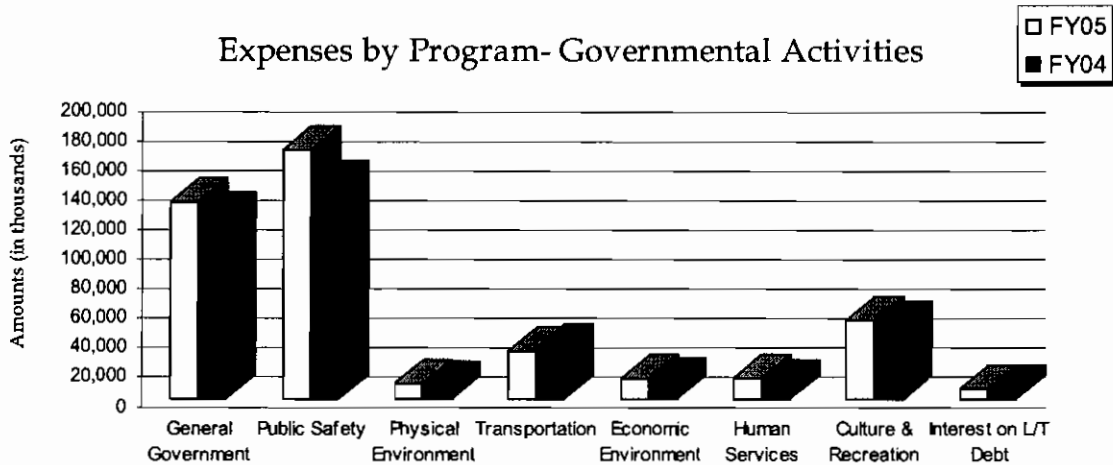
Charges for services reported in governmental activities increased \$34,579,000, or 39.4 percent, in comparison to prior year. The increase is due in part to increased Recording fees pursuant to Article V, increased ambulance charges, and administration fees the County collects for impact and zoning fees. Taxes increased \$31,215,000, or 9.4 percent, in comparison to prior year. The increase is due to the assessed property value increasing 14.2 percent resulting in higher ad valorem tax revenues. Ad valorem tax revenue in the General Fund, MSTU, and Capital Improvement funds increased \$26,706,000, \$3,648,000, and \$6,872,000, respectively. This is an increase of 14.9 percent, 14.7 percent, and 16.3 percent, respectively, in comparison to prior year. However, ad valorem tax revenue in the Library fund decreased (\$10,057,000), or 26.7 percent due to a millage rate decrease. Impact fee revenue increased

Lee County, Florida

\$10,520,000, or 51.5 percent, in comparison to prior year, due to higher expenditures for projects using impact fees; therefore, higher revenue recognized. Other revenues increased \$19,745,000, or 73.4 percent, in comparison to prior year, due to higher interest rates and consequently higher interest earnings.

Total expenses for governmental activities increased \$40,270,000, or 9.3 percent, in comparison to prior year.

The following is a chart of expenses by program for governmental activities for fiscal years 2005 and 2004.



General government expenses reported in governmental activities increased \$8,791,000, or 6.8 percent, in comparison to prior year. The increase is primarily due to increased salaries and wages. Public safety expenses increased \$23,568,000, or 15.7 percent, in comparison to prior year, due to increased salaries and wages, and additional staffing needs for the Sheriff coupled with increased operations of the new jail facilities.

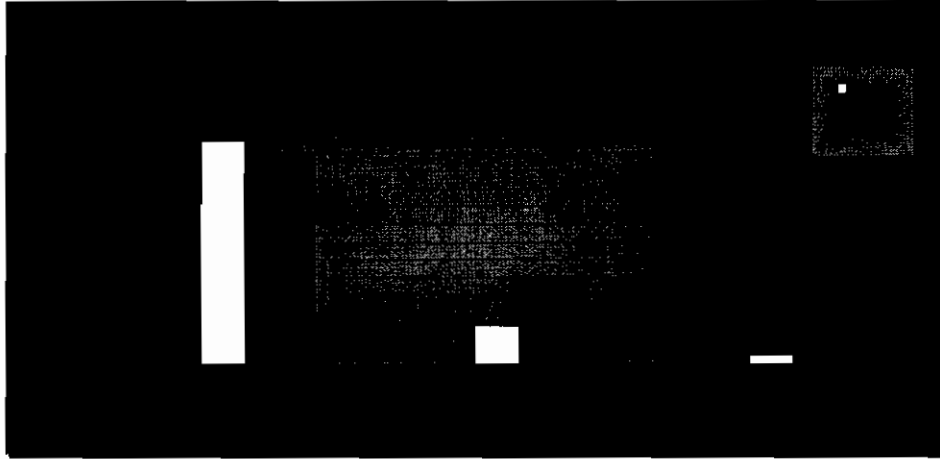
Business-Type Activities

The business-type activities increased the County's total assets, total liabilities, and total net assets by \$127,205,000, \$18,295,000, and \$108,910,000, respectively. The overall total increase in net assets resulting from business-type activities was 36.2 percent. The increase in the business-type activities' invested in capital assets net of related debt is \$117,648,000, or 21.8 percent, in comparison to prior year.

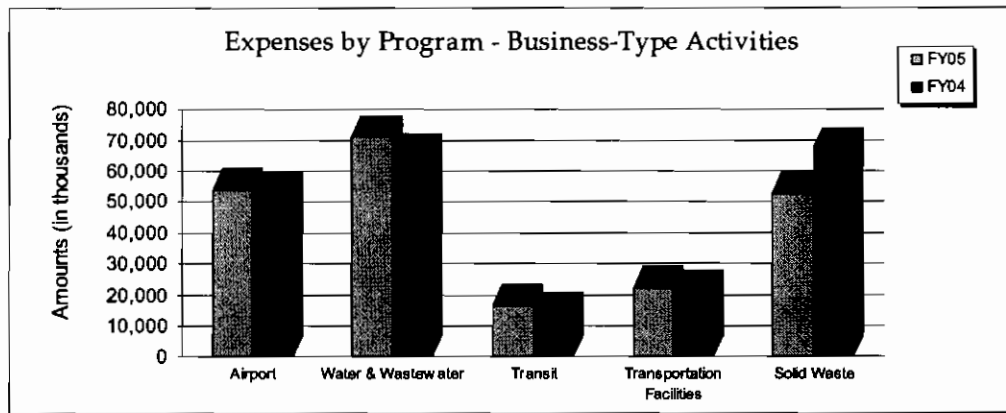
Total revenues reported in business-type activities decreased (\$7,399,000), or 2.2 percent in comparison to prior year, however charges for services increased \$34,737,000, or 15.7 percent, in comparison to prior year. The increase is due to increased traffic at the airport and a rate increase for airline exclusive space rental, an increase in the Sanibel Bridge toll and increased traffic on the Cape Coral and Midpoint bridges, Water and Wastewater customer base growth, and an increase in Transit advertising revenue coupled with increased fares. Operating grants and contributions decreased (\$16,178,000), or 77.3 percent, in comparison to prior year, due to fewer Federal Emergency Management Agency (FEMA) awards for reimbursement of debris removal due to Hurricane Charley compared to fiscal year 2004. Capital grants and contributions decreased (\$34,316,000), or 42.7 percent, in comparison to prior year. The decrease is due to the wrap-up of the Airport's Midfield Terminal Project and therefore fewer qualifying reimbursements.

Lee County, Florida

The following is a chart of revenues by source for business-type activities for fiscal years 2005 and 2004.



The following is a chart of expenses by program for business-type activities for fiscal years 2005 and 2004.



Total business-type expenses decreased (\$2,690,000), or 1.2 percent, in comparison to prior year. Water and Wastewater increased \$6,029,000, or 9.3 percent, in comparison to prior year due to increased employee wages and expenses related to repair and maintenance projects. Solid Waste expenses decreased (\$14,579,000), or 21.8 percent, in comparison to prior year, due to debris removal and other expenses related to Hurricane Charley in August 2004. Transit increased \$2,584,000, or 18.6 percent, in comparison to prior year, due to an increase in employees and operating the ADA Paratransit Service.

Financial Analysis of the Government's Funds

Governmental Funds

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

Lee County, Florida

General Fund- Taxes increased \$27,586,000, or 14.9 percent, in comparison to prior year due to an increase in the assessed property value thus increasing the ad valorem tax revenues.

Lee County Library- Taxes decreased (\$10,057,000), or 26.7 percent, in comparison to prior year, due to a decrease in the millage rate.

Municipal Service Taxing Unit (MSTU)- Taxes increased \$5,698,000, or 18.2 percent, in comparison to prior year, due to an increase in the assessed property value thus increasing the ad valorem tax revenues. Licenses and permits increased \$4,810,000, or 38.7 percent, in comparison to prior year, due to an increase in building permit fees and plan review fees.

Road Impact Fees- Impact fee revenue increased \$8,359,000, or 83.5 percent, in comparison to prior year, due to an increase in expenditures which drives the recognition of revenue.

Capital Improvement- Taxes increased \$6,872,000, or 16.3 percent, in comparison to prior year, due to an increase in the assessed property value thus increasing the ad valorem tax revenues.

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- The Port Authority saw a big upturn in passenger activity in 2005 and the Port Authority increased rates; therefore the user fees and concession revenues increased. User fees and concession revenue increased \$11,763,000, or 59.6 percent, and \$4,349,000, or 17.3 percent, respectively, in comparison to prior year.

Water and Wastewater- The Utilities Department operates under an interconnect agreement with the City of Fort Myers for the purchase of potable water inventory, therefore when demand is higher contractual services, material and supplies expenses are also higher, which increased \$2,894,000, or 24.9 percent, from prior year. Repair and maintenance costs increased \$1,263,000, or 58.6 percent, in comparison to prior year, due to several improvement and upgrade projects to improve overall efficiency and performance.

Transportation Facilities- Due to a toll rate increase toll revenue increased \$10,417,000, or 31.2 percent, from prior year. Increased traffic on the Cape Coral and Midpoint bridges also contributed to this increase.

Transit - Salaries and wages increased \$2,006,000, or 37.8 percent, in comparison to prior year, due to an increase of 36 additional employees to operate the ADA Paratransit Service which began in fiscal year 2005

General Fund Budgetary Highlights

Differences between the original adopted and final amended budget in the General Fund were not significant. The final amended budgeted expenditures increased \$17,127,000. The significant increases are highlighted as follows:

- \$2,930,000 increase due to budgeting a grant received for damage caused by Hurricane Charley.
- \$1,530,000 increase to purchase two acres of land for the Pine Island boat ramp.
- \$1,379,000 increase to purchase land for a new Sheriff Evidence facility.
- \$1,000,000 increase to fund the Community Land Trust program.
- \$982,000 increase for expenditures related to inmate medical costs.

Lee County, Florida

Capital Assets

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

The following is a schedule of the County's capital assets as of September 30, 2005 and 2004:

Lee County, Florida
Capital Assets
September 30, 2005 and 2004
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$278,336	\$249,858	\$197,374	\$197,166	\$475,710	\$447,024
Artwork	35	14			35	14
Construction in progress	188,971	140,565	170,794	412,300	359,765	552,865
Buildings	207,663	213,849	467,015	194,727	674,678	408,576
Improvement other than buildings	44,225	42,381	254,335	233,112	298,560	275,493
Machinery & equipment	167,049	155,039	193,528	169,107	360,577	324,146
Infrastructure	403,069	375,308	606,226	449,258	1,009,295	824,566
Total capital assets	1,289,348	1,177,014	1,889,272	1,655,670	3,178,620	2,832,684
Accumulated depreciation	(300,283)	(274,673)	(400,456)	(357,277)	(700,739)	(631,950)
Total	\$989,065	\$902,341	\$1,488,816	\$1,298,393	\$2,477,881	\$2,200,734

Noteworthy capital asset purchases/projects that took place in fiscal year 2005 were as follows:

- Completed construction of the Airport's Midfield Project
- Completed construction of the 40,000 square foot Lakes Regional Library
- Completed construction of a joint County/School Board gymnasium
- Completed the widening of Pondella Road
- Completed the Fiesta Village Waste Water Treatment Plant expansion

Additional information on the County's capital assets can be found in Note V on pages 50-52.

Debt Administration

At September 30, 2005, the County had \$1,183,036,000 of outstanding bonded debt. The revenue bonds, which are each payable from a specific revenue stream, had an outstanding balance of \$1,182,561,000, or 99.96 percent of the total bonded debt. The special assessment bonds, which are collateralized by special assessments levied against benefited property owners, had an outstanding balance of \$475,000, or 0.04 percent of the total bonded debt. The outstanding bond balance increased \$18,450,000, or 1.6 percent, in comparison to prior year.

Total debt of \$1,255,952,000, 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 increased \$17,415,000, or 1.4 percent, in comparison to prior year. The following is a schedule of outstanding bonds as of September 30, 2005 and 2004.

Lee County, Florida

Lee County, Florida Outstanding Debt September 30, 2005 and 2004 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Special Assessment Debt	\$475	\$1,075			\$475	\$1,075
Revenue Bonds	247,266	264,006	\$935,295	\$899,505	1,182,561	1,163,511
Total	\$247,741	\$265,081	\$935,295	\$899,505	\$1,183,036	\$1,164,586

During the year the County refunded the following bonds:

- Five Cent Local Option Gas Tax Revenue Bonds, Series 1995 (maturities from 2006 through 2020). The refunding had a net present value savings of \$2,280,000 and savings of the refunded bonds is 8.72 percent.
- Transportation Facilities Revenue Bonds, Series 1995 (maturities from 2023 through 2027). The refunding had a net present value savings of \$2,042,000 and savings of the refunded bonds is 7.04 percent.

Standard and Poor's Rating Group suggest that debt service should not exceed 10-15 percent of appropriations. The fiscal year 2005 debt service was 6.4 percent, which is well within the suggested guidelines.

The County has insured its Revenue and Special Assessment debt. Consequently the County's bonds have maintained a rating of Aaa from Moody's and AAA with Standard and Poor's Corporation.

Additional information on the County's long-term debt can be found in note V on pages 55-68.

Economic Factors and Next Year's Budget Rates

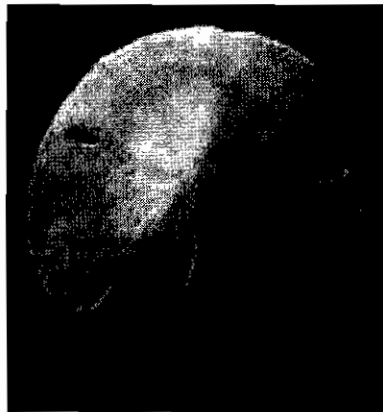
The following were factors considered when next year's budget was prepared:

- Lee County has generally had a lower unemployment rate compared to the state and nation. Utilizing September 2004, as a benchmark, Lee County had a 3.9 percent unemployment rate as compared to the State which had a 4.8 percent unemployment rate, and the nation which had a 5.5 percent unemployment rate, as reported by the U.S. Bureau of Labor Statistics, and Florida Agency for Workforce Innovations.
- Salaries and payment for performance were budgeted using a 6.5 percent increase.
- New housing construction growth, which will impact property value totals and increase the ad valorem tax revenue, were 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) 335-2300.

Basic Financial Statements



Lee County, Florida
STATEMENT OF NET ASSETS
As of September 30, 2005
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$787,985	\$234,493	\$1,022,478
Investments	31,652		31,652
Receivables (net)	20,273	28,061	48,334
Due from other governments	7,641	2	7,643
Internal balances	1,067	(1,067)	0
Inventory	2,567	1,186	3,753
Prepays	1,374	2,145	3,519
Other assets	7,929	12,956	20,885
Restricted assets	344	291,291	291,635
Capital assets:			
Non-depreciable	467,342	368,168	835,510
Depreciable, net	<u>521,723</u>	<u>1,120,648</u>	<u>1,642,371</u>
Total assets	<u>1,849,897</u>	<u>2,057,883</u>	<u>3,907,780</u>
LIABILITIES			
Contracts and accounts payable	27,430	24,618	52,048
Accrued liabilities	5,804	1,198	7,002
Accrued interest payable	5,753		5,753
Due to other governments	4,795	579	5,374
Customer deposits	19,674	287	19,961
Unearned revenues	103,072	565	103,637
Refunds and rebates		2,927	2,927
Liabilities payable from restricted assets	303	70,607	70,910
Noncurrent liabilities:			
Due within one year	22,978	800	23,778
Due in more than one year	<u>269,949</u>	<u>937,511</u>	<u>1,207,460</u>
Total liabilities	<u>459,758</u>	<u>1,039,092</u>	<u>1,498,850</u>
NET ASSETS			
Invested in capital assets, net of related debt	769,454	657,657	1,427,111
Restricted for:			
Capital projects	237,428	77,919	315,347
Debt service	25,742	30,965	56,707
Renewal and replacement		23,893	23,893
Unrestricted	357,515	228,357	585,872
Total net assets	<u>\$1,390,139</u>	<u>\$1,018,791</u>	<u>\$2,408,930</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, 2005
(amounts expressed in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Indirect Expense Allocation	Program Revenue			Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
			Governmental Activities	Primary Government Business-type Activities		
Primary government:						
Governmental activities:						
General government	\$138,114	\$(7,167)	\$69,135	\$15,292	\$10	\$(46,510)
Public safety	173,319	818	41,645	4,146	315	(128,031)
Physical environment	16,126	136	2,621	4,254	3,142	(6,245)
Transportation	38,016	778	3,470	8,532	11,869	(14,923)
Economic environment	18,904	205		6,951	11	(12,147)
Human services	18,890	265	2,302	2,400	411	(14,042)
Culture and recreation	59,379	1,950	3,248	3,898	1,378	(52,805)
Interest on long-term debt	12,763					(12,763)
Total governmental activities	475,511	(3,015)	122,421	45,473	17,136	(287,466)
Business-type activities:						
Airport	53,829	413	80,191	85	12,618	38,652
Water and Wastewater	70,982	1,240	66,880	53	32,199	26,910
Transit	16,470	385	2,520	3,563	1,304	(9,468)
Transportation Facilities	22,307	580	43,846			20,959
Solid Waste	52,402	397	62,479	1,062	7	10,749
Total business-type activities	215,990	3,015	255,916	4,763	46,128	87,802
Total primary government	\$691,501	\$0	\$378,337	\$50,236	\$63,264	(199,664)
General revenues:						
Taxes:						
Property taxes						316,947
Gas taxes						19,319
Tourist taxes						11,603
Other taxes						15,489
Impact fees						30,954
Grant and contributions not restricted to specific programs						44,608
Investment earnings						21,802
Miscellaneous						24,843
Transfers						(6,131)
Total general revenues and transfers						479,434
Change in net assets						191,968
Net assets - beginning						1,198,171
Net assets - ending						\$1,390,139

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

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2005
(amounts expressed in thousands)

	General	Lee County Library	MSTU	Road Impact Fees
ASSETS				
Cash and cash equivalents	\$148,353	\$48,365	\$68,929	\$109,798
Cash and cash equivalents with fiscal agent				
Investments	2,038			
Receivables (net)				
Accounts	5,376		223	45
Special assessments				
Accrued interest	483	130	196	264
Due from other funds	9,926	290	606	
Due from other governments	4,200		1,388	
Inventory	168			
Prepays	292	19		
Advances				
Total assets	<u>170,836</u>	<u>48,804</u>	<u>71,342</u>	<u>110,107</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	5,528	1,052	467	3,895
Accrued liabilities	4,011	285	582	
Due to other funds	1,768		2	
Due to other governments	3,254	117	421	
Deposits	11,739			275
Unearned revenues	73	405		83,676
Deferred revenues				
Other	64			
Total liabilities	<u>26,437</u>	<u>1,859</u>	<u>1,472</u>	<u>87,846</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory	168			
Debt service				
Unreserved, designated for:				
Capital and maintenance projects	39,695	18,607		
Roads revolving loan program	30,000			
Unfunded mandates	2,000			
Economic incentives	1,500			
Fort Myers Beach transportation loan	1,000			
Conservation 2020				
Hurricane contingency				
Debt service				
Unreserved, undesignated, reported in:				
General fund	70,036			
Special revenue funds		28,338	69,870	22,261
Capital projects funds				
Total fund balances	<u>144,399</u>	<u>46,945</u>	<u>69,870</u>	<u>22,261</u>
Total liabilities and fund balances	<u>\$170,836</u>	<u>\$48,804</u>	<u>\$71,342</u>	<u>\$110,107</u>

(continued)

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

Lee County, Florida
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2005
(amounts expressed in thousands)

	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$141,519	\$196,281	\$713,245
Cash and cash equivalents with fiscal agent		18,887	18,887
Investments		29,614	31,652
Receivables (net)			
Accounts	802	994	7,440
Special assessments		6,572	6,572
Accrued interest	346	1,136	2,555
Due from other funds	531	651	12,004
Due from other governments	1,044	4,164	10,796
Inventory		2,170	2,338
Prepays		1,061	1,372
Advances		1,700	1,700
Total assets	<u>144,242</u>	<u>263,230</u>	<u>808,561</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	5,201	9,620	25,763
Accrued liabilities	14	845	5,737
Due to other funds	4	9,329	11,103
Due to other governments	18	954	4,764
Deposits		7,596	19,610
Unearned revenues		18,918	103,072
Deferred revenues		6,059	6,059
Other			64
Total liabilities	<u>5,237</u>	<u>53,321</u>	<u>176,172</u>
Fund Balances:			
Reserved for:			
Advances		1,700	1,700
Inventory		2,170	2,338
Debt service		25,445	25,445
Unreserved, designated for:			
Capital and maintenance projects	73,793	114,004	246,099
Roads revolving loan program			30,000
Unfunded mandates			2,000
Economic incentives			1,500
Fort Myers Beach transportation loan			1,000
Conservation 2020	38,975		38,975
Hurricane contingency	1,930		1,930
Debt service		5,238	5,238
Unreserved, undesignated, reported in:			
General fund			70,036
Special revenue funds		58,331	178,800
Capital projects funds	24,307	3,021	27,328
Total fund balances	<u>139,005</u>	<u>209,909</u>	<u>632,389</u>
Total liabilities and fund balances	<u>\$144,242</u>	<u>\$263,230</u>	<u>\$808,561</u>

Lee County, Florida
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
As of September 30, 2005
(amounts expressed in thousands)

Fund balances - total governmental funds	\$632,389
--	-----------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Intangible assets, net	\$4,125	
Non-depreciable governmental capital assets	466,015	
Depreciable governmental capital assets, net	514,627	984,767

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	6,059
--	-------

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	(244,857)	
Interest payable	(5,753)	
Accreted interest payable	(6,160)	
Variable debt payable	(585)	
Notes payable	(4,622)	
Arbitrage payable	(11)	
Capital leases	(57)	
Compensated absences	(18,412)	(280,457)

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

Assets and liabilities of the internal service funds that are reported with governmental activities	47,381
---	--------

Net assets of governmental activities	\$1,390,139
---------------------------------------	-------------

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, 2005
(amounts expressed in thousands)

	General	Lee County Library	MSTU	Road Impact Fees
REVENUES				
Taxes	\$213,179	\$27,560	\$37,089	
Licenses and permits	915		17,254	
Intergovernmental	54,311	1,015	5,947	
Charges for services	55,009	84	10,019	
Fines and forfeitures	525	266		
Impact fees				\$18,375
Special assessments				
Miscellaneous	<u>20,258</u>	<u>1,673</u>	<u>3,342</u>	<u>2,490</u>
Total revenues	<u>344,197</u>	<u>30,598</u>	<u>73,651</u>	<u>20,865</u>
EXPENDITURES				
Current				
General government	63,989	2,600	10,067	
Public safety	145,194		11,904	
Physical environment	3,488		67	
Transportation				
Economic environment	3,056			
Human services	13,490		3,069	
Culture and recreation	11,460	24,061	12,703	
Capital outlay				
General government	3,332		78	
Public safety	7,290		405	
Physical environment	114			
Transportation				19,746
Economic environment	17			
Human services	4		97	
Culture and recreation	233	5,647	227	
Debt service				
Principal retirement	66			
Interest and fiscal charges	15			
Bond issuance costs				
Total expenditures	<u>251,748</u>	<u>32,308</u>	<u>38,617</u>	<u>19,746</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>92,449</u>	<u>(1,710)</u>	<u>35,034</u>	<u>1,119</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	5,978	285	287	
Transfers out	(45,749)		(25,835)	(702)
Insurance proceeds	65			
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources and (uses)	<u>(39,706)</u>	<u>285</u>	<u>(25,548)</u>	<u>(702)</u>
Net change in fund balances	52,743	(1,425)	9,486	417
Fund balances - beginning	<u>91,656</u>	<u>48,370</u>	<u>60,384</u>	<u>21,844</u>
Fund balances - ending	<u>\$144,399</u>	<u>\$46,945</u>	<u>\$69,870</u>	<u>\$22,261</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, 2005
(amounts expressed in thousands)

	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$48,994	\$36,536	\$363,358
Licenses and permits	432	648	19,249
Intergovernmental	7,921	26,837	96,031
Charges for services	48	17,716	82,876
Fines and forfeitures		742	1,533
Impact fees		12,579	30,954
Special assessments		4,044	4,044
Miscellaneous	6,550	19,742	54,055
Total revenues	<u>63,945</u>	<u>118,844</u>	<u>652,100</u>
EXPENDITURES			
Current			
General government	6,849	22,042	105,547
Public safety		8,601	165,699
Physical environment	7,432	4,132	15,119
Transportation	1,280	28,517	29,797
Economic environment		15,969	19,025
Human services		1,942	18,501
Culture and recreation	5,110	3,140	56,474
Capital outlay			
General government	29,384	13,063	45,857
Public safety		858	8,553
Physical environment	4,858	79	5,051
Transportation	1,756	24,143	45,645
Economic environment		889	906
Human services		22	123
Culture and recreation	4,022	10,379	20,508
Debt service			
Principal retirement	1,709	23,283	25,058
Interest and fiscal charges	86	11,835	11,936
Bond issuance costs		422	422
Total expenditures	<u>62,486</u>	<u>169,316</u>	<u>574,221</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,459</u>	<u>(50,472)</u>	<u>77,879</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	21,049	67,943	95,542
Transfers out	(3,386)	(25,647)	(101,319)
Insurance proceeds			65
Bond premium		1,132	1,132
Debt issuance		31,696	31,696
Payment to refunding escrow agent		(27,622)	(27,622)
Total other financing sources and (uses)	<u>17,663</u>	<u>47,502</u>	<u>(506)</u>
Net change in fund balances	19,122	(2,970)	77,373
Fund balances - beginning	119,883	212,879	555,016
Fund balances - ending	<u>\$139,005</u>	<u>\$209,909</u>	<u>\$632,389</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, 2005
(amounts expressed in thousands)

Net change in fund balances - total governmental funds:		\$77,373
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 and intangible assets	\$126,643	
Less current year depreciation and amortization	<u>(35,361)</u>	91,282
The net effect of various miscellaneous transactions involving capital and intangible assets (i.e., disposals, transfers, donations) is to decrease net assets.		(4,713)
Revenues that were previously reported in the statement of activities and are recognized as revenue in the funds.		495
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	(31,696)	
Premiums	(1,132)	
Issue Costs	422	
Principal payments	25,058	
Payment to escrow agent for refunding	<u>27,622</u>	20,274
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in arbitrage payable	(10)	
Change in compensated absences	<u>(1,668)</u>	(1,678)
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	45	
Accreted interest on capital appreciation bonds	(681)	
Amortization of bond costs	<u>(391)</u>	(1,027)
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>9,962</u>
Change in net assets of governmental activities		<u>\$191,968</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, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$205,616	\$205,616	\$213,179	\$7,563
Licenses and permits	232	232	915	683
Intergovernmental	46,530	52,562	54,311	1,749
Charges for services	47,679	51,753	49,220	(2,533)
Fines and forfeitures	5	5	525	520
Miscellaneous	<u>6,966</u>	<u>8,788</u>	<u>20,563</u>	<u>11,775</u>
Total revenues	<u>307,028</u>	<u>318,956</u>	<u>338,713</u>	<u>19,757</u>
EXPENDITURES				
Current				
General government	83,635	85,993	63,784	22,209
Public safety	137,849	144,749	139,878	4,871
Physical environment	3,556	3,615	3,488	127
Economic environment	2,970	4,488	3,056	1,432
Human services	13,217	14,424	13,490	934
Culture and recreation	10,525	11,559	11,460	99
Capital outlay				
General government	1,763	5,360	3,332	2,028
Public safety	7,825	8,170	7,290	880
Physical environment	101	127	114	13
Economic environment	239	149	17	132
Human services	30	4	4	0
Culture and recreation	60	247	233	14
Debt service				
Principal retirement	50	51	50	1
Interest and fiscal charges	<u>4</u>	<u>15</u>	<u>14</u>	<u>1</u>
Total expenditures	<u>261,824</u>	<u>278,951</u>	<u>246,210</u>	<u>32,741</u>
Excess of revenues over expenditures	<u>45,204</u>	<u>40,005</u>	<u>92,503</u>	<u>52,498</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	130,675	134,724	5,978	(128,746)
Transfers out	(181,117)	(182,270)	(45,749)	136,521
Insurance proceeds			65	65
Total other financing sources and (uses)	<u>(50,442)</u>	<u>(47,546)</u>	<u>(39,706)</u>	<u>7,840</u>
Net change in fund balance	(5,238)	(7,541)	52,797	60,338
Fund balance - beginning	<u>75,313</u>	<u>91,521</u>	<u>84,903</u>	<u>(6,618)</u>
Fund balance - ending	<u>\$70,075</u>	<u>\$83,980</u>	<u>\$137,700</u>	<u>\$53,720</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
LEE COUNTY LIBRARY
For the Year Ended September 30, 2005
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$27,000	\$27,000	\$27,560	\$560
Intergovernmental		1,920	1,015	(905)
Charges for services	45	45	84	39
Fines and forfeitures	185	185	266	81
Miscellaneous	<u>727</u>	<u>757</u>	<u>1,747</u>	<u>990</u>
Total revenues	<u>27,957</u>	<u>29,907</u>	<u>30,672</u>	<u>765</u>
EXPENDITURES				
Current				
General government	3,350	3,350	2,600	750
Culture and recreation	24,739	25,834	24,061	1,773
Capital outlay				
Culture and recreation	<u>26,917</u>	<u>32,402</u>	<u>5,647</u>	<u>26,755</u>
Total expenditures	<u>55,006</u>	<u>61,586</u>	<u>32,308</u>	<u>29,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,049)</u>	<u>(31,679)</u>	<u>(1,636)</u>	<u>30,043</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in		50	325	275
Transfers out		(50)	(40)	10
Total other financing sources and (uses)	<u>0</u>	<u>0</u>	<u>285</u>	<u>285</u>
Net change in fund balance	(27,049)	(31,679)	(1,351)	30,328
Fund balance - beginning	<u>38,843</u>	<u>48,370</u>	<u>48,435</u>	<u>65</u>
Fund balance - ending	<u>\$11,794</u>	<u>\$16,691</u>	<u>\$47,084</u>	<u>\$30,393</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, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$33,698	\$33,698	\$37,089	\$3,391
Licenses and permits	10,827	11,323	17,254	5,931
Intergovernmental	5,018	5,489	5,947	458
Charges for services	6,382	6,414	10,019	3,605
Miscellaneous	<u>1,736</u>	<u>1,848</u>	<u>3,447</u>	<u>1,599</u>
Total revenues	<u>57,661</u>	<u>58,772</u>	<u>73,756</u>	<u>14,984</u>
EXPENDITURES				
Current				
General government	11,253	12,090	10,067	2,023
Public safety	12,114	12,637	11,904	733
Physical environment	172	172	67	105
Human services	3,394	3,978	3,069	909
Culture and recreation	13,044	13,545	12,703	842
Capital outlay				
General government	27	107	78	29
Public safety	34	777	405	372
Human services	35	202	97	105
Culture and recreation	<u>88</u>	<u>230</u>	<u>227</u>	<u>3</u>
Total expenditures	<u>40,161</u>	<u>43,738</u>	<u>38,617</u>	<u>5,121</u>
Excess of revenues over expenditures	<u>17,500</u>	<u>15,034</u>	<u>35,139</u>	<u>20,105</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	63	63	287	224
Transfers out	(16,675)	(25,836)	(25,835)	1
Total other financing sources and (uses)	<u>(16,612)</u>	<u>(25,773)</u>	<u>(25,548)</u>	<u>225</u>
Net change in fund balance	888	(10,739)	9,591	20,330
Fund balance - beginning	<u>58,206</u>	<u>60,384</u>	<u>60,564</u>	<u>180</u>
Fund balance - ending	<u>\$59,094</u>	<u>\$49,645</u>	<u>\$70,155</u>	<u>\$20,510</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
ROAD IMPACT FEES
For the Year Ended September 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$17,109	\$17,121	\$43,839	\$26,718
Miscellaneous	571	871	2,652	1,781
Total revenues	<u>17,680</u>	<u>17,992</u>	<u>46,491</u>	<u>28,499</u>
EXPENDITURES				
Capital outlay				
Transportation	41,490	69,798	19,746	50,052
Total expenditures	<u>41,490</u>	<u>69,798</u>	<u>19,746</u>	<u>50,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,810)</u>	<u>(51,806)</u>	<u>26,745</u>	<u>78,551</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(690)	(702)	(702)	0
Total other financing sources and (uses)	<u>(690)</u>	<u>(702)</u>	<u>(702)</u>	<u>0</u>
Net change in fund balance	(24,500)	(52,508)	26,043	78,551
Fund balance - beginning	53,427	80,056	76,657	(3,399)
Fund balance - ending	<u>\$28,927</u>	<u>\$27,548</u>	<u>\$102,700</u>	<u>\$75,152</u>

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

Lee County, Florida
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of September 30, 2005
(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 cash equivalents	\$65,612	\$51,603	\$29,187	\$6,095	\$5,278	\$157,775	\$55,853	
Cash and cash equivalents with fiscal agent				76,718		76,718		
Restricted assets	12,799	20,117	22,482	15,209		70,607	303	
Receivables (net)	8,749	4,541	259	10,109	958	24,616	551	
Due from other funds			2	157		159	53	
Due from other governments	2					2		
Inventories	741		445			1,186	229	
Other	2,141			4		2,145	2	
Total current assets	90,044	76,261	52,375	108,292	6,236	333,208	56,991	
Noncurrent Assets:								
Restricted assets	48,148	87,484	61,958	23,094		220,684	41	
Receivables (net)		655		2,790		3,445		
Capital assets:								
Non-depreciable	154,924	82,709	88,798	41,647	90	368,168	1,327	
Depreciable	605,313	541,661	148,389	204,130	21,611	1,521,104	28,517	
Less accumulated depreciation	(110,999)	(161,670)	(49,278)	(66,593)	(11,916)	(400,456)	(21,421)	
Intangible assets (net)	1,875			975		1,875	270	
Unamortized bond costs (net)	4,798	1,810	3,498			11,081	18	
Total noncurrent assets	704,059	552,649	253,365	206,043	9,785	1,725,901	8,752	
Total assets	794,103	628,910	305,740	314,335	16,021	2,059,109	65,743	
LIABILITIES								
Current liabilities:								
Contracts and accounts payable	11,712	5,554	134	6,998	220	24,618	1,667	
Accrued liabilities	300	422	130	69	277	1,198	67	
Refunds and rebates	2,927					2,927		
Due to other funds	7			106	1,000	1,113		
Due to other governments	193	187	54	31	114	579	31	
Customer deposits	277	1		9		287		
Deferred revenues	209	238			118	565		
Self-insurance claims payable							6,093	
Compensated absences	601	76	16	15	45	753	19	
Capital leases - current				47		47		

(continued)

Lee County, Florida
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of September 30, 2005
(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				
Current liabilities payable from restricted assets:									
Contracts and accounts payable	12,569	5,110	9,233	14			26,926		
Accrued liabilities		4,702	4,312	3,546			12,560	49	
Due to other governments		121	3				124		
Customer deposits		4,998					4,998		
Deferred revenues			1,539				1,539		
Notes	230	541	2,623				3,394		
Revenue bonds - current		4,645	4,772	11,649			21,066	254	
Total current liabilities	29,025	26,595	22,816	22,484	1,774		102,694	8,180	
Noncurrent liabilities:									
Self - insurance claims payable								8,498	
Compensated absences	297	650	280	141	436		1,804	188	
Capital leases payable				79			79		
Notes payable	3,140	8,124	23,340		3,000		37,604		
Revenue bonds payable	389,713	181,535	198,255	122,536			892,039	1,609	
Landfill closure and postclosure costs				5,297			5,297		
Other	688						688		
Total noncurrent liabilities	393,838	190,309	221,875	128,053	3,436		937,511	10,295	
Total liabilities	422,863	216,904	244,691	150,537	5,210		1,040,205	18,475	
NET ASSETS									
Invested in capital assets, net of related debt	293,883	271,847	17,132	65,010	9,785		657,657	6,577	
Restricted for:									
Capital projects	12,274	65,645					77,919		
Debt service	699	9,879	8,281	12,106			30,965	296	
Renewal and replacement	500	15,721	6,172	1,500			23,893		
Unrestricted	63,884	48,914	29,464	85,182	1,026		228,470	40,395	
Total net assets	\$371,240	\$412,006	\$61,049	\$163,798	\$10,811		1,018,904	\$47,268	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.									(113)
Net assets of business-type activities									\$1,018,791

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2005
(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	
OPERATING REVENUES							
User fees	\$31,499	\$65,594	\$43,769	\$53,159	\$2,520	\$152,772	\$77,069
Tolls				907	11	43,769	
Rentals and franchise fees	3,392	93				4,403	
Concessions	29,514					29,514	
Miscellaneous	170	979	77	9,645	1	10,872	
Total operating revenues	64,575	66,666	43,846	63,711	2,532	241,330	77,069
Less: Rebates	(302)					(302)	
Net operating revenues	64,273	66,666	43,846	63,711	2,532	241,028	77,069
OPERATING EXPENSES							
Salaries and wages	14,474	11,368	3,913	1,756	7,307	38,818	2,116
Employee benefits	5,201	3,907	1,548	640	3,216	14,512	706
Contractual services, materials and supplies	12,811	14,525	2,068	32,530	2,992	64,926	15,587
Utilities	2,659	5,067	313	1,546	162	9,747	3,199
Repairs and maintenance	1,200	3,419	340	230	1,000	6,189	2,559
Insurance	1,757	615	538	14	158	3,082	4,199
Insurance claims							38,281
Other	1,554	3,207	1,136	1,103	594	7,594	683
Depreciation and amortization	9,983	20,452	4,727	6,986	1,601	43,749	2,451
Total operating expenses	49,639	62,560	14,583	44,805	17,030	188,617	69,781
Operating income (loss)	14,634	4,106	29,263	18,906	(14,498)	52,411	7,288
NON-OPERATING REVENUES (EXPENSES)							
Investment earnings	1,823	4,389	1,089	2,976	105	10,382	1,403
Taxes				1,801		1,801	
Grants	269	53	(48)	974	3,563	4,811	(11)
Interest expense	(4,408)	(10,277)	(8,195)	(6,925)	(2)	(29,807)	(152)
Gain (loss) on disposal of fixed assets	6	173	2	(26)	51	206	1,005
Passenger facility charge	15,615			(1,118)		15,615	
Other - Hurricane expenses						(1,118)	
Other revenues	1,079	440	229		13	1,761	331
Other expenses	(14)	(38)	(136)	(6)		(194)	(1)
Total non-operating revenues (expenses)	14,370	(5,260)	(7,059)	(2,324)	3,730	3,457	2,575

(continued)

Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended September 30, 2005
 (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	Total Enterprise Funds	
Income (loss) before contributions and transfers	29,004	(1,154)	22,204	16,582	(10,768)	55,868	9,863	
Capital contributions	12,434	32,199	7	7	1,304	45,944		
Transfers in		639	786	158	7,352	8,935	1,134	
Transfers out		(22)	(2,780)		(1)	(2,803)	(69)	
Total contributions and transfers	12,434	32,816	(1,994)	165	8,655	52,076	1,065	
Change in net assets	41,438	31,662	20,210	16,747	(2,113)	107,944	10,928	
Total net assets - beginning	329,802	380,344	40,839	147,051	12,924	910,960	36,340	
Total net assets - ending	<u>\$371,240</u>	<u>\$412,006</u>	<u>\$61,049</u>	<u>\$163,798</u>	<u>\$10,811</u>	<u>\$1,018,904</u>	<u>\$47,268</u>	

Change in net assets \$107,944

Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds. 966

Change in net assets of business-type activities \$108,910

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, 2005
(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	\$62,665	\$66,570	\$44,110	\$68,754	\$2,383	\$244,482	\$7,763
Receipts from interfund services provided							71,229
Cash received from customer deposits	104	670		1		775	
Payments to suppliers	(17,710)	(22,053)	(4,510)	(43,339)	(4,090)	(91,702)	(63,496)
Payments to employees	(17,142)	(12,931)	(4,665)	(2,029)	(8,762)	(45,529)	(2,453)
Payment for interfund services used	(2,327)	(4,394)	(1,131)	(922)	(2,394)	(11,168)	(1,060)
Net cash provided by (used in) operating activities	<u>25,590</u>	<u>27,862</u>	<u>33,804</u>	<u>22,465</u>	<u>(12,863)</u>	<u>96,858</u>	<u>11,983</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grants	269	43	(48)	12,008	3,581	15,853	12
Transfers in				156	7,345	7,501	1,057
Transfers out			(2,779)			(2,779)	
Advances from other funds					1,000	1,000	
Excess fees paid to other governments			(202)			(202)	
Net cash provided by (used in) noncapital financing activities	<u>269</u>	<u>43</u>	<u>(3,029)</u>	<u>12,164</u>	<u>11,926</u>	<u>21,373</u>	<u>1,069</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	2,887	112	98,568		3,000	104,567	
Proceeds from special assessments		546				546	
Capital contributions	35,503	22,780			1,108	59,391	
Proceeds from passenger facilities charges	14,780					14,780	
Additions to fixed assets	(117,043)	(52,115)	(27,053)	(25,010)	(897)	(222,118)	(2,912)
Principal paid on bonds, loans, leases, and interfund loans	(7,500)	(5,587)	(11,338)	(11,409)		(35,834)	(280)
Interest paid on bonds, loans, leases, and interfund loans	(32,960)	(9,610)	(7,222)	(7,377)	(2)	(57,171)	(105)
Transfer to refunding escrow agent			(30,695)			(30,695)	
Proceeds from sale of fixed assets	14	181	3	2	51	251	1,131
Net cash provided by (used in) capital and related financing activities	<u>(104,319)</u>	<u>(43,693)</u>	<u>22,263</u>	<u>(43,794)</u>	<u>3,260</u>	<u>(166,283)</u>	<u>(2,166)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale and maturities of investments	95,712					95,712	
Purchase of investments			(42,207)			(42,207)	
Interest on investments	10,460	4,495	1,910	2,969	108	19,942	1,397
Net cash provided by (used in) investing activities	<u>106,172</u>	<u>4,495</u>	<u>(40,297)</u>	<u>2,969</u>	<u>108</u>	<u>73,447</u>	<u>1,397</u>
Net increase (decrease) in cash and cash equivalents	27,712	(11,293)	12,741	(6,196)	2,431	25,395	12,283
Cash and equivalents at beginning of year	69,689	167,943	57,158	127,312	2,847	424,949	43,914
Cash and equivalents at end of year	<u>\$97,401</u>	<u>\$156,650</u>	<u>\$69,899</u>	<u>\$121,116</u>	<u>\$5,278</u>	<u>\$450,344</u>	<u>\$56,197</u>

(continued)

Lee County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2005
(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		
Classified as:							
Current assets	\$65,612	\$51,603	\$29,187	\$82,813	\$5,278	\$234,493	\$55,852
Restricted assets	31,789	105,047	40,712	38,303		215,851	345
Totals	\$97,401	\$156,650	\$69,899	\$121,116	\$5,278	\$450,344	\$56,197
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions of capital assets		\$9,431		\$7		\$9,438	
(Decrease) in fair value of investments	(\$763)	(\$199)	(\$75)	(\$7)	(\$3)	(\$1,047)	(\$78)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$14,634	\$4,106	\$29,263	\$18,906	(\$14,498)	\$52,411	\$7,288
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	9,983	20,452	4,727	6,986	1,601	43,749	2,451
Other revenues	1,079	440	229	1,801	10	3,559	331
Other expenses		(10)	(136)	(1,118)		(1,264)	(60)
(Increase) decrease in accounts receivable	(2,250)	(566)	(227)	3,297	(44)	210	1,101
(Increase) decrease in due from other funds			1	(54)		(53)	492
(Increase) decrease in inventories	(172)		(149)			(321)	23
(Increase) decrease in other assets	(867)			(4)	1	(870)	16
Increase (decrease) in contracts and accounts payable	3,310	2,395	(186)	(9,594)	(90)	(4,165)	(660)
Increase in accrued liabilities	71	86	1	2	98	258	3
(Decrease) in refunds and rebates	(381)					(381)	
Increase (decrease) in due to other funds				95		95	(495)
Increase (decrease) in due to other governments	(30)	165	(4)	(4)	49	176	4
Increase in customer deposits	104	670		1		775	
Increase (decrease) in deferred revenues	(56)	31	261		(115)	121	
Increase in compensated absences	165	93	24	19	125	426	5
Increase in other liabilities				2,132		2,132	1,484
Total adjustments	10,956	23,756	4,541	3,559	1,635	44,447	4,695
Net cash provided by (used in) operating activities	\$25,590	\$27,862	\$33,804	\$22,465	(\$12,863)	\$96,858	\$11,983

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, 2005
 (amounts expressed in thousands)

	Agency Funds
ASSETS	
Cash and cash equivalents	\$78,440
Investments	780
Accounts receivable (net)	68
Due from other governments	2,110
Total assets	81,398
 LIABILITIES	
Contracts and accounts payable	451
Due to individuals	1,148
Due to other governments	45,177
Bonds and deposits	34,622
Total liabilities	\$81,398

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



Notes to the Financial
Statements

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Table of Contents

Accounts Receivable.....	48	Interfund Transactions- Due To/From.....	53
Accounts Receivable- Defined.....	41	Interfund Transactions- Transfers In/Out.....	54
Accrual Basis- Full.....	38	Internal Service Activity.....	38
Accrual Basis- Modified.....	39	Internal Service Fund Description.....	40
Agency Fund Description.....	40	Inventories- Defined.....	42
Arbitrage Rebate Payable.....	65	Investments- Defined.....	41
Assets, Liabilities, and Net Assets or Equity.....	41	Landfill Closure & Postclosure Care Liability.....	72
Basic Financial Statements- Defined.....	38	Leases- Capital.....	55
Blended Component Unit.....	37	Leases- Operating.....	55
Bond Resolutions for Debt Issues.....	60	Litigation.....	73
Budgeted and Actual Results.....	43	Long-term Obligations.....	55
Budgets and Budgetary Accounting.....	40	Long-term Debt- Changes In.....	66
Budgetary Information.....	40	Library Fund Description.....	39
Business-type Activity.....	39	Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	38
Capital Asset Activity.....	50	MSTU Fund Description.....	39
Capital Assets- Defined.....	42	Non-major Governmental Fund Description.....	40
Capital Assets Lives.....	42	Notes Payable.....	63
Capital Improvement Fund Description.....	39	Other Information.....	71
Capitalized Interest.....	52	Other Obligations.....	65
Cash and Cash Equivalents- Defined.....	41	Other Post Employment Benefits.....	71
Cash, Cash Equivalents and Investments.....	44	Port Authority Fund Description.....	40
Commitments and Contingencies.....	73	Prepaid Items- Defined.....	42
Compensated Absences- Defined.....	42	Property Taxes.....	44
Compliance with Finance Related Legal and Contractual Provisions.....	44	Proprietary Fund Statements- Description.....	39
Concentration of Credit Risk.....	46	Reporting Entity.....	37
Construction Commitments.....	52	Restricted Assets.....	49
Credit Risk.....	46	Retirement Plan.....	71
Custodial Credit Risk.....	46	Revenue Bonds.....	56
Debt Refundings.....	61	Revenue Bonds- Debt Service Requirements.....	58
Defeased Bonds.....	60	Risk Management.....	71
Deferred Revenues- Defined.....	42	Road Impact Fees Description.....	39
Deficit Fund Net Assets.....	44	Segment Information- Port Authority.....	69
Deposits.....	45	Self-Insurance Claims Payable.....	65
Depreciation Expense.....	52	Solid Waste Fund Description.....	40
Detail Notes on All Funds.....	44	Special Assessment Bonds.....	60
Due From/Due To Defined.....	41	Stewardship, Compliance, and Accountability.....	44
Enterprise Fund Description.....	40	Subsequent Events.....	73
Fund Equity- Defined.....	43	Summary of Significant Accounting Policies.....	37
Fund Organization.....	38	Transportation Facilities Fund Description.....	40
GASB Statement 20.....	39	Unamortized Discounts, Premiums, and Issue Costs- Defined.....	43
General Fund Description.....	39	Unamortized Losses- Defined.....	43
Governmental Fund Financial Statements- Description.....	39	Unearned Revenues- Defined.....	42
Government-wide and Fund Financial Statements- Description.....	37	Use of Estimates.....	40
Indirect Expenses.....	38	Variable Debt.....	62
Intangible Assets- Defined.....	42	Water & Wastewater Fund Description.....	40
Interest Rate Risk.....	46		

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

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

As required by generally accepted accounting 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.

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

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

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

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

The County's major funds are presented in separate columns on the governmental fund financial 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 Statements Number 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

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

The effect of interfund activity has been removed from the government-wide financial statements.

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 activity 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, participating governments in the radio program for the government communications network, and employee reimbursements for phone use.

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 retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. 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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

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

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The County considers all revenues available if they are collected within sixty days after year-end. Primary revenues, such as property taxes, special assessments, 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.

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.

Road Impact Fees

Road Impact Fees are used 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.

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:

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

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 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, capital projects, and permanent funds.

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 and permanent 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 and amounts above his fee structure as County Recorder) prepares a budget for his general fund (noncourt-related activities), which is submitted to and approved by the Board. 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.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Capital projects costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is reappropriated until the project is completed. Proprietary funds are budgeted on a basis consistent with GAAP, except that capital and debt related transactions are based upon cash receipts and disbursements. Estimated beginning fund balances are considered in the budgetary process. Differences between estimated beginning fund balances and actual fund balances, if material, are submitted to the Board as budget amendments.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. The Board must approve all budget amendments, which change the legally adopted total appropriation for a fund, or amount of a Constitutional Officers' draw. Authority to transfer budget within a fund is delegated to the County Manager or Budget Director.

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

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

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

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.

Investments

The County reports all investments at fair value, with the exception of debt investments held in an internal investment pool with a remaining maturity within ninety days of year-end, repurchase agreements, Local Government Surplus Funds Investment Pool Trust Fund (State Board of Administration), and the Florida Local Government Investment Trust. All fair valuations are based on quoted market prices. The repurchase agreements are stated at amortized cost, which approximates fair value. The fair value of the position in the Local Government Surplus Funds Investment Pool Trust Fund, an external 2a7-like investment pool, is the same as the value of the pool shares. The Florida Local Government Investment Trust reports all share information at Net Asset Value (NAV).

Accounts Receivable

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

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

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

“due from” and “due to” are used to record any activity representing current interfund loans. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net assets as “internal balances”.

Inventories and Prepaid items

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

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

Capital Assets

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

<u>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
Infrastructure	20-50

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

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

Intangible Assets

On December 21, 1995, the Lee County Port Authority purchased the assets of Fort Myers Jet Center, Inc. for \$1.6 million and has classified as goodwill the excess of cost over the fair market value of assets acquired. The Port Authority is amortizing the goodwill over twenty years. Software, if material, is classified as an intangible asset and is amortized over its useful life of three to five 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, and impact fees unearned until expended. Impact fees are refundable, non-exchange transactions.

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. The County’s policy permits employees to either bank unused sick pay benefits or receive a cash buyout on an annual basis. Both the current and long-term portion of compensated

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

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 Issue Costs

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

Unamortized Losses

Losses from debt refundings are reported in the accompanying financial statements as a deduction to bonds payable and will be charged to operations using the effective-interest method by amortizing the 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 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* - Certain reimbursements are budgeted as revenues and capital leases are budgeted as current expenditures. In addition, bad debts for Emergency Medical Services, changes in fair market value (FMV) of investments, and an inventory adjustment 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.
- *Road Impact Fees*- Unearned impact fee revenues and 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, 2005 (dollars in thousands):

<i>General Fund:</i>	
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$52,743
Basis Difference:	
Charges for service not budgeted	(5,571)
Miscellaneous revenue not budgeted	303
Expenditures associated with inventory	(12)

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Bad debts for Public Safety, not budgeted	5,334
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$52,797</u>

Library:

Deficiency of revenues and other financing sources under expenditures and other financing uses (GAAP basis)	(\$1,425)
Basis Difference:	
Miscellaneous revenue not budgeted- Change in FMV	74
Deficiency of revenues and other financing sources under expenditures and other financing uses (Non-GAAP budgetary basis)	<u>(\$1,351)</u>

MSTU:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$9,486
Basis Difference:	
Miscellaneous revenue not budgeted- Change in FMV	105
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$9,591</u>

Road Impact Fees:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$417
Basis Difference:	
Unearned Impact Fee revenue budgeted	25,465
Miscellaneous revenue not budgeted- Change in FMV	161
Excess of revenues and other financing sources over expenditures and other financing uses (Non-GAAP budgetary basis)	<u>\$26,043</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 2005, 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, 2005.

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.

Deficit Fund Net Assets

At September 30, 2005, there were no funds with a deficit fund balance.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE V. DETAIL NOTES ON ALL FUNDS

Cash, Cash Equivalents and Investments

As of September 30, 2005, 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	\$5,973			N/A
Cash with Fiscal Agent	N/A	39,078			N/A
Demand Deposits	N/A	96,264			N/A
State Board of Administration Investment Pool	49 days	590,295			Unrated
Florida Local Government Investment Trust	2.18 years	1,998			AAA
Dreyfus Treasury Money Market	N/A	19,037			AAA
Evergreen Institutional Treasury Money Market	N/A	885			AAA
Repurchase Agreement	10/3/2005	80,655			Unrated
Repurchase Agreement	10/3/2005	30,022			Unrated
U.S. Treasury Bill	10/6/2005	9,998			N/A
U.S. Treasury Note	10/31/2005	9,987			N/A
U.S. Treasury Note	11/30/2005	19,952			N/A
U.S. Treasury Note	11/30/2005	9,976			N/A
U.S. Treasury Note	12/31/2005	4,978			N/A
U.S. Treasury Note	1/31/2006	19,877			N/A
U.S. Treasury Note	1/31/2006	19,877			N/A
U.S. Treasury Note	8/31/2006	19,693			N/A
Federal Farm Credit	1/5/2006	9,934			AAA
Federal Farm Credit	1/11/2006	19,944	10/3/2005	Continuous	AAA
Federal Farm Credit	4/5/2006	19,763	10/3/2005	Continuous	AAA
Federal Home Loan Bank	3/30/2006	19,831			AAA
Federal Home Loan Bank	5/18/2006	9,894	10/18/2005	Monthly	AAA
Federal Home Loan Bank	9/8/2006	19,962	12/8/2005	Quarterly	AAA
Federal Home Loan Bank	9/28/2006	9,928			AAA
Federal Home Loan Mortgage Corp	11/17/2005	19,956			AAA
Federal Home Loan Mortgage Corp	4/15/2006	9,900			AAA
Federal Home Loan Mortgage Corp	4/28/2006	19,797	10/28/2005	Quarterly	AAA
Federal Home Loan Mortgage Corp	9/29/2006	9,852			AAA
FHLMC Discount Note	11/22/2005	9,949			A-1+
FHLMC Discount Note	1/31/2006	29,616			A-1+
FHLMC Discount Note	5/2/2006	9,761			A-1+
FHLMC Discount Note	8/22/2006	19,254			A-1+
Federal National Mortgage Corp.	12/15/2005	9,966			AAA
Federal National Mortgage Corp.	6/28/2006	19,819			AAA
Federal National Mortgage Corp.	6/2/2006	19,844			AAA
Federal National Mortgage Corp.	6/30/2006	9,909			AAA
Federal National Mortgage Corp.	7/14/2006	19,844	11/14/2006	Semi-annual	AAA
Federal National Mortgage Corp.	8/23/2006	19,838	10/3/2005	Continuous	AAA
Federal National Mortgage Corp.	9/7/2006	19,856	12/7/2005	Quarterly	AAA
Federal National Mortgage Corp.	3/7/2007	26,101	12/7/2005	Quarterly	AAA
FNMA Discount Note	1/11/2006	14,839			A-1+
FNMA Discount Note	3/8/2006	42,260			A-1+
Total		\$1,418,162			

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Credit Risk

The Board's Investment Policy (Policy) limits credit risk by restricting authorized investments to the following: Direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government; U.S. Government sponsored Corporation/Instrumentalities; U.S. Government Agencies; The Florida Local Government Surplus Funds Trust Fund (SBA); Interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state; 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 to repurchase agreements fully collateralized by such United States Government obligations; Repurchase agreements with any primary brokers/dealers collateralized by direct obligations of United States, or U.S. government sponsored corporation/instrumentalities or U.S. government agencies; 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 which are rated by any nationally recognized rating agency for municipal bonds in any of the two highest classifications; 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; Florida Local Government Investment Trust (FLGIT); and 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. The SBA is an investment pool not rated by a nationally recognized statistical rating agency. All credit ratings indicated in the above table are Standard & Poor's (S&P) ratings.

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, 2005, all of the County's bank deposits 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. As of September 30, 2005, \$19,922,000 was held in a bank's trust department 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, 75 percent to be invested in SBA, 50 percent to be invested in repurchase agreements, 25 percent to be invested in mutual funds, and 20 percent to be invested in Certificate of

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Deposits or 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, 2005:

<u>Issuer</u>	<u>Percent of Portfolio</u>
Federal Home Loan Mortgage Corp.	10.06%
Federal National Mortgage Association	15.88%
Federal Home Loan Bank	4.66%
Federal Farm Credit Bank	<u>3.87%</u>
Total Federal Instrumentalities	<u>34.47%</u>

Reconciliation of cash and cash equivalents, and investments from the schedule of deposits and investments to the basic financial statements:

Primary government

Current:

Cash and cash equivalents	\$1,022,478
Investments	31,652

Restricted:

Cash and cash equivalents	158,930
Cash and cash equivalents with fiscal agent	57,266
Investments	68,616

Agency Funds

Cash and cash equivalents	78,440
Investments	<u>780</u>

Total	<u>\$1,418,162</u>
-------	--------------------

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Receivables

At September 30, 2005, 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	Road Impact Fees	Capital Improvement	Non-major Governmental Funds	Total Governmental Funds
Accounts	\$31,327		\$223	\$45	\$802	\$994	\$33,391
Special assessments						6,572	6,572
Accrued interest	483	\$130	196	264	346	1,136	2,555
Less: allowance for bad debt	(25,951)						(25,951)
Total net receivables	\$5,859	\$130	\$419	\$309	\$1,148	\$8,702	\$16,567

Total net receivables reported in governmental funds:

Internal service fund total receivables

Reclassification of grants receivable from due from other governments

Receivable reported on the Statement of Net Assets for Governmental Activities:

\$16,567

551

3,155

\$20,273

	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Accounts	\$5,034	\$5,247	\$172	\$3,739	\$74	\$14,266	\$377
Grants	3,894	12		6,277	879	11,062	37
Notes				400		400	
Special assessments				2,470		2,470	
Accrued interest		138	87	14	5	244	137
Less: allowance for bad debt	(179)	(201)		(1)		(381)	
Total net receivables	\$8,749	\$5,196	\$259	\$12,899	\$958	\$28,061	\$551

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. This loan is carried in the Solid Waste Fund and the outstanding amount of the loan at September 30, 2005, was \$400,000. The loan was made to Hendry County for permitting an ash landfill site to be built in their county.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

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, 2005, were as follows (dollars in thousands):

	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Enterprise Total	Internal Service Funds
Cash and cash equivalents	\$31,789	\$94,399	\$30,627	\$2,115	\$158,930	
Cash and cash equivalents with fiscal agent		10,648	10,086	36,188	56,922	\$344
Investments	26,356		42,260		68,616	
Receivables (net):						
Accounts	2,737	22	58		2,817	
Special assessments		1,623			1,623	
Accrued interest	65	188	3		256	
Other		721	1,406		2,127	
Total	\$60,947	\$107,601	\$84,440	\$38,303	\$291,291	\$344

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, 2005, (dollars in thousands):

	Port Authority	Water and Wastewater	Transportation Facilities	Solid Waste	Enterprise Total	Internal Service Funds
Debt service:						
Revenue bonds	\$26,940	\$9,785	\$11,187	\$34,688	\$82,600	\$344
Other		1,607	1,406		3,013	
Renewal and replacement	500	15,811	6,193	1,500	24,004	
Capital improvements and construction	33,507	75,491	63,971		172,969	
Deposits		4,907	1,683		6,590	
Landfill closure and postclosure costs				2,115	2,115	
Total net restricted assets	\$60,947	\$107,601	\$84,440	\$38,303	\$291,291	\$344

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2005, was as follows (dollars in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Artwork	\$14	\$21		\$35
Land	249,858	28,478		278,336
Construction in progress	140,565	113,002	(\$64,596)	188,971
Total capital assets not being depreciated	<u>390,437</u>	<u>141,501</u>	<u>(64,596)</u>	<u>467,342</u>
Capital assets being depreciated:				
Buildings	213,849	834	(7,020)	207,663
Improvements other than buildings	42,381	2,577	(733)	44,225
Machinery and equipment	155,039	22,391	(10,381)	167,049
Infrastructure	375,308	29,241	(1,480)	403,069
Total capital assets being depreciated	<u>786,577</u>	<u>55,043</u>	<u>(19,614)</u>	<u>822,006</u>
Less accumulated depreciation for:				
Buildings	70,624	5,648	(2,874)	73,398
Improvements other than buildings	12,546	2,397	(661)	14,282
Machinery and equipment	87,665	18,588	(8,003)	98,250
Infrastructure	103,838	10,529	(14)	114,353
Total accumulated depreciation	<u>274,673</u>	<u>37,162</u>	<u>(11,552)</u>	<u>300,283</u>
Total capital assets being depreciated, net	<u>511,904</u>	<u>17,881</u>	<u>(8,062)</u>	<u>521,723</u>
Total governmental activities capital assets, net	<u>\$902,341</u>	<u>\$159,382</u>	<u>(\$72,658)</u>	<u>\$989,065</u>
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Land				
Port Authority	\$127,208			\$127,208
Water and Wastewater	9,718			9,718
Transportation Facilities	44,428	\$49		44,477
Solid Waste	15,747	159		15,906
Other non-major - Transit	65			65
Total land	<u>197,166</u>	<u>208</u>	<u>0</u>	<u>197,374</u>
Construction in progress				
Port Authority	355,745	111,420	(\$439,449)	27,716
Water and Wastewater	40,217	49,446	(16,672)	72,991
Transportation Facilities	11,328	33,672	(679)	44,321
Solid Waste	5,010	24,177	(3,446)	25,741
Other non-major - Transit		25		25
Total construction in progress	<u>412,300</u>	<u>218,740</u>	<u>(460,246)</u>	<u>170,794</u>
Total capital assets not being depreciated	<u>609,466</u>	<u>218,948</u>	<u>(460,246)</u>	<u>368,168</u>
Capital assets being depreciated:				
Buildings				
Port Authority	59,561	271,527	(22)	331,066
Water and Wastewater	29,988	795		30,783
Transportation Facilities	4,850			4,850
Solid Waste	95,007	118	(130)	94,995
Other non-major - Transit	5,321			5,321
Total buildings	<u>194,727</u>	<u>272,440</u>	<u>(152)</u>	<u>467,015</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities (continued):</u>				
Capital assets being depreciated (continued):				
Improvements other than buildings				
Port Authority	8,242	9,829		18,071
Water and Wastewater	209,499	11,402	(18)	220,883
Transportation Facilities	2,349			2,349
Solid Waste	12,951	10		12,961
Other non-major - Transit	71			71
Total improvements other than buildings	<u>233,112</u>	<u>21,241</u>	<u>(18)</u>	<u>254,335</u>
Machinery and equipment				
Port Authority	16,094	11,782	(127)	27,749
Water and Wastewater	44,983	6,482	(185)	51,280
Transportation Facilities	5,731	777	(31)	6,477
Solid Waste	86,995	5,082	(274)	91,803
Other non-major - Transit	15,304	939	(24)	16,219
Total machinery and equipment	<u>169,107</u>	<u>25,062</u>	<u>(641)</u>	<u>193,528</u>
Infrastructure				
Port Authority	83,074	145,353		228,427
Water and Wastewater	227,982	10,733		238,715
Transportation Facilities	133,831	882		134,713
Solid Waste	4,371			4,371
Total infrastructure	<u>449,258</u>	<u>156,968</u>	<u>0</u>	<u>606,226</u>
Total capital assets being depreciated	<u>1,046,204</u>	<u>475,711</u>	<u>(811)</u>	<u>1,521,104</u>
Less accumulated depreciation for:				
Buildings				
Port Authority	37,342	4,878	(18)	42,202
Water and Wastewater	7,166	775		7,941
Transportation Facilities	2,892	195		3,087
Solid Waste	27,376	2,699		30,075
Other non-major - Transit	1,138	145		1,283
Total buildings	<u>75,914</u>	<u>8,692</u>	<u>(18)</u>	<u>84,588</u>
Improvements other than buildings				
Port Authority	4,941	720		5,661
Water and Wastewater	46,491	8,046	(39)	54,498
Transportation Facilities	1,681	80		1,761
Solid Waste	2,800	422		3,222
Other non-major - Transit	59	3		62
Total improvements other than buildings	<u>55,972</u>	<u>9,271</u>	<u>(39)</u>	<u>65,204</u>
Machinery and equipment				
Port Authority	10,403	1,137	(124)	11,416
Water and Wastewater	11,702	3,485	(148)	15,039
Transportation Facilities	3,105	635	(28)	3,712
Solid Waste	28,701	3,726	(231)	32,196
Other non-major - Transit	9,109	1,462		10,571
Total machinery and equipment	<u>63,020</u>	<u>10,445</u>	<u>(531)</u>	<u>72,934</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-Type Activities (continued):</i>				
Less accumulated depreciation for (continued):				
Infrastructure				
Port Authority	48,521	3,199		51,720
Water and Wastewater	76,003	8,189		84,192
Transportation Facilities	36,888	3,830		40,718
Solid Waste	959	141		1,100
Total infrastructure	162,371	15,359	0	177,730
Total accumulated depreciation	357,277	43,767	(588)	400,456
Total capital assets being depreciated, net	688,927	431,944	(223)	1,120,648
Total business-type activities capital assets, net	\$1,298,393	\$650,892	(\$460,469)	\$1,488,816

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, 2005, was \$15,912,000.

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

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
General government	\$10,169	Port Authority	\$9,933
Public safety	9,265	Water & Wastewater	20,452
Physical environment	547	Transportation Facilities	4,727
Transportation	10,270	Solid Waste	6,986
Economic environment	128	Other non-major Transit	1,601
Human services	678	Total depreciation for	
Culture and recreation	6,101	business-type activities	\$43,699
Total depreciation for			
governmental activities	\$37,158		

The total depreciation expense by function does not agree with the related disclosed accumulated depreciation because of transfers to/from Governmental Activities to/from Business-Type Activities. 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, 2005. 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>
Transportation	\$191,557	\$55,592	\$135,965	\$3,505
Water & Wastewater	86,785	45,201	41,584	3,399
Solid Waste	122,520	19,745	102,775	1,030
Port Authority	445,897	389,945	55,952	11,223
Library	7,012	5,503	1,509	434
Parks and recreation	13,057	7,175	5,882	567
Other	51,564	8,430	43,134	161
Total	\$918,392	\$531,591	\$386,801	\$20,319

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Interfund Transactions

Due To/From Other Funds

Interfund balances for the year ended September 30, 2005, 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>			
MSTU	\$2	General	1
Capital Improvements	4	General (Constitutionals)	183
Non-major gov funds	8,913	Non-major gov funds	361
Port Authority	7	Solid Waste	106
Other Non-Major Transit	1,000	Total due to non-major governmental funds	651
	<u>9,926</u>	<i>Due to: Transportation Facilities</i>	2
Total due to general fund		Non-major gov funds	
<i>Due to: Lee County Library</i>		Operations	
General (Constitutionals)	290	General (Constitutionals)	157
Total due to library	<u>290</u>	Excess fees and Ad Valorem Taxes	159
<i>Due to: MSTU</i>		Total due to enterprise funds	
General (Constitutionals)	606	<i>Due to: Internal service funds</i>	
Total due to MSTU	<u>606</u>	Non-major gov funds	53
<i>Due to: Capital Improvements</i>		Operations	53
General (Constitutionals)	531	Total due to internal service funds	
Total due to Capital Improvements	<u>531</u>	Total	<u>\$12,216</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Interfund Transactions (continued)

Interfund Transfers

Interfund transfers for the year ended September 30, 2005, consisted of the following (dollars in thousands):

	<i>Transfers In</i>											
	General Fund	Library	MSTU	Capital Improve	Non-major Govern't Funds	Water and Wastewater	Trans Facilities	Solid Waste	Other Non-Major Transit	Internal Service Funds	Capital Asset Transfer*	Total
<i>Transfers out:</i>												
General fund		\$285	\$287	\$5,670	\$31,772			\$156	\$6,524	\$1,055		\$45,749
MSTU	\$1,035			10,763	14,037							25,835
Impact Fees - Roads				702	702							702
Capital Improv	2,631			755	755							3,386
Non-major governm't	2,312			4,616	17,898				821			25,647
Water & Wastewater										22		22
Trans Facilities					2,779					1		2,780
Other Non-Major Transit										1		1
Internal Service								2	7	3	\$57	69
Capital Asset Transfer*						\$639	\$786			52	5	1,482
	\$5,978	\$285	\$287	\$21,049	\$67,943	\$639	\$786	\$158	\$7,352	\$1,134	\$62	\$105,673

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

The majority of interfund transfers were for recurring annual transfers. A non-recurring budgeted transfer of \$1,966,000 during the year was made from the General fund to the Capital Improvements fund to transfer proceeds from the sale of the Shady Rest Care Pavilion property.

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

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, 2005, were as follows (dollars in thousands):

<u>Fiscal Year(s)</u>	<u>Amount</u>
2006	\$3,449
2007	2,903
2008	2,360
2009	1,133
2010	354
2011-2014	<u>96</u>
Total	<u>\$10,295</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, 2005 (dollars in thousands):

Minimum rentals	\$3,418
Contingent rentals	298
Sublease rentals	<u>5</u>
Total rent expense	<u>\$3,721</u>

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

Capital Leases

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

- For the purpose of acquiring a Heidelberg printer. The annual interest rate is 4.87 percent with the lease maturing in fiscal year 2007. The outstanding balance as of September 30, 2005, was \$57,000.
- Solid Waste has entered into a capital lease obligation for the purpose of purchasing a Volvo loader. The annual interest rate is 3.79% with the lease maturing in fiscal year 2008. The outstanding balance as of September 30, 2005, was \$126,000.

The outstanding capital lease balances at September 30, 2005, were as follows (dollars in thousands):

Governmental Activities	\$57
Business-type Activities	<u>126</u>
Total	<u>\$183</u>

Assets acquired through capital leases at September 30, 2005, are as follows (dollars in thousands):

	Machinery & Equipment
Governmental Activities	\$334
Business-type Activities	<u>165</u>
Total	<u>\$499</u>

Capital Leases are recorded at total present value of future minimum lease payments. The annual payment requirements and present values of these payments at September 30, 2005, were as follows (dollars in thousands):

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Fiscal <u>Year(s)</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>
2006	\$55	\$51
2007	4	51
2008	<u>—</u>	<u>30</u>
Totals	59	132
Less: Imputed Interest	<u>(2)</u>	<u>(6)</u>
Total PV of net minimum lease payments	<u>\$57</u>	<u>\$126</u>

outstanding balance, not including accreted interest, was \$9,783,000.

- Series 1995 Five Cent Local Option Gas Tax Revenue Bonds for \$35,360,000 at interest rates ranging from 3.7 percent to 5.75 percent (effective interest rate of 5.68 percent), collateralized by a lien on and pledge of the local option gas tax revenues. The outstanding balance was \$1,115,000.

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, 2005, were as follows:

- Series 1992 Capital Revenue Bonds for \$5,640,000 at interest rates ranging from 3.4 percent to 5.75 percent (effective interest rate of 5.98 percent), collateralized by a lien on and a pledge of non-ad valorem funds including ambulance service receipts, building permits, zoning fees, data processing fees, excess County Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, and sales tax. The outstanding balance was \$3,450,000.
- 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, 2005, was \$6,160,000. The
- Series 1997A Capital Refunding Revenue Bonds for \$18,950,000 at interest rates ranging from 4.875 percent to 5.75 percent (effective interest rate of 5.14 percent), collateralized by a lien on and a pledge of non-ad valorem funds including ambulance service receipts, building permits, zoning fees, data processing fees, excess County Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, and sales tax. The outstanding balance was \$18,950,000.
- Series 1997 Local Option Gas Tax Refunding Revenue Bonds for \$14,995,000 at interest rates ranging from 3.75 percent to 5 percent (effective interest rate of 4.74 percent), collateralized by a lien on and a pledge of local option gas tax revenues and the proceeds of collection of certain special assessments which may be levied by the County on benefited properties. The outstanding balance was \$14,535,000.
- Series 1999A Capital Refunding Revenue Bonds for \$36,190,000 at interest rates ranging from 4.4 percent to 5.25 percent (effective interest rate of 4.92 percent), collateralized by a lien on and a pledge of non-ad valorem funds including ambulance service receipts, building permits, zoning fees, data processing fees, excess County Officer fees, franchise fees, guaranteed entitlement funds, investment earnings, license fees, pledged gas taxes, and sales tax. The outstanding balance was \$36,190,000.
- Series 2000 Capital Revenue Bonds for \$18,200,000 at interest rates ranging from 4.3

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

- 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 \$14,350,000.
- 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 \$40,435,000.
 - 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 \$4,083,000.
 - 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 \$7,650,000.
 - 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 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 local option gas tax revenues. The outstanding balance was \$26,920,000.
 - 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 \$9,145,000.
 - Series 1996 Certificates of Participation for \$12,125,000 at interest rates ranging from 3.6 percent to 5 percent (effective interest rate of 5.01 percent), with certificate payments payable from non-ad valorem revenues of the County and ad valorem tax revenues of the County, which are legally available to make lease payments under the Master Lease-Purchase Agreement. The outstanding balance was \$5,130,000.
 - Series 1998 Passenger Facility Charge Revenue and Refunding Bonds for \$52,225,000 at interest rates ranging from 3.6 percent to 5 percent (effective interest rate of 5.21 percent), collateralized by a lien on and a pledge of the passenger facility charge revenues. The outstanding balance was \$38,255,000.
 - 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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

pledge of the net revenues of Southwest Florida International Airport (SWFIA). The outstanding balance was \$291,155,000.

- Series 2000B (Non-AMT) Airport Revenue Bonds, for \$36,180,000 at an interest rate of 5.75 percent (effective interest rate of 6.1 percent), collateralized by a lien on and a pledge of the net revenues of SWFIA. The outstanding balance was \$36,180,000.
- 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 \$30,440,000.
- Series 1993 Water and Sewer Refunding Revenue Bonds for \$40,000,000 at interest rates ranging from 2.3 percent to 5.4 percent (effective interest rate of 5.84 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Water and Wastewater System as defined by the bond resolutions and certain special assessment collections of the System. The outstanding balance was \$5,150,000.
- 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 \$122,240,000.
- 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 \$57,240,000.
- 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 1995 Transportation Facilities Revenue Bonds for \$32,680,000 (after refunding) at interest rates ranging from 5.1 percent to 5.75 percent (effective interest rate of 6.25 percent), collateralized by a lien on and a pledge of net revenues of the Sanibel Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. The outstanding balance was \$1,890,000.
- 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 \$56,995,000.
- 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 \$57,900,000.
- 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 Sanibel Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. The outstanding balance was \$30,285,000.
- 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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Bridge, Cape Coral Bridge, and Midpoint Memorial Bridge Facilities. The outstanding balance was \$63,865,000.

was \$24,960,000.

- Series 1995 Solid Waste System Revenue Bonds for \$27,880,000 at interest rates ranging from 4 percent to 5.375 percent (effective interest rate of 5.83 percent), collateralized by a lien on and a pledge of the net revenues of the Lee County Solid Waste System. The outstanding balance

- 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 \$110,455,000.

The annual debt service requirements for revenue bonds at September 30, 2005, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$14,916	\$11,099	\$22,950	\$36,064	\$37,866	\$47,163
2007	18,577	10,371	32,400	46,724	50,977	57,095
2008	19,390	9,547	32,835	45,330	52,225	54,877
2009	20,235	8,667	33,620	43,907	53,855	52,574
2010	20,045	7,735	35,060	42,396	55,105	50,131
2011-2015	55,848	29,465	187,680	183,998	243,528	213,463
2016-2020	48,725	18,725	146,120	140,258	194,845	158,983
2021-2025	49,530	6,388	148,890	102,764	198,420	109,152
2026-2030			179,435	57,824	179,435	57,824
2031-2035			111,670	14,866	111,670	14,866
2036-2040			4,635	116	4,635	116
Total	\$247,266	\$101,997	\$935,295	\$714,247	\$1,182,561	\$816,244

Fiscal Year(s)	Business-type Activities							
	Port Authority		Water and Wastewater		Transportation Facilities		Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006		\$11,184	\$5,260	\$8,888	\$5,750	\$9,182	\$11,940	\$6,810
2007	\$7,825	22,227	5,485	8,650	6,585	9,621	12,505	6,226
2008	8,105	21,900	4,805	8,449	6,815	9,396	13,110	5,585
2009	8,475	21,546	4,960	8,288	6,395	9,182	13,790	4,891
2010	8,820	21,184	5,130	8,115	6,610	8,939	14,500	4,158
2011-2015	51,930	98,535	28,705	37,360	40,585	39,666	66,460	8,437
2016-2020	64,470	81,731	35,910	29,890	42,630	28,553	3,110	84
2021-2025	66,520	63,325	45,475	20,079	36,895	19,360		
2026-2030	88,280	40,864	57,185	7,377	33,970	9,583		
2031-2035	91,605	11,101			20,065	3,765		
2036-2040					4,635	116		
	\$396,030	\$393,597	\$192,915	\$137,096	\$210,935	\$147,363	\$135,415	\$36,191

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Special Assessment Bonds

In order to fund construction of improvements in certain areas of the County, the County has issued various special assessment improvement bonds. Such bonds are collateralized by special assessments levied against the benefited property owners of certain municipal service benefit units (MSBU) of the County. All special assessment bond issues are for governmental activities. Information regarding special assessment bonds outstanding at September 30, 2005, was as follows:

- Capital Revenue Bonds, Series 1995B-MSBU for \$8,610,000 at interest rates ranging from 3.9 percent to 5.875 percent (effective interest rate of 5.17 percent). The outstanding balance was \$475,000.

The annual debt service requirements for special assessment bonds at September 30, 2005, were as follows (dollars in thousands):

Fiscal Year	Governmental Activities	
	Principal	Interest
2006	\$420	\$24
2007	55	3
Total	<u>\$ 475</u>	<u>\$ 27</u>

Delinquent special assessments receivable related to the Capital Revenue Bonds, Series 1995B-MSBU were \$128,000 as of September 30, 2005.

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, 2005, consisted of the following (dollars in thousands):

Capital Bonds, Series 1979	\$6,225
Justice Center Complex, Inc. Improvement Revenue Bonds, Series 1981	31,085
Capital Refunding Bonds, Series 1983	1,845
Airport Revenue Bonds, Series 1980	14,420
Airport Revenue Bonds, Series 1983	10,515
Sanibel Bridge Improvement Revenue Bonds, Series 1979	655
Gulf Environmental Services, Inc. Water and Sewer System Revenue Bonds, Series 1998	53,525
Transportation Facilities Revenue Bonds, Series 1995	83,925
Five Cent Local Option Gas Tax Revenue Bonds, Series 1995	<u>26,150</u>
Total	<u>\$228,345</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, 2005, were maintained on the following issues:

Revenue Bonds

Capital Revenue Bonds, Series 1992
Capital Refunding Revenue Bonds, Series 1993B
Five Cent Local Option Gas Tax Revenue Bonds, Series 1995
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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Tourist Development Tax Refunding Revenue Bonds, Series 2004
Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004
Capital Revenue Bonds, Series 2004
Certificates of Participation, Series 1993
Certificates of Participation, Series 1996
Passenger Facility Charge Revenue & Refunding Bonds, Series 1998
Airport Revenue Bonds, Series 2000A
Airport Revenue Bonds, Series 2000B
Airport Revenue Refunding Bonds, Series 2002
Water and Sewer Refunding Revenue Bonds, Series 1993
Water and Sewer Revenue Bonds, Series 1999A
Water and Sewer Refunding Revenue Bonds, Series 2003A
Water and Sewer Revenue Bonds, Series 2003B
Transportation Facilities Revenue Bonds, Series 1995
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 Revenue Bonds, Series 1995
Solid Waste System Refunding Revenue Bonds, Series 2001

Special Assessment Bonds

Capital Revenue Bonds, Series 1995B-MSBU

Debt Refundings

On November 5, 2004, the County issued Five Cent Local Option Gas Tax Refunding Revenue Bonds, Series 2004, in the amount of \$26,920,000 at interest rates ranging from 2.5 percent to 5 percent maturing on October 1 in the years 2005 through 2020. Proceeds of the bond were used to advance refund a \$26,150,000 portion of outstanding Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, at interest rates ranging from 5 percent to 5.75 percent on current interest paying bonds maturing on October 1 in years 2006 through 2020.

On the date of issuance of the Series 2004 Bonds, the County purchased U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for payment in full of the redemption price of the refunded Series 1995 Bonds. As a result, the refunded portion of the Five Cent Local Option Gas Tax Revenue Bonds, Series 1995, is considered defeased as of November 5, 2004, and the liability for the refunded bonds has been removed from the financial statements

The advance refunding resulted in a reduction of additional future debt service requirements by \$3,019,000, which resulted in an economic gain (the difference between the present values of the old debt and new debt service requirements) of \$2,280,000.

On January 12, 2005, the County issued Transportation Facilities Refunding Revenue Bonds, Series 2005A, in the amount of \$30,285,000 at interest rates ranging from 2 percent to 5 percent maturing on October 1 in the years 2005 through 2027. Proceeds of the bonds were used to advance refund a \$28,990,000 outstanding portion of the Transportation Facilities Revenue Bonds, Series 1995, at an interest rate of 5.75 percent on current interest paying bonds maturing on October 1 in years 2023 through 2027.

On the date of issuance of the Series 2005A Bonds, the County purchased U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for payment in full of the redemption price of the refunded Series 1995 Bonds. As a result, the refunded portion of the Transportation Facilities Revenue Bonds, Series 1995, is considered defeased as of January 12, 2005, and the liability for the refunded bonds has been removed from the financial statements.

The advance refunding resulted in a reduction of additional future debt service requirements by \$3,340,000, which resulted in an economic gain (the difference between the present values of the old debt and new debt service requirements) of \$2,042,000.

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

Variable Debt

The County has entered into loan agreements with the Florida Local Government Finance Commission (FLGFC) for business-type activities. The descriptions and the outstanding balances of the variable debt at September 30, 2005, were as follows:

- Commercial paper loan A-19-1 for \$20,000,000 was issued to finance certain transportation related capital projects in business-type activities. Payments are payable from 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, 2005, the rates ranged from 1.47 percent to 2.63 percent. The outstanding balance was \$16,400,000.

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 years 2019 and 2020. The descriptions and the outstanding balances of the variable debt at September 30, 2005, were as follows:

- Bal Isle Drive Sewer district loan for \$79,000. For the year ended September 30, 2005, the interest rate was 6.12 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 \$73,000.
- Country/Triple Crown Court Waterline district loan for \$195,000. For the year ended September 30, 2005, 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 \$172,000.

- Cottage Point Waterline district loan for \$131,000. For the year ended September 30, 2005, 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 \$122,000.
- Charlee Road Paving Improvements district loan for \$218,000. For the year ended September 30, 2005, the interest rate was 5.19 percent. The interest rate is fixed until 2015 when it becomes variable and is calculated at 133 percent of the five-year Treasury note yield. The outstanding balance was \$218,000.

The County has entered into a \$10,000,000 line of credit 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) which was 4.52 percent as of September 30, 2005. 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, 2005, was \$3,370,000.

The total outstanding variable debt balances at September 30, 2005, were as follows (dollars in thousands):

Governmental Activities	\$585
Business-type Activities	<u>19,770</u>
Total	<u>\$20,355</u>

The annual debt service requirements for variable debt at September 30, 2005, were as follows (dollars in thousands):

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$42	\$32		\$436	\$42	\$468
2007	42	31		436	42	467
2008	42	29		436	42	465
2009	42	26	\$16,400	73	16,442	99
2010	42	24			42	24
2011-2015	205	83			205	83
2016-2020	170	25			170	25
	<u>\$585</u>	<u>\$250</u>	<u>\$16,400</u>	<u>\$1,381</u>	<u>\$16,985</u>	<u>\$1,631</u>

Note: This table excludes the line of credit.

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, 2005, 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 2005 through 2019.

- Whiskey Creek district loan for \$141,000 at an interest rate of 5.8 percent. The outstanding balance was \$36,000.
- South Pebble/Broken Arrow district loan for \$360,000 at an interest rate of 5.74 percent. The outstanding balance was \$176,000.
- Diplomat Parkway district loan for \$3,659,000 at an interest rate of 5.49 percent. The outstanding balance was \$1,429,000.

- Pinecrest district loan for \$499,000 at an interest rate of 6.332 percent. The outstanding balance was \$339,000.
- Rainbow Farms district loan for \$66,000 at an interest rate of 5.365 percent. The outstanding balance was \$40,000.
- Iona Farms district loan for \$59,000 at an interest rate of 5.365 percent. The outstanding balance was \$39,000.
- University Landscaping district loan for \$2,214,000 at an interest rate of 5.096 percent. The outstanding balance was \$2,214,000.
- Northeast Hurricane Bay district loan for \$244,000 at an interest rate of 5.459 percent. The outstanding balance was \$244,000.

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 \$4,925,000.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

- On April 17, 2001, the Lee County Water and Wastewater System entered into an agreement with the Florida Department of Environmental Protection to borrow \$4,956,000 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 \$462,000. The 20 semiannual loan payments will commence on July 15, 2007, and semiannually thereafter on January 15 and July 15 of each year until all amounts due have been fully paid. The outstanding balance was \$3,740,000.

City of Bonita Springs

- On June 15, 2004, the County entered into an interlocal agreement with the City of Bonita Springs to reimburse up to \$210,000 for the City's contribution to the Lovers Key Roadside Park project. The interest-free loan is payable from tourist development tax revenues and is to be paid in two equal installments of \$105,000 beginning in fiscal year 2005 through 2006. The outstanding balance is \$105,000.

Florida Department of Transportation

- On June 11, 1997, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$4,000,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 22, 1999. The loan has been expended on the Midpoint Corridor Extension II project. The interest free loan is to be repaid in six annual installments of \$667,000 beginning in fiscal year 2002 through 2008. The outstanding balance was \$1,427,000.
- On June 8, 1998, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$500,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 22, 1999. The loan has been expended on the Westerly Corridor Extension

project. The interest free loan is to be repaid in six annual installments of \$83,000 beginning in fiscal year 2002 through 2007. The outstanding balance was \$164,000.

- On April 20, 1999, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$1,000,000 from the Florida Toll Facilities Revolving Trust Fund. All interest earned on the loan proceeds was repaid to the Trust Fund on September 22, 1999. The loan has been expended on the Westerly Corridor Extension project. The interest free loan is to be repaid in six annual installments of \$167,000 beginning in fiscal year 2005 through 2009. The outstanding balance was \$658,000.
- On April 20, 2001, the Lee County Transportation Facilities entered into an agreement with the Florida Department of Transportation to borrow \$6,000,000 from the State Infrastructure Bank (SIB). The loan has been procured for the extension of Veteran's Memorial Parkway. This interest free loan is to be repaid in five annual installments beginning in fiscal year 2002 through 2007. The outstanding balance was \$2,814,000
- On April 30, 2002, 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 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 \$1,500,000.
- 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. The loan will be expended on the design of Sanibel Bridge replacement spans B and C. The interest free loan is to be repaid in three annual

Lee County, Florida
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

installments of \$500,000 beginning in fiscal year 2008 through 2010. The outstanding balance is \$1,500,000.

\$300,000 beginning in fiscal year 2008 through 2012. The outstanding balance is \$1,500,000.

- On December 26, 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. The loan will be expended on the design of span A of the Sanibel Bridge. The interest free loan is to be repaid in five annual installments of

- 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 \$3,000,000.

The annual debt service requirements for notes payable at September 30, 2005, were as follows (dollars in thousands):

Fiscal Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$1,109	\$220	\$3,164	\$180	\$4,273	\$400
2007	1,004	190	3,271	218	4,275	408
2008	1,004	138	2,944	247	3,948	385
2009	266	85	2,801	216	3,067	301
2010	266	70	2,675	183	2,941	253
2011-2015	884	147	5,737	413	6,621	560
2016-2020	89	13	636	20	725	33
Total	<u>\$4,622</u>	<u>\$863</u>	<u>\$21,228</u>	<u>\$1,477</u>	<u>\$25,850</u>	<u>\$2,340</u>

Other Obligations

Self-Insurance Claims Payable

Self-insurance claims payable are fully described in Note VII. 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, 2005, consisted of the following (dollars in thousands):

Self-insurance group health & dental	\$5,011
Self-insurance general liability	<u>9,580</u>
Total self-insurance claims payable	<u>\$14,591</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, 2005, were as follows (dollars in thousands):

Governmental Activities	\$11
Business-type Activities	<u>688</u>
Total	<u>\$699</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Long-Term Debt (continued)

Changes in Long-Term Debt

Changes in bonded and other indebtedness of the County for the year ended September 30, 2005, were as follows (dollars in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable:					
Revenue bonds	\$264,006	\$26,920	(\$43,660)	\$247,266	\$14,916
Special assessment bonds	1,075		(600)	475	420
Less/plus deferred amounts:					
Unamort discount/premium	2,288	1,132	(474)	2,946	(48)
Unamortized loss/gain	(1,341)	(1,472)	662	(2,151)	53
Total Bonds Payable	266,028	26,580	(44,072)	248,536	15,341
Variable debt	3,055	2,318	(4,788)	585	42
Notes payable	2,829	2,458	(665)	4,622	1,109
Accreted interest payable	5,479	681		6,160	
Other:					
Self-insurance claims payable	13,107	42,388	(40,904)	14,591	6,093
Arbitrage rebate payable	1	10		11	
Capital leases	1,832		(1,775)	57	53
Compensated absences	16,945	15,538	(13,864)	18,619	594
Total governmental activity long-term liabilities	\$309,276	\$89,973	(\$106,068)	\$293,181	\$23,232
<u>Business-Type Activities:</u>					
<u>Port Authority</u>					
Bonds payable:					
Revenue bonds	\$403,530		(\$7,500)	\$396,030	
Less/plus deferred amounts:					
Unamort discount/premium	(4,981)	(\$63)	195	(4,849)	
Unamortized loss/gain	(1,993)		525	(1,468)	
Total Bonds Payable	396,556	(63)	(6,780)	389,713	
Variable debt	483	2,887		3,370	\$230
Arbitrage rebate payable	10,445		(9,757)	688	
Compensated absences	733	1,577	(1,412)	898	601
Total Port Authority long-term liabilities	\$408,217	\$4,401	(\$17,949)	\$394,669	\$831

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Long-Term Debt (continued)

Changes in Long-Term Debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i><u>Water and Wastewater</u></i>					
Bonds payable:					
Revenue bonds	\$197,980		(\$5,065)	\$192,915	\$5,260
Less/plus deferred amounts:					
Unamort discount/premium	2,435	(\$239)	131	2,327	137
Unamortized loss/gain	(9,783)		721	(9,062)	(752)
Total Bonds Payable	190,632	(239)	(4,213)	186,180	4,645
Notes payable	9,075	112	(522)	8,665	541
Compensated absences	634	737	(645)	726	76
Total Water and Wastewater long-term liabilities	<u>\$200,341</u>	<u>\$610</u>	<u>(\$5,380)</u>	<u>\$195,571</u>	<u>\$5,262</u>
<i><u>Transportation Facilities</u></i>					
Bonds payable:					
Revenue bonds	\$151,190	\$94,150	(\$34,405)	\$210,935	\$5,750
Less/plus deferred amounts:					
Unamort discount/premium	3,254	(524)	5,718	8,448	767
Unamortized loss/gain	(14,789)	(3,277)	1,710	(16,356)	(1,745)
Total Bonds Payable	139,655	90,349	(26,977)	203,027	4,772
Variable debt	20,000		(3,600)	16,400	
Notes payable	11,886		(2,323)	9,563	2,623
Compensated absences	273	341	(318)	296	16
Total Transportation Facilities long-term liabilities	<u>\$171,814</u>	<u>\$90,690</u>	<u>(\$33,218)</u>	<u>\$229,286</u>	<u>\$7,411</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Long-Term Debt (continued)

Changes in Long-Term Debt (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u><i>Solid Waste</i></u>					
Bonds payable:					
Revenue bonds	\$146,805		(\$11,390)	\$135,415	\$11,940
Less/plus deferred amounts:					
Unamort discount/premium	4,262	(\$1,147)	52	3,167	887
Unamortized loss/gain	(5,835)		1,438	(4,397)	(1,178)
Total Bonds Payable	145,232	(1,147)	(9,900)	134,185	11,649
Landfill closure & postclosure costs	3,164	2,133		5,297	
Capital leases		145	(19)	126	47
Compensated absences	137	175	(156)	156	15
Total Solid Waste long-term liabilities	<u>\$148,533</u>	<u>\$1,306</u>	<u>(\$10,075)</u>	<u>\$139,764</u>	<u>\$11,711</u>
<u><i>Other Non-Major - Transit</i></u>					
Notes Payable		\$3,000		\$3,000	
Compensated absences	\$356	753	(\$628)	481	\$45
Total Other Non-Major long-term liabilities	<u>\$356</u>	<u>\$3,753</u>	<u>(\$628)</u>	<u>\$3,481</u>	<u>\$45</u>
<u><i>Total Business-Type Activities</i></u>					
Bonds payable:					
Revenue bonds	\$899,505	\$94,150	(\$58,360)	\$935,295	\$22,950
Less/plus deferred amounts:					
Unamort discount/premium	4,970	(1,973)	6,096	9,093	1,791
Unamortized loss/gain	(32,400)	(3,277)	4,394	(31,283)	(3,675)
Total Bonds Payable	872,075	88,900	(47,870)	913,105	21,066
Variable Debt	20,483	2,887	(3,600)	19,770	230
Notes payable	20,961	3,112	(2,845)	21,228	3,164
Arbitrage rebate payable	10,445		(9,757)	688	
Landfill closure & postclosure costs	3,164	2,133		5,297	
Capital Leases		145	(19)	126	47
Compensated absences	2,133	3,583	(3,159)	2,557	753
Total business-type activity long-term liabilities	<u>\$929,261</u>	<u>\$100,760</u>	<u>(\$67,250)</u>	<u>\$962,771</u>	<u>\$25,260</u>

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE VI. SEGMENT INFORMATION

Segment Information- Port Authority

The County has outstanding revenue bonds which are financed by Southwest Florida International Airport revenues and an outstanding line of credit which is financed by Page Field General Aviation Airport revenues. Both activities are accounted for in a single fund (Lee County Port Authority). Summary financial information for the Southwest Florida International Airport and Page Field General Aviation Airport is presented below (dollars in thousands).

	<u>Southwest Florida International Airport</u>	<u>Page Field General Aviation Airport</u>
<u><i>Condensed Statement of Net Assets</i></u>		
Assets		
Current assets	\$62,035	\$5,138
Restricted assets	48,367	104
Capital assets	617,558	25,001
Other assets	6,410	32
Total assets	<u>734,370</u>	<u>30,275</u>
Liabilities		
Current liabilities	14,857	442
Current liabilities payable from restricted assets	11,254	1,416
Noncurrent liabilities	352,759	3,140
Total liabilities	<u>378,870</u>	<u>4,998</u>
Net assets		
Invested in capital assets, net of related debt	303,282	21,632
Restricted	2,363	
Unrestricted	49,855	3,645
Total net assets	<u>\$355,500</u>	<u>\$25,277</u>
<u><i>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</i></u>		
Operating revenues		
User fees	\$26,912	\$4,587
Rentals	1,508	1,884
Concessions	29,441	73
Miscellaneous	169	1
Less: Rebates	(302)	
Total operating revenues	<u>57,728</u>	<u>6,545</u>
Operating expenses		
Depreciation	8,961	1,022
Other operating expenses	33,788	5,852
Total operating expenses	<u>42,749</u>	<u>6,874</u>
Operating income (loss)	<u>14,979</u>	<u>(329)</u>
Non-operating revenues (expenses)		
Investment earnings	1,160	92
Interest expense	(2,281)	(59)
Other non-operating	639	701
Total non-operating revenues (expenses)	<u>(\$482)</u>	<u>\$734</u>

(continued)

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

Segment Information- Port Authority- continued

	Southwest Florida International Airport	Page Field General Aviation Airport
Capital Contributions	\$7,262	\$1,948
Transfers	45,304	77
Change in net assets	67,063	2,430
Beginning net assets	288,437	22,847
Ending net assets	\$355,500	\$25,277
 <i>Condensed Statement of Cash Flows</i>		
Net cash provided (used) by:		
Operating activities	\$15,138	\$835
Noncapital financing activities	(473)	254
Capital and related financing activities	(93,459)	1,862
Investing activities	105,509	92
Net increase (decrease)	26,715	3,043
Beginning cash and cash equivalents	46,980	642
Ending cash and cash equivalents	\$73,695	\$3,685

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE VII. 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 8 percent and 19 percent of gross salaries for fiscal year 2005. For fiscal years ended September 30, 2005, 2004, and 2003, the County contributed 100 percent of the required contributions. These contributions aggregated \$18 million, \$17 million, and \$15 million, respectively, which represents 9 percent, 9 percent, and 9 percent of covered payroll.

A copy of the FRS's June 30, 2004 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.

Other Post Employment Benefits

The County provides post retirement health care benefits in accordance with Chapter 110.123, *Florida Statutes*, to all employees who retire from the County. Currently, approximately 465 retirees meet the eligibility requirements. The County pays 50 percent of the premium cost for the retiree to participate in the Board's self-insurance fund. Expenditures for post retirement health care benefits

are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported (IBNR) to the County. The post retirement health care benefits cannot be reasonably estimated as the claim information is estimated without separating the retirees from the active employees. The retirees currently make-up approximately 13 percent of the participants in the self-insurance fund.

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

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

annually and purchased excess and other specific coverages from third-party carriers.

The County remains liable for estimated additional assessments of \$219,000 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.

At September 30, 2005, the County had recorded liabilities equal to the amounts reflected as reserved and unasserted claims. These amounts were calculated by the third-party self-insurance program's underwriters and actuaries, based on industry standards. These liabilities are subject to adjustments in future years, which would be recorded as claim expenses when they are estimated.

The County's SIR program and excess insurance provides coverage for all County departments' exposure. Funding for the SIR is generated by charges to the operating departments based on management's annual estimates of claim loss funding and administration/operating costs. Changes in the fund's claims liability for the years ended September 30, 2005 and 2004, were as follows (dollars in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
<i>Self-Insurance Group Health and Dental:</i>				
2005	\$4,655	\$35,211	(\$34,855)	\$5,011
2004	3,737	20,595	(19,677)	4,655
<i>Self-Insurance General Liability:</i>				
2005	\$8,452	\$7,177	(\$6,049)	\$9,580
2004	7,897	2,793	(2,238)	8,452

Landfill Closure and Postclosure Care Liability

The Florida Department of Environmental Protection (FDEP) requires the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense based on landfill capacity used as of the balance sheet date. The amount reported as landfill closure and postclosure care liability represents the cumulative portion of total estimated closure and postclosure care as of September 30, 2005, based on the use of 34 percent of the capacity

of the 38 acre active disposal area at the landfill. The County will recognize the September 30, 2005, remaining estimated cost of closure and postclosure care of \$10,187,000 as the remaining estimated capacity is filled. This amount is based on what it presently would cost to perform all closure and postclosure care at September 30, 2005. The landfill facility configuration, as currently planned, is expected to provide at least 40 years of disposal capacity for Lee and Hendry Counties. Actual costs may be higher due to inflation, changes in technology, 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 finance closure care. The County is in compliance with these requirements, and at September 30, 2005, cash and investments of \$2,115,000 are held for these

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

purposes. This is 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. Except as noted below, the County does not believe any contingent liabilities to be material.

On May 13, 2005, the County rebated to the U.S. Treasury the amount of \$9,504,105 in respect of the outstanding Airport Revenue Bonds Series 2000A and Series 2000B, which amount represents 90 percent of the rebate as then calculated. Subsequent to such rebate, an internal County staff review raised concerns that the County may have underpaid the rebate amount by as much as \$700,000. Accordingly, the County has engaged an independent rebate consultant, Causey, Demgen & Moore, Inc., to recalculate the rebate due with respect to the Series 2000A and Series 2000B Bonds. Upon such recalculations, the County will make any required supplemental rebate payment to the U.S. Treasury, together with any interest and penalty that may be due.

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.

On January 12, 2004, the City of Sanibel, Florida (the "City") filed a lawsuit (the "City Litigation") against Lee County in the Circuit Court of the Twentieth Judicial Circuit in and for Lee County, Florida seeking, among other things, to enjoin the County's implementation of the redesign and reconstruction of the Sanibel Causeway with a fixed-span bridge (the "Sanibel Project") and specific performance of the County's obligations under the Sanibel Interlocal Agreement. On March 1, 2005, the City and the County filed a Joint Stipulated Motion for Dismissal with Prejudice dismissing the City Litigation with prejudice and entered into a Settlement Agreement and Release of Claims (the "Settlement Agreement") in which each party agreed, among other things, to contribute its share of surplus toll revenues to reduce the tolls associated with the commuter discount program for the Sanibel Causeway. The County agreed to use its best efforts to reduce the tolls associated with this program by approximately 30 percent. The parties are in the process of amending the Sanibel Interlocal Agreement to provide for this reduction of tolls in accordance with the Settlement Agreement.

Also, on January 12, 2004, Save Our Bay, Inc. filed suit against Lee County in the Circuit Court of the Twentieth Judicial Circuit in and for Lee County, Florida (the "Bay Litigation") seeking, among other things, an order requiring the County to repair and rehabilitate the Sanibel Causeway and a reduction in the tolls collected on the Sanibel Causeway. On September 24, 2004, the Circuit Court granted the County's Motion to Dismiss all counts of the Bay Litigation. On October 5, 2004, Save Our Bay, Inc. filed its Notice of Appeal to the Florida Second District Court of Appeals. The case has been briefed by the parties and oral arguments were heard in May 2005. The County does not believe there is a reasonable basis for the allegations set out in the complaint and will continue to vigorously defend against the lawsuit.

Subsequent Events

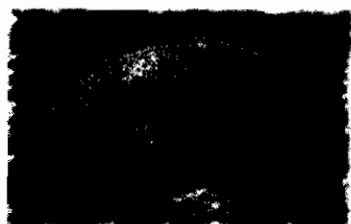
On November 1, 2005, the County issued Revenue Note Draw Number A-21-1 in the amount of \$3,000,000 to finance transportation improvements to the Sanibel Causeway.

Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

On November 10, 2005, the County received the first segment of a loan from the Florida Department of Environmental Protection in the amount of \$3,375,000 for the construction of water treatment facilities.

On December 15, 2005, the County issued Revenue Note Draw Number A-23-1 in the amount of \$325,000 to finance utility improvements to the Briarcrest Circle Sewer MSBU.

Supplemental Financial Information





This page is intentionally blank.



General Fund

Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2005
 (amounts expressed in thousands)

	<u>Board of County Commissioners</u>	<u>Clerk of Circuit Court</u>	<u>Property Appraiser</u>	<u>Sheriff</u>
ASSETS				
Cash and cash equivalents	\$120,631	\$10,544	\$917	\$4,958
Investments				
Receivables (net)				
Accounts	5,208	106	9	43
Accrued interest	483			
Due from other funds	31,501	75	5	74
Due from other governments	4,159	32		
Inventory	168			
Prepays	255	8		
Total assets	<u>162,405</u>	<u>10,765</u>	<u>931</u>	<u>5,075</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	3,271	540	53	1,508
Accrued liabilities	1,262	122	95	2,262
Due to other funds	306	9,789	675	1,305
Due to other governments	1,474	203	108	
Deposits	11,629	110		
Unearned revenues		1		
Other	64			
Total liabilities	<u>18,006</u>	<u>10,765</u>	<u>931</u>	<u>5,075</u>
Fund Balances:				
Reserved for inventory	168			
Unreserved, designated for:				
Capital and maintenance projects	39,695			
Roads revolving loan program	30,000			
Unfunded mandates	2,000			
Economic incentives	1,500			
Fort Myers Beach transportation loan	1,000			
Unreserved, undesignated	70,036			
Total fund balances	<u>144,399</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$162,405</u>	<u>\$10,765</u>	<u>\$931</u>	<u>\$5,075</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING SCHEDULE - BALANCE SHEET
 GENERAL FUND
 As of September 30, 2005
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$618	\$10,685		\$148,353
Investments		2,038		2,038
Receivables (net)				
Accounts		10		5,376
Accrued interest				483
Due from other funds	305		\$(22,034)	9,926
Due from other governments		9		4,200
Inventory				168
Prepays	29			292
Total assets	<u>952</u>	<u>12,742</u>	<u>(22,034)</u>	<u>170,836</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	126	30		5,528
Accrued liabilities	42	228		4,011
Due to other funds	712	11,015	(22,034)	1,768
Due to other governments		1,469		3,254
Deposits				11,739
Unearned revenues	72			73
Other				64
Total liabilities	<u>952</u>	<u>12,742</u>	<u>(22,034)</u>	<u>26,437</u>
Fund Balances:				
Reserved for inventory				168
Unreserved, designated for:				
Capital and maintenance projects				39,695
Roads revolving loan program				30,000
Unfunded mandates				2,000
Economic incentives				1,500
Fort Myers Beach transportation loan				1,000
Unreserved, undesignated				70,036
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>144,399</u>
Total liabilities and fund balances	<u>\$952</u>	<u>\$12,742</u>	<u>\$(22,034)</u>	<u>\$170,836</u>

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Year Ended September 30, 2005
 (amounts expressed in thousands)

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
REVENUES				
Taxes	\$213,179			
Licenses and permits	915			
Intergovernmental	52,869	\$349	\$1,054	
Charges for services	31,413	13,409	577	
Fines and forfeitures	525			
Miscellaneous	16,685	1,052	33	\$1,976
Total revenues	<u>315,586</u>	<u>14,810</u>	<u>1,664</u>	<u>1,976</u>
EXPENDITURES				
Current				
General government	39,996	9,439	7,272	2,586
Public safety	42,851			102,343
Physical environment	3,488			
Economic environment	3,056			
Human services	13,490			
Culture and recreation	11,460			
Capital outlay				
General government	520	2,079	241	
Public safety	1,717			5,573
Physical environment	114			
Economic environment	17			
Human services	4			
Culture and recreation	233			
Debt service				
Principal retirement	50			16
Interest and fiscal charges	14			1
Total expenditures	<u>117,010</u>	<u>11,518</u>	<u>7,513</u>	<u>110,519</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>198,576</u>	<u>3,292</u>	<u>(5,849)</u>	<u>(108,543)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	24,598	5,569	6,607	109,602
Transfers out	(170,431)	(8,861)	(797)	(1,059)
Insurance proceeds			39	
Total other financing sources and (uses)	<u>(145,833)</u>	<u>(3,292)</u>	<u>5,849</u>	<u>108,543</u>
Net change in fund balances	52,743	0	0	0
Fund balances - beginning	91,656	0	0	0
Fund balances - ending	<u>\$144,399</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, 2005
 (amounts expressed in thousands)

	Supervisor of Elections	Tax Collector	Eliminations	Total
REVENUES				
Taxes				\$213,179
Licenses and permits				915
Intergovernmental	\$39			54,311
Charges for services	268	\$21,304	\$(11,962)	55,009
Fines and forfeitures				525
Miscellaneous	14	498		20,258
Total revenues	<u>321</u>	<u>21,802</u>	<u>(11,962)</u>	<u>344,197</u>
EXPENDITURES				
Current				
General government	3,760	12,898	(11,962)	63,989
Public safety				145,194
Physical environment				3,488
Economic environment				3,056
Human services				13,490
Culture and recreation				11,460
Capital outlay				
General government	359	133		3,332
Public safety				7,290
Physical environment				114
Economic environment				17
Human services				4
Culture and recreation				233
Debt service				
Principal retirement				66
Interest and fiscal charges				15
Total expenditures	<u>4,119</u>	<u>13,031</u>	<u>(11,962)</u>	<u>251,748</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(3,798)</u>	<u>8,771</u>	<u>0</u>	<u>92,449</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	4,483	1,818	(146,699)	5,978
Transfers out	(711)	(10,589)	146,699	(45,749)
Insurance proceeds	26			65
Total other financing sources and (uses)	<u>3,798</u>	<u>(8,771)</u>	<u>0</u>	<u>(39,706)</u>
Net change in fund balances	0	0	0	52,743
Fund balances - beginning	0	0	0	91,656
Fund balances - ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$144,399</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, 2005
 (amounts expressed in thousands)

	Non - GAAP Board of County Commissioners		Clerk of Circuit Court		Non - GAAP Property Appraiser	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$205,616	\$213,179				
Licenses and permits	232	915				
Intergovernmental	51,159	52,869	\$350	\$349	\$1,053	\$1,054
Charges for services	17,784	25,841	9,971	13,409		360
Fines and forfeitures	5	525				
Miscellaneous	6,652	16,990	616	1,052		33
Total revenues	<u>281,448</u>	<u>310,319</u>	<u>10,937</u>	<u>14,810</u>	<u>1,053</u>	<u>1,447</u>
EXPENDITURES						
Current						
General government	46,680	40,008	10,570	9,439	7,199	7,055
Public safety	42,330	37,518				
Physical environment	3,615	3,488				
Economic environment	4,488	3,056				
Human services	14,424	13,490				
Culture and recreation	11,559	11,460				
Capital outlay						
General government	654	520	3,463	2,079	461	241
Public safety	2,597	1,717				
Physical environment	127	114				
Economic environment	149	17				
Human services	4	4				
Culture and recreation	247	233				
Debt service						
Principal retirement	51	50				
Interest and fiscal charges	15	14				
Total expenditures	<u>126,940</u>	<u>111,689</u>	<u>14,033</u>	<u>11,518</u>	<u>7,660</u>	<u>7,296</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>154,508</u>	<u>198,630</u>	<u>(3,096)</u>	<u>3,292</u>	<u>(6,607)</u>	<u>(5,849)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,463	24,598	5,569	5,569	6,607	6,607
Transfers out	(170,512)	(170,431)	(2,473)	(8,861)		(797)
Insurance proceeds						39
Total other financing sources (uses)	<u>(162,049)</u>	<u>(145,833)</u>	<u>3,096</u>	<u>(3,292)</u>	<u>6,607</u>	<u>5,849</u>
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,541)</u>	<u>52,797</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - beginning	<u>91,521</u>	<u>84,903</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - ending	<u>\$83,980</u>	<u>\$137,700</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, 2005
 (amounts expressed in thousands)

	Sheriff		Supervisor of Elections		Tax Collector	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental				\$39		
Charges for services			\$260	268	\$23,738	\$21,304
Fines and forfeitures						
Miscellaneous	\$977	\$1,976		14	543	498
Total revenues	<u>977</u>	<u>1,976</u>	<u>260</u>	<u>321</u>	<u>24,281</u>	<u>21,802</u>
EXPENDITURES						
Current						
General government	2,587	2,586	4,243	3,760	14,714	12,898
Public safety	102,419	102,360				
Physical environment						
Economic environment						
Human services						
Culture and recreation						
Capital outlay						
General government			500	359	282	133
Public safety	5,573	5,573				
Physical environment						
Economic environment						
Human services						
Culture and recreation						
Debt service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>110,579</u>	<u>110,519</u>	<u>4,743</u>	<u>4,119</u>	<u>14,996</u>	<u>13,031</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(109,602)</u>	<u>(108,543)</u>	<u>(4,483)</u>	<u>(3,798)</u>	<u>9,285</u>	<u>8,771</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	109,602	109,602	4,483	4,483		1,818
Transfers out		(1,059)		(711)	(9,285)	(10,589)
Insurance proceeds				26		
Total other financing sources (uses)	<u>109,602</u>	<u>108,543</u>	<u>4,483</u>	<u>3,798</u>	<u>(9,285)</u>	<u>(8,771)</u>
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0	0	0
Fund balances - beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

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

For the Year Ended September 30, 2005
 (amounts expressed in thousands)

	Eliminations		Total		Variance - Positive (Negative)
	Budget	Actual	Budget	Actual	
	REVENUES				
Taxes			\$205,616	\$213,179	\$7,563
Licenses and permits			232	915	683
Intergovernmental			52,562	54,311	1,749
Charges for services		(\$11,962)	51,753	49,220	(2,533)
Fines and forfeitures			5	525	520
Miscellaneous			8,788	20,563	11,775
Total revenues	\$0	(11,962)	318,956	338,713	19,757
EXPENDITURES					
Current					
General government		(11,962)	85,993	63,784	22,209
Public safety			144,749	139,878	4,871
Physical environment			3,615	3,488	127
Economic environment			4,488	3,056	1,432
Human services			14,424	13,490	934
Culture and recreation			11,559	11,460	99
Capital outlay					
General government			5,360	3,332	2,028
Public safety			8,170	7,290	880
Physical environment			127	114	13
Economic environment			149	17	132
Human services			4	4	0
Culture and recreation			247	233	14
Debt service					
Principal retirement			51	50	1
Interest and fiscal charges			15	14	1
Total expenditures	0	(11,962)	278,951	246,210	32,741
Excess (deficiencies) of revenues over (under) expenditures	0	0	40,005	92,503	52,498
OTHER FINANCING SOURCES (USES)					
Transfers in		(146,699)	134,724	5,978	(128,746)
Transfers out		146,699	(182,270)	(45,749)	136,521
Insurance proceeds				65	65
Total other financing sources (uses)	0	0	(47,546)	(39,706)	7,840
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(7,541)	52,797	60,338
Fund balances - beginning	0	0	91,521	84,903	(6,618)
Fund balances - ending	\$0	\$0	\$83,980	\$137,700	\$53,720

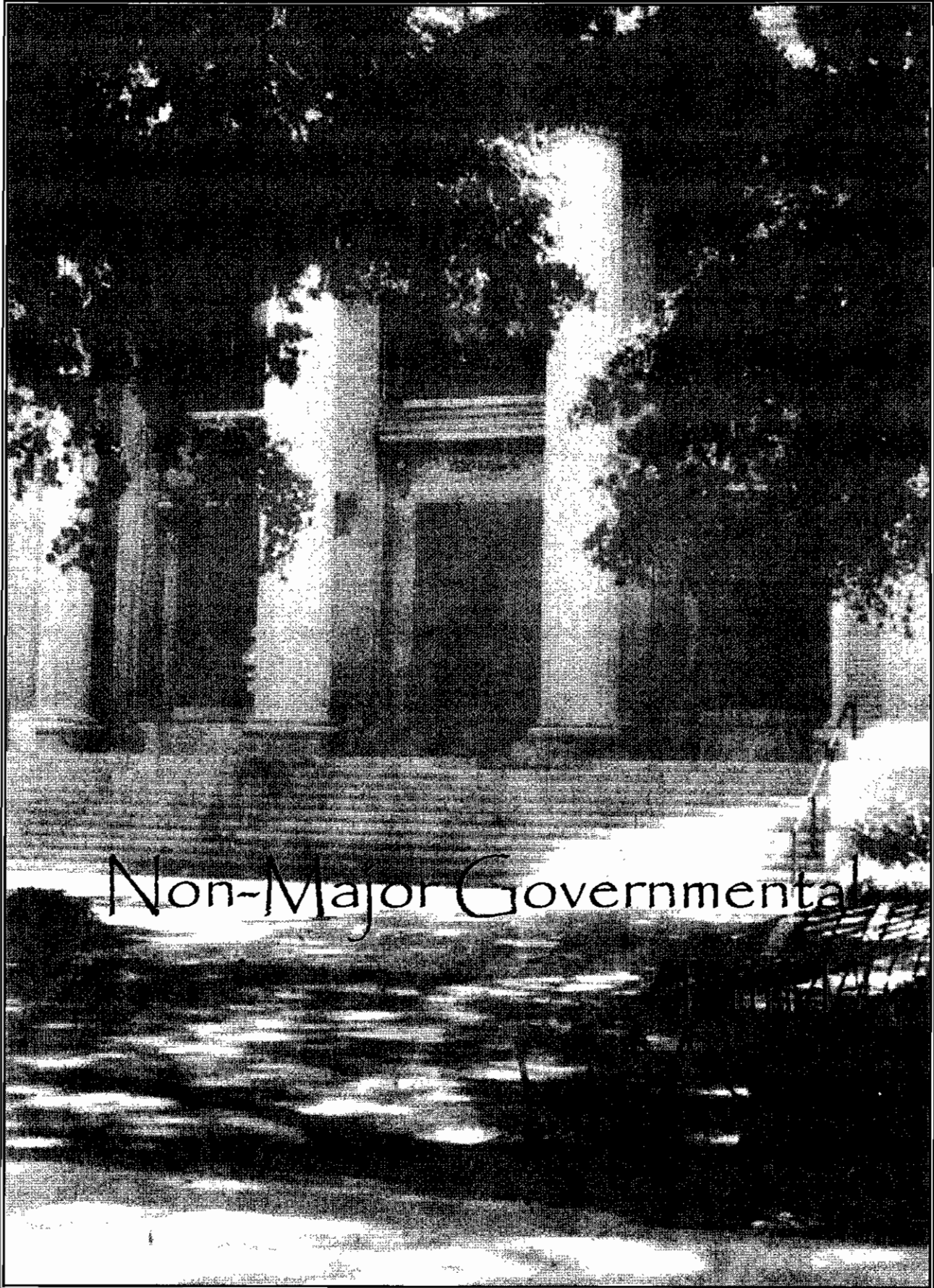


Major Governmental

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, 2005
 (amounts expressed in thousands)

	Budget	Actual	Variance - Positive (Negative)
REVENUES			
Taxes	\$48,046	\$48,994	\$948
Licenses and permits	299	432	133
Intergovernmental	30,615	7,921	(22,694)
Charges for services	176	48	(128)
Miscellaneous	2,296	6,763	4,467
Total revenues	81,432	64,158	(17,274)
EXPENDITURES			
Current			
General government	45,676	6,849	38,827
Physical environment	35,585	7,432	28,153
Transportation	13,138	1,280	11,858
Culture and recreation	14,972	5,110	9,862
Capital Outlay			
General government	47,495	29,384	18,111
Physical environment	17,727	4,858	12,869
Transportation	10,101	1,756	8,345
Culture and recreation	10,630	4,022	6,608
Debt Service			
Principal retirement	1,709	1,709	0
Interest and fiscal charges	86	86	0
Total expenditures	197,119	62,486	134,633
Excess (deficiencies) of revenues over (under) expenditures	(115,687)	1,672	117,359
OTHER FINANCING SOURCES AND (USES)			
Transfers in	39,270	40,406	1,136
Transfers out	(22,743)	(22,743)	0
Total other financing sources and (uses)	16,527	17,663	1,136
Net change in fund balance	(99,160)	19,335	118,495
Fund balance - beginning	119,969	120,109	140
Fund balance - ending	\$20,809	\$139,444	\$118,635
RECONCILIATION OF BUDGETARY BASIS TO GAAP			
Net change in fund balance, budgetary basis		\$19,335	
Less: Fair market value adjustment		(213)	
Net change in fund balance		\$19,122	

See accompanying independent auditors' report.



Non-Major Governmental

General Accounting Fund - To account for revenues and expenditures that are legal obligations of the County.

Special Districts - To account for revenues and expenditures for special districts, such as the following:

Lighting Districts - To account for special assessments collected from property owners in the County to provide lighting.

Engineering - To account for expenditures in trust for engineering investigations in the form of technical equipment and materials for engineering purposes as the Board deems appropriate which are not normally available to the County engineering agency.

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

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

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

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

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

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.

Historic Development Trust Fund - To account for the three percent tax on rents for rental properties which was applied during the referendum in 1982. It is restricted to the benefit of historic preservation projects that have been identified as encouraging historic preservation and the William Hammond building program in Lee County.

Gas Tax Trust - To account for gas taxes distributed to the County for the construction and maintenance of County roads.

Hazardous Waste - To account for the implementation of a hazardous waste program.

Community participation fees received from the community parks and recreation department. Includes revenues received from the community parks and recreation department.

Impact fees received from the community parks and recreation department. Includes revenues received from the community parks and recreation department.

Community Animal Services account for donations and expenditures used to support the community animal services.

To account for the revenues and expenditures of the Community Animal Services Office funded by Lee County.

County Government Special Revenues - To account for revenues and expenditures of the County Government Special Revenues account for revenues and expenditures used to purchase equipment, maintenance of equipment, special training, and modernizing the public records system of the County.

Property Appraiser Special Revenues - To account for revenues used to purchase the Geographical Information System (GIS).

Special Revenues - To account for revenues to be used for special projects.

Debt Service Funds

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

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

Participations of Participation - To account for payment of the 1993 and 1997 bonds. Funding is from local option gas tax revenue and ad valorem tax revenues.

Revenue Bonds - To account for payment of the 1993 and 1997 bonds. Funding is from the one-cent gas tax imposed by the County.

Tourist Tax Revenue Bonds - To account for payment of the 1993 and 1997 bonds. Funding is from tourist tax revenues and William B. Franke Tax revenues and William B. Franke Tax revenues.

Special Assessment Tax Revenue Bonds - To account for payment of the 1993 and 1997 bonds. Funding is from special assessment tax revenues.



Capital Projects Funds

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

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

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

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

Permanent Fund

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

Memorial Fund- To account for donated assets that are restricted to be used for the purpose of the fund. The principal may not be expended in the course of the fund's operation and the fund's earnings may be used as a memorial award.

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Community Redevelopment Agency
ASSETS				
Cash and cash equivalents	\$1,803	\$8,314	\$178	\$1,537
Cash and cash equivalents with fiscal agent				
Investments				
Receivables (net)				
Accounts				
Special assessments		697		
Accrued interest	5	399		4
Due from other funds	32	1	343	
Due from other governments				
Inventory				
Prepays				
Advances				
Total assets	<u>1,840</u>	<u>9,411</u>	<u>521</u>	<u>1,541</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	39	40		11
Accrued liabilities		5		
Due to other funds		1		
Due to other governments		3		
Deposits and overbids				
Unearned revenues				
Deferred revenues		434		
Total liabilities	<u>39</u>	<u>483</u>	<u>0</u>	<u>11</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service				
Unreserved, designated for:				
Capital and maintenance projects				
Debt service				
Unreserved, undesignated, reported in:				
Special revenue funds	1,801	8,928	521	1,530
Capital projects funds				
Total fund balances	<u>1,801</u>	<u>8,928</u>	<u>521</u>	<u>1,530</u>
Total liabilities and fund balances	<u>\$1,840</u>	<u>\$9,411</u>	<u>\$521</u>	<u>\$1,541</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Hickey Creek Mitigation Trust	Special Revenue Projects	Human Services Grants	Surface Water Management
ASSETS				
Cash and cash equivalents	\$817	\$7,162	\$801	\$2,232
Cash and cash equivalents with fiscal agent				
Investments				
Receivables (net)				
Accounts		43	1	
Special assessments				
Accrued interest	2	16	3	4
Due from other funds		141		
Due from other governments		225	576	
Inventory				2
Prepays				
Advances				
Total assets	<u>819</u>	<u>7,587</u>	<u>1,381</u>	<u>2,238</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable		439	447	24
Accrued liabilities	1	17	1	47
Due to other funds				
Due to other governments	1	8	1	22
Deposits and overbids				
Unearned revenues		38	1	
Deferred revenues				
Total liabilities	<u>2</u>	<u>502</u>	<u>450</u>	<u>93</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				2
Debt service				
Unreserved , designated for:				
Capital and maintenance projects				
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	817	7,085	931	2,143
Capital projects funds				
Total fund balances	<u>817</u>	<u>7,085</u>	<u>931</u>	<u>2,145</u>
Total liabilities and fund balances	<u>\$819</u>	<u>\$7,587</u>	<u>\$1,381</u>	<u>\$2,238</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	E 9-1-1	Tourist Development Trust Fund	Transportation Trust	All Hazards Protection
ASSETS				
Cash and cash equivalents	\$4,654	\$1,983	\$12,894	\$2,883
Cash and cash equivalents with fiscal agent				
Investments				
Receivables (net)				
Accounts		66	419	
Special assessments				
Accrued interest	11	5	28	8
Due from other funds				24
Due from other governments			698	253
Inventory			2,168	
Prepays		25		
Advances				
Total assets	<u>4,665</u>	<u>2,079</u>	<u>16,207</u>	<u>3,168</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	3	227	234	37
Accrued liabilities	10	44	350	6
Due to other funds		64	1	
Due to other governments	5	21	157	3
Deposits and overbids				
Unearned revenues			8	
Deferred revenues				
Total liabilities	<u>18</u>	<u>356</u>	<u>750</u>	<u>46</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory			2,168	
Debt service				
Unreserved , designated for:				
Capital and maintenance projects				
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	4,647	1,723	13,289	3,122
Capital projects funds				
Total fund balances	<u>4,647</u>	<u>1,723</u>	<u>15,457</u>	<u>3,122</u>
Total liabilities and fund balances	<u>\$4,665</u>	<u>\$2,079</u>	<u>\$16,207</u>	<u>\$3,168</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees - Community Parks	Impact Fees - Regional Parks	Impact Fees - EMS	Lee County Animal Trust Fund
ASSETS				
Cash and cash equivalents	\$16,744	\$12,356	\$1,077	\$133
Cash and cash equivalents with fiscal agent				
Investments				
Receivables (net)				
Accounts	11	10		
Special assessments				
Accrued interest	44	28	2	
Due from other funds				
Due from other governments				
Inventory				
Prepays				
Advances				
Total assets	<u>16,799</u>	<u>12,394</u>	<u>1,079</u>	<u>133</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	2,205	607		
Accrued liabilities	168			
Due to other funds	5,710	1		
Due to other governments				
Deposits and overbids				
Unearned revenues	7,893	9,506	881	
Deferred revenues				
Total liabilities	<u>15,976</u>	<u>10,114</u>	<u>881</u>	<u>0</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service				
Unreserved , designated for:				
Capital and maintenance projects				
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	823	2,280	198	133
Capital projects funds				
Total fund balances	<u>823</u>	<u>2,280</u>	<u>198</u>	<u>133</u>
Total liabilities and fund balances	<u>\$16,799</u>	<u>\$12,394</u>	<u>\$1,079</u>	<u>\$133</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Court Administration	Clerk of Circuit Court's Special Revenue	Property Appraiser's Special Revenues	Sheriff's Special Revenues
ASSETS				
Cash and cash equivalents	\$4,576	\$8,318	\$165	\$1,876
Cash and cash equivalents with fiscal agent				
Investments				
Receivables (net)				
Accounts		13		74
Special assessments				
Accrued interest				
Due from other funds		1		108
Due from other governments		138		773
Inventory				
Prepays				
Advances				
Total assets	<u>4,576</u>	<u>8,470</u>	<u>165</u>	<u>2,831</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable	130	342	6	165
Accrued liabilities	83	80	18	15
Due to other funds	1,303	325	77	1,831
Due to other governments	34	640		59
Deposits and overbids		1,983		
Unearned revenues		3		588
Deferred revenues				
Total liabilities	<u>1,550</u>	<u>3,373</u>	<u>101</u>	<u>2,658</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service				
Unreserved , designated for:				
Capital and maintenance projects				
Debt service				
Unreserved , undesignated, reported in:				
Special revenue funds	3,026	5,097	64	173
Capital projects funds				
Total fund balances	<u>3,026</u>	<u>5,097</u>	<u>64</u>	<u>173</u>
Total liabilities and fund balances	<u>\$4,576</u>	<u>\$8,470</u>	<u>\$165</u>	<u>\$2,831</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Debt Service Funds			
	Local Option Gas Tax Revenue Bonds	Certificates of Participation	Road Improvement Revenue Bonds	Tourist Development Tax Revenue Bonds
ASSETS				
Cash and cash equivalents	\$801	\$1	\$575	\$1,591
Cash and cash equivalents with fiscal agent	2,996	1,673		677
Investments				
Receivables (net)				
Accounts				
Special assessments				
Accrued interest				
Due from other funds				
Due from other governments	692		247	
Inventory				
Prepays			1,036	
Advances				
Total assets	<u>4,489</u>	<u>1,674</u>	<u>1,858</u>	<u>2,268</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable				
Accrued liabilities				
Due to other funds				
Due to other governments				
Deposits and overbids				
Unearned revenues				
Deferred revenues				
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for:				
Advances				
Inventory				
Debt service	2,996	1,673	1,036	1,510
Unreserved , designated for:				
Capital and maintenance projects				
Debt service	1,493	1	822	758
Unreserved , undesignated, reported in:				
Special revenue funds				
Capital projects funds				
Total fund balances	<u>4,489</u>	<u>1,674</u>	<u>1,858</u>	<u>2,268</u>
Total liabilities and fund balances	<u><u>\$4,489</u></u>	<u><u>\$1,674</u></u>	<u><u>\$1,858</u></u>	<u><u>\$2,268</u></u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Debt Service Funds			Capital Projects Funds
	Five Cent Local Option Gas Tax Revenue Bonds	Capital Revenue Bonds	MSBU Projects Commercial Loan	Transportation Capital Improvements
ASSETS				
Cash and cash equivalents	\$5	\$4,128	\$2,080	\$81,398
Cash and cash equivalents with fiscal agent	2,018	11,523		
Investments				
Receivables (net)				
Accounts				357
Special assessments		1,517	4,358	
Accrued interest		380	9	188
Due from other funds			1	
Due from other governments				562
Inventory				
Prepays				
Advances				1,700
Total assets	<u>2,023</u>	<u>17,548</u>	<u>6,448</u>	<u>84,205</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and accounts payable				2,801
Accrued liabilities				
Due to other funds				16
Due to other governments				
Deposits and overbids				5,611
Unearned revenues				
Deferred revenues		1,372	4,253	
Total liabilities	<u>0</u>	<u>1,372</u>	<u>4,253</u>	<u>8,428</u>
Fund Balances:				
Reserved for:				
Advances				1,700
Inventory				
Debt service	2,018	15,181	1,031	
Unreserved , designated for:				
Capital and maintenance projects				71,056
Debt service	5	995	1,164	
Unreserved , undesignated, reported in:				
Special revenue funds				
Capital projects funds				3,021
Total fund balances	<u>2,023</u>	<u>16,176</u>	<u>2,195</u>	<u>75,777</u>
Total liabilities and fund balances	<u>\$2,023</u>	<u>\$17,548</u>	<u>\$6,448</u>	<u>\$84,205</u>

(continued)

Lee County, Florida
 COMBINING BALANCE SHEET
 NON - MAJOR GOVERNMENTAL FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Capital Projects Funds	Permanent Fund	Total Non - major Governmental Funds
	Capital Revenue Bonds - Construction	Sheriff's Claibourne and Foulds Trust	
ASSETS			
Cash and cash equivalents	\$15,197	\$2	\$196,281
Cash and cash equivalents with fiscal agent			18,887
Investments	29,614		29,614
Receivables (net)			
Accounts			994
Special assessments			6,572
Accrued interest			1,136
Due from other funds			651
Due from other governments			4,164
Inventory			2,170
Prepays			1,061
Advances			1,700
Total assets	<u>44,811</u>	<u>2</u>	<u>263,230</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and accounts payable	1,863		9,620
Accrued liabilities			845
Due to other funds			9,329
Due to other governments			954
Deposits and overbids		2	7,596
Unearned revenues			18,918
Deferred revenues			6,059
Total liabilities	<u>1,863</u>	<u>2</u>	<u>53,321</u>
Fund Balances:			
Reserved for:			
Advances			1,700
Inventory			2,170
Debt service			25,445
Unreserved , designated for:			
Capital and maintenance projects	42,948		114,004
Debt service			5,238
Unreserved , undesignated, reported in:			
Special revenue funds			58,331
Capital projects funds			3,021
Total fund balances	<u>42,948</u>	<u>0</u>	<u>209,909</u>
Total liabilities and fund balances	<u><u>\$44,811</u></u>	<u><u>\$2</u></u>	<u><u>\$263,230</u></u>

Lee County, Florida
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2005
(amounts expressed in thousands)

	Special Revenue Funds			
	Municipal Service Benefit Unit Districts	Special Assessment Districts	Law Enforcement Trust	Community Redevelopment Agency
REVENUES				
Taxes	\$3,221			
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures			\$556	
Impact fees				
Special assessments		\$1,228		
Miscellaneous	72	423	6	\$43
Total revenues	<u>3,293</u>	<u>1,651</u>	<u>562</u>	<u>43</u>
EXPENDITURES				
Current				
General government	92	359		
Public safety	877			
Physical environment		5		
Transportation	2,163	645		
Economic environment				8
Human services				
Culture and recreation				
Capital outlay				
General government		1		
Public safety				
Physical environment		44		
Transportation	12	341		
Economic environment				101
Human services				
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Bond issuance costs				
Total expenditures	<u>3,144</u>	<u>1,395</u>	<u>0</u>	<u>109</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>149</u>	<u>256</u>	<u>562</u>	<u>(66)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	32	285	52	
Transfers out	(19)	(423)	(412)	
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>13</u>	<u>(138)</u>	<u>(360)</u>	<u>0</u>
Net change in fund balance	162	118	202	(66)
Fund balances - beginning	<u>1,639</u>	<u>8,810</u>	<u>319</u>	<u>1,596</u>
Fund balances - ending	<u>\$1,801</u>	<u>\$8,928</u>	<u>\$521</u>	<u>\$1,530</u>

See accompanying independent auditors' 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, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Hickey Creek Mitigation Trust	Special Revenue Projects	Human Services Grants	Surface Water Management
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental		\$4,718	\$3,959	\$48
Charges for services		384		100
Fines and forfeitures		186		
Impact fees				
Special assessments				
Miscellaneous	\$22	681	59	243
Total revenues	<u>22</u>	<u>5,969</u>	<u>4,018</u>	<u>391</u>
EXPENDITURES				
Current				
General government		78		
Public safety		47		
Physical environment		566		3,561
Transportation				
Economic environment		3,456	3,307	
Human services		1,940		
Culture and recreation	100			
Capital outlay				
General government				
Public safety		58		
Physical environment		13		22
Transportation				
Economic environment		2	530	
Human services		18		
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Bond issuance costs				
Total expenditures	<u>100</u>	<u>6,178</u>	<u>3,837</u>	<u>3,583</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(78)</u>	<u>(209)</u>	<u>181</u>	<u>(3,192)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in				2,988
Transfers out				
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,988</u>
Net change in fund balance	(78)	(209)	181	(204)
Fund balances - beginning	895	7,294	750	2,349
Fund balances - ending	<u>\$817</u>	<u>\$7,085</u>	<u>\$931</u>	<u>\$2,145</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, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	E 9-1-1	Tourist Development Trust Fund	Transportation Trust	
REVENUES				
Taxes		\$11,603		\$2,392
Licenses and permits			\$648	
Intergovernmental			8,684	264
Charges for services	\$2,725		1,854	
Fines and forfeitures				238
Impact fees				
Special assessments				
Miscellaneous	108	88	3,532	82
Total revenues	<u>2,833</u>	<u>11,691</u>	<u>14,718</u>	<u>2,976</u>
EXPENDITURES				
Current				
General government		348	1,094	789
Public safety	1,691			826
Physical environment				
Transportation			22,713	
Economic environment		9,198		
Human services				
Culture and recreation				
Capital outlay				
General government				270
Public safety	36			34
Physical environment				
Transportation			658	
Economic environment		256		
Human services				
Culture and recreation				
Debt service				
Principal retirement		105		
Interest and fiscal charges				
Bond issuance costs				
Total expenditures	<u>1,727</u>	<u>9,907</u>	<u>24,465</u>	<u>1,919</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>1,106</u>	<u>1,784</u>	<u>(9,747)</u>	<u>1,057</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in		1,579	13,263	24
Transfers out		(5,296)		
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>0</u>	<u>(3,717)</u>	<u>13,263</u>	<u>24</u>
Net change in fund balance	1,106	(1,933)	3,516	1,081
Fund balances - beginning	<u>3,541</u>	<u>3,656</u>	<u>11,941</u>	<u>2,041</u>
Fund balances - ending	<u>\$4,647</u>	<u>\$1,723</u>	<u>\$15,457</u>	<u>\$3,122</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, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Impact Fees - Community Parks	Impact Fees - Regional Parks	Impact Fees - EMS	Lee County Animal Trust Fund
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Impact fees	\$9,342	\$2,841	\$158	
Special assessments				
Miscellaneous	488	253	24	\$27
Total revenues	<u>9,830</u>	<u>3,094</u>	<u>182</u>	<u>27</u>
EXPENDITURES				
Current				
General government				
Public safety			156	
Physical environment				
Transportation				
Economic environment				
Human services				2
Culture and recreation	3,004	36		
Capital outlay				
General government			2	
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				4
Culture and recreation	7,575	2,804		
Debt service				
Principal retirement				
Interest and fiscal charges	171			
Bond issuance costs				
Total expenditures	<u>10,750</u>	<u>2,840</u>	<u>158</u>	<u>6</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(920)</u>	<u>254</u>	<u>24</u>	<u>21</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in				
Transfers out	(845)			
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>(845)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(1,765)	254	24	21
Fund balances - beginning	2,588	2,026	174	112
Fund balances - ending	<u>\$823</u>	<u>\$2,280</u>	<u>\$198</u>	<u>\$133</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, 2005
 (amounts expressed in thousands)

	Special Revenue Funds			
	Court Administration	Clerk of Circuit Court's Special Revenue	Property Appraiser's Special Revenues	Sheriff's Special Revenues
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental		\$41	\$44	\$2,674
Charges for services	\$59	12,272	20	
Fines and forfeitures				
Impact fees				
Special assessments				
Miscellaneous	3	620		2,986
Total revenues	<u>62</u>	<u>12,933</u>	<u>64</u>	<u>5,660</u>
EXPENDITURES				
Current				
General government	6,461	10,542	2,279	
Public safety				5,003
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government	310	3,042	109	
Public safety				730
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement				
Interest and fiscal charges				
Bond issuance costs				
Total expenditures	<u>6,771</u>	<u>13,584</u>	<u>2,388</u>	<u>5,733</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(6,709)</u>	<u>(651)</u>	<u>(2,324)</u>	<u>(73)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	8,137		2,436	412
Transfers out	(1,303)		(117)	(52)
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>6,834</u>	<u>0</u>	<u>2,319</u>	<u>360</u>
Net change in fund balance	125	(651)	(5)	287
Fund balances - beginning	<u>2,901</u>	<u>5,748</u>	<u>69</u>	<u>(114)</u>
Fund balances - ending	<u><u>\$3,026</u></u>	<u><u>\$5,097</u></u>	<u><u>\$64</u></u>	<u><u>\$173</u></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, 2005
 (amounts expressed in thousands)

	Debt Service Funds			
	Local Option Gas Tax Revenue Bonds	Certificates of Participation	Road Improvement Revenue Bonds	Tourist Development Tax Revenue Bonds
REVENUES				
Taxes	\$9,288		\$3,301	
Licenses and permits				
Intergovernmental				
Charges for services				\$300
Fines and forfeitures				
Impact fees				
Special assessments				
Miscellaneous	51	\$1	309	81
Total revenues	<u>9,339</u>	<u>1</u>	<u>3,610</u>	<u>381</u>
EXPENDITURES				
Current				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement	2,525	1,310	870	545
Interest and fiscal charges	765	650	133	253
Bond issuance costs				
Total expenditures	<u>3,290</u>	<u>1,960</u>	<u>1,003</u>	<u>798</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>6,049</u>	<u>(1,959)</u>	<u>2,607</u>	<u>(417)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	1,125	1,983		1,530
Transfers out	(7,097)		(2,205)	(1,710)
Bond premium				
Debt issuance				
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>(5,972)</u>	<u>1,983</u>	<u>(2,205)</u>	<u>(180)</u>
Net change in fund balance	77	24	402	(597)
Fund balances - beginning	<u>4,412</u>	<u>1,650</u>	<u>1,456</u>	<u>2,865</u>
Fund balances - ending	<u>\$4,489</u>	<u>\$1,674</u>	<u>\$1,858</u>	<u>\$2,268</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, 2005
 (amounts expressed in thousands)

	Debt Service Funds			
	Commercial Paper	Five Cent Local Option Gas Tax Revenue Bonds	Capital Revenue Bonds	MSBU Projects Commercial Loan
REVENUES				
Taxes				
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Impact fees				
Special assessments	\$455		\$440	\$1,921
Miscellaneous		\$29	354	34
Total revenues	<u>455</u>	<u>29</u>	<u>794</u>	<u>1,955</u>
EXPENDITURES				
Current				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Capital outlay				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service				
Principal retirement	2,650	1,065	11,515	598
Interest and fiscal charges		1,242	8,405	169
Bond issuance costs		422		
Total expenditures	<u>2,650</u>	<u>2,729</u>	<u>19,920</u>	<u>767</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(2,195)</u>	<u>(2,700)</u>	<u>(19,126)</u>	<u>1,188</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	2,511	2,437	21,536	4
Transfers out	(316)			(2,591)
Bond premium		1,132		
Debt issuance		26,920		2,676
Payment to refunding escrow agent		(27,622)		
Total other financing sources (uses)	<u>2,195</u>	<u>2,867</u>	<u>21,536</u>	<u>89</u>
Net change in fund balance	0	167	2,410	1,277
Fund balances - beginning	<u>0</u>	<u>1,856</u>	<u>13,766</u>	<u>918</u>
Fund balances - ending	<u>\$0</u>	<u>\$2,023</u>	<u>\$16,176</u>	<u>\$2,195</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, 2005
 (amounts expressed in thousands)

	Capital Projects Funds		
	Transportation Capital Improvements	Capital Revenue Bonds - Construction	MSBU Construction Projects
REVENUES			
Taxes	\$6,731		
Licenses and permits			
Intergovernmental	6,405		
Charges for services	2		
Fines and forfeitures			
Impact fees			
Special assessments			
Miscellaneous	7,804	\$1,317	\$2
Total revenues	<u>20,942</u>	<u>1,317</u>	<u>2</u>
EXPENDITURES			
Current			
General government			
Public safety			
Physical environment			
Transportation	2,944		52
Economic environment			
Human services			
Culture and recreation			
Capital outlay			
General government		9,329	
Public safety			
Physical environment			
Transportation	23,068		64
Economic environment			
Human services			
Culture and recreation			
Debt service			
Principal retirement			2,100
Interest and fiscal charges			47
Bond issuance costs			
Total expenditures	<u>26,012</u>	<u>9,329</u>	<u>2,263</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(5,070)</u>	<u>(8,012)</u>	<u>(2,261)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	7,497		112
Transfers out	(3,258)		(3)
Bond premium			
Debt issuance			2,100
Payment to refunding escrow agent			
Total other financing sources (uses)	<u>4,239</u>	<u>0</u>	<u>2,209</u>
Net change in fund balance	(831)	(8,012)	(52)
Fund balances - beginning	76,608	50,960	52
Fund balances - ending	<u>\$75,777</u>	<u>\$42,948</u>	<u>\$0</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, 2005
 (amounts expressed in thousands)

	Permanent Fund	
	Sheriff's Claibourne and Foulds Trust	Total Non - major Governmental Funds
REVENUES		
Taxes		\$36,536
Licenses and permits		648
Intergovernmental		26,837
Charges for services		17,716
Fines and forfeitures		742
Impact fees		12,579
Special assessments		4,044
Miscellaneous		19,742
Total revenues	\$0	118,844
EXPENDITURES		
Current		
General government		22,042
Public safety	1	8,601
Physical environment		4,132
Transportation		28,517
Economic environment		15,969
Human services		1,942
Culture and recreation		3,140
Capital outlay		
General government		13,063
Public safety		858
Physical environment		79
Transportation		24,143
Economic environment		889
Human services		22
Culture and recreation		10,379
Debt service		
Principal retirement		23,283
Interest and fiscal charges		11,835
Bond issuance costs		422
Total expenditures	1	169,316
Excess (deficiencies) of revenues over (under) expenditures	(1)	(50,472)
OTHER FINANCING SOURCES AND (USES)		
Transfers in		67,943
Transfers out		(25,647)
Bond premium		1,132
Debt issuance		31,696
Payment to refunding escrow agent		(27,622)
Total other financing sources (uses)	0	47,502
Net change in fund balance	(1)	(2,970)
Fund balances - beginning	1	212,879
Fund balances - ending	\$0	\$209,909

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, 2005
 (amounts expressed in thousands)

	Non - GAAP Municipal Service Benefit Unit Districts		Non - GAAP Special Assessment Districts		Law Enforcement Trust	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$3,166	\$3,221				
Licenses and permits						
Intergovernmental						
Charges for services						
Fines and forfeitures					\$177	\$556
Impact fees						
Special assessments			\$1,835	\$1,242		
Miscellaneous	6	74	191	575	1	6
Total revenues	<u>3,172</u>	<u>3,295</u>	<u>2,026</u>	<u>1,817</u>	<u>178</u>	<u>562</u>
EXPENDITURES						
Current:						
General government	104	92	359	359		
Public safety	877	877				
Physical environment			5	5		
Transportation	3,012	2,163	895	597		
Economic environment						
Human services						
Culture and recreation						
Capital outlay:						
General government			320	1		
Public safety						
Physical environment			44	44		
Transportation	188	12	2,742	341		
Economic environment						
Human services						
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>4,181</u>	<u>3,144</u>	<u>4,365</u>	<u>1,347</u>	<u>0</u>	<u>0</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,009)</u>	<u>151</u>	<u>(2,339)</u>	<u>470</u>	<u>178</u>	<u>562</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		32	551	360		52
Transfers out	(19)	(19)	(498)	(498)	(412)	(412)
Total other financing sources (uses)	<u>(19)</u>	<u>13</u>	<u>53</u>	<u>(138)</u>	<u>(412)</u>	<u>(360)</u>
Net change in fund balance	(1,028)	164	(2,286)	332	(234)	202
Fund balances - beginning	<u>1,639</u>	<u>1,645</u>	<u>9,431</u>	<u>8,960</u>	<u>319</u>	<u>319</u>
Fund balances - ending	<u>\$611</u>	<u>\$1,809</u>	<u>\$7,145</u>	<u>\$9,292</u>	<u>\$85</u>	<u>\$521</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, 2005
 (amounts expressed in thousands)

	Non - GAAP Community Redevelopment Agency		Non - GAAP Hickey Creek Mitigation Trust		Non - GAAP Special Revenue Projects	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental					\$4,625	\$4,718
Charges for services					700	384
Fines and forfeitures					192	186
Impact fees						
Special assessments						
Miscellaneous		\$44	\$6	\$24	208	691
Total revenues	\$0	44	6	24	5,725	5,979
EXPENDITURES						
Current:						
General government					292	78
Public safety					67	47
Physical environment					955	566
Transportation						
Economic environment	8	8			5,498	3,456
Human services					4,405	1,940
Culture and recreation			145	100		
Capital outlay:						
General government						
Public safety					72	58
Physical environment					144	13
Transportation						
Economic environment	1,567	101			2	2
Human services					18	18
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	1,575	109	145	100	11,453	6,178
Excess (deficiencies) of revenues over (under) expenditures	(1,575)	(65)	(139)	(76)	(5,728)	(199)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total other financing sources (uses)	0	0	0	0	0	0
Net change in fund balance	(1,575)	(65)	(139)	(76)	(5,728)	(199)
Fund balances - beginning	1,596	1,627	895	901	7,298	7,449
Fund balances - ending	\$21	\$1,562	\$756	\$825	\$1,570	\$7,250

(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, 2005
 (amounts expressed in thousands)

	Non - GAAP Human Services Grants		Non - GAAP Surface Water Management		Non - GAAP E 9 - 1 - 1	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental	\$7,807	\$3,959	\$38	\$48		
Charges for services			100	100	\$2,356	\$2,725
Fines and forfeitures						
Impact fees						
Special assessments						
Miscellaneous	32	60	203	245	41	114
Total revenues	<u>7,839</u>	<u>4,019</u>	<u>341</u>	<u>393</u>	<u>2,397</u>	<u>2,839</u>
EXPENDITURES						
Current:						
General government						
Public safety					1,978	1,691
Physical environment			3,852	3,561		
Transportation						
Economic environment	7,191	3,307				
Human services	257					
Culture and recreation						
Capital outlay:						
General government						
Public safety					90	36
Physical environment			70	22		
Transportation						
Economic environment	645	530				
Human services						
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>8,093</u>	<u>3,837</u>	<u>3,922</u>	<u>3,583</u>	<u>2,068</u>	<u>1,727</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(254)</u>	<u>182</u>	<u>(3,581)</u>	<u>(3,190)</u>	<u>329</u>	<u>1,112</u>
OTHER FINANCING SOURCES (USES)						
Transfers in			2,988	2,988	184	184
Transfers out					(184)	(184)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>2,988</u>	<u>2,988</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(254)	182	(593)	(202)	329	1,112
Fund balances - beginning	750	750	2,325	2,346	3,541	3,547
Fund balances - ending	<u>\$496</u>	<u>\$932</u>	<u>\$1,732</u>	<u>\$2,144</u>	<u>\$3,870</u>	<u>\$4,659</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, 2005
 (amounts expressed in thousands)

	Non - GAAP Tourist Development Trust Fund		Non - GAAP Transportation Trust		Non - GAAP All Hazards Protection	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$13,189	\$11,603			\$2,342	\$2,392
Licenses and permits			\$520	\$648		
Intergovernmental			21,596	8,684	10	264
Charges for services			1,346	1,854		
Fines and forfeitures						
Impact fees					199	238
Special assessments						
Miscellaneous	<u>49</u>	<u>91</u>	<u>2,461</u>	<u>3,549</u>	<u>43</u>	<u>86</u>
Total revenues	<u>13,238</u>	<u>11,694</u>	<u>25,923</u>	<u>14,735</u>	<u>2,594</u>	<u>2,980</u>
EXPENDITURES						
Current:						
General government	390	348	1,098	1,094	1,980	789
Public safety					928	826
Physical environment						
Transportation			25,847	23,050		
Economic environment	9,844	9,198				
Human services						
Culture and recreation						
Capital outlay:						
General government			2		372	270
Public safety					103	34
Physical environment						
Transportation			1,101	658	25	
Economic environment	256	256				
Human services						
Culture and recreation						
Debt Service						
Principal retirement	105	105	8			
Interest and fiscal charges						
Total expenditures	<u>10,595</u>	<u>9,907</u>	<u>28,056</u>	<u>24,802</u>	<u>3,408</u>	<u>1,919</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>2,643</u>	<u>1,787</u>	<u>(2,133)</u>	<u>(10,067)</u>	<u>(814)</u>	<u>1,061</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,580	1,579	12,824	13,263		24
Transfers out	<u>(5,297)</u>	<u>(5,296)</u>				
Total other financing sources (uses)	<u>(3,717)</u>	<u>(3,717)</u>	<u>12,824</u>	<u>13,263</u>	<u>0</u>	<u>24</u>
Net change in fund balance	(1,074)	(1,930)	10,691	3,196	(814)	1,085
Fund balances - beginning	<u>3,656</u>	<u>3,674</u>	<u>10,109</u>	<u>11,445</u>	<u>2,041</u>	<u>2,050</u>
Fund balances - ending	<u>\$2,582</u>	<u>\$1,744</u>	<u>\$20,800</u>	<u>\$14,641</u>	<u>\$1,227</u>	<u>\$3,135</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, 2005
 (amounts expressed in thousands)

	Non - GAAP Impact Fees - Community Parks		Non - GAAP Impact Fees - Regional Parks		Non - GAAP Impact Fees - EMS	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental						
Charges for services						
Fines and forfeitures						
Impact fees	\$4,827	\$9,172	\$2,373	\$6,636	\$351	\$446
Special assessments						
Miscellaneous	216	513	50	272	11	26
Total revenues	<u>5,043</u>	<u>9,685</u>	<u>2,423</u>	<u>6,908</u>	<u>362</u>	<u>472</u>
EXPENDITURES						
Current:						
General government						
Public safety					421	156
Physical environment						
Transportation						
Economic environment						
Human services						
Culture and recreation	3,004	3,004	41	36		
Capital outlay:						
General government					443	2
Public safety						
Physical environment						
Transportation						
Economic environment						
Human services						
Culture and recreation	16,563	7,575	9,752	2,804		
Debt Service						
Principal retirement						
Interest and fiscal charges	171	171				
Total expenditures	<u>19,738</u>	<u>10,750</u>	<u>9,793</u>	<u>2,840</u>	<u>864</u>	<u>158</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(14,695)</u>	<u>(1,065)</u>	<u>(7,370)</u>	<u>4,068</u>	<u>(502)</u>	<u>314</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out	(2,846)	(845)				
Total other financing sources (uses)	<u>(2,846)</u>	<u>(845)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(17,541)	(1,910)	(7,370)	4,068	(502)	314
Fund balances - beginning	18,363	18,381	7,737	7,672	767	769
Fund balances - ending	<u>\$822</u>	<u>\$16,471</u>	<u>\$367</u>	<u>\$11,740</u>	<u>\$265</u>	<u>\$1,083</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, 2005
 (amounts expressed in thousands)

	Non - GAAP Animal Trust Fund		Court Administration		Clerk of Circuit Court's Special Revenue	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes						
Licenses and permits						
Intergovernmental					\$30	\$41
Charges for services			\$153	\$59	12,104	12,272
Fines and forfeitures						
Impact fees						
Special assessments						
Miscellaneous	\$17	\$26		3	57	620
Total revenues	<u>17</u>	<u>26</u>	<u>153</u>	<u>62</u>	<u>12,191</u>	<u>12,933</u>
EXPENDITURES						
Current:						
General government			7,912	6,461	11,003	10,542
Public safety						
Physical environment						
Transportation						
Economic environment						
Human services	15	2				
Culture and recreation						
Capital outlay:						
General government			762	310	6,189	3,042
Public safety						
Physical environment						
Transportation						
Economic environment						
Human services	11	4				
Culture and recreation						
Debt Service						
Principal retirement						
Interest and fiscal charges						
Total expenditures						
Total expenditures	<u>26</u>	<u>6</u>	<u>8,674</u>	<u>6,771</u>	<u>17,192</u>	<u>13,584</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(9)</u>	<u>20</u>	<u>(8,521)</u>	<u>(6,709)</u>	<u>(5,001)</u>	<u>(651)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in			8,137	8,137		
Transfers out				(1,303)		
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>8,137</u>	<u>6,834</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(9)	20	(384)	125	(5,001)	(651)
Fund balances - beginning	112	112	384	2,901	5,020	5,748
Fund balances - ending	<u>\$103</u>	<u>\$132</u>	<u>\$0</u>	<u>\$3,026</u>	<u>\$19</u>	<u>\$5,097</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, 2005
 (amounts expressed in thousands)

	Total		Variance - Positive (Negative)
	Budget	Actual	
REVENUES			
Taxes	\$18,697	\$17,216	\$(1,481)
Licenses and permits	520	648	128
Intergovernmental	34,106	17,714	(16,392)
Charges for services	16,759	17,394	635
Fines and forfeitures	369	742	373
Impact fees	7,750	16,492	8,742
Special assessments	1,835	1,242	(593)
Miscellaneous	3,592	7,019	3,427
Total revenues	<u>83,628</u>	<u>78,467</u>	<u>(5,161)</u>
EXPENDITURES			
Current:			
General government	23,138	19,763	3,375
Public safety	4,271	3,597	674
Physical environment	4,812	4,132	680
Transportation	29,754	25,810	3,944
Economic environment	22,541	15,969	6,572
Human services	4,677	1,942	2,735
Culture and recreation	3,190	3,140	50
Capital outlay:			
General government	8,088	3,625	4,463
Public safety	265	128	137
Physical environment	258	79	179
Transportation	4,056	1,011	3,045
Economic environment	2,470	889	1,581
Human services	29	22	7
Culture and recreation	26,315	10,379	15,936
Debt Service			
Principal retirement	113	105	8
Interest and fiscal charges	171	171	
Total expenditures	<u>134,148</u>	<u>90,762</u>	<u>43,386</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(50,520)</u>	<u>(12,295)</u>	<u>38,225</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	26,264	26,619	355
Transfers out	(9,256)	(8,557)	699
Total other financing sources (uses)	<u>17,008</u>	<u>18,062</u>	<u>1,054</u>
Net change in fund balance	(33,512)	5,767	39,279
Fund balances - beginning	<u>75,983</u>	<u>80,296</u>	<u>4,313</u>
Fund balances - ending	<u>\$42,471</u>	<u>\$86,063</u>	<u>\$43,592</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, 2005
 (amounts expressed in thousands)

	Local Option Gas Tax Revenue Bonds		Certificates of Participation		Road Improvement Revenue Bonds	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$8,109	\$9,288			\$3,070	\$3,301
Charges for services						
Special assessments						
Miscellaneous	12	51		\$1	292	309
Total revenues	<u>8,121</u>	<u>9,339</u>	<u>0</u>	<u>1</u>	<u>3,362</u>	<u>3,610</u>
EXPENDITURES						
Debt Service						
Principal retirement	2,525	2,525	\$1,310	1,310	870	870
Interest and fiscal charges	768	765	650	650	133	133
Bond issuance costs					50	
Total expenditures	<u>3,293</u>	<u>3,290</u>	<u>1,960</u>	<u>1,960</u>	<u>1,053</u>	<u>1,003</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>4,828</u>	<u>6,049</u>	<u>(1,960)</u>	<u>(1,959)</u>	<u>2,309</u>	<u>2,607</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,106	1,125	1,960	1,983		
Transfers out	(7,097)	(7,097)			(2,205)	(2,205)
Bond premium						
Proceeds from long-term debt						
Payment to refunding escrow agent						
Total other financing sources (uses)	<u>(5,991)</u>	<u>(5,972)</u>	<u>1,960</u>	<u>1,983</u>	<u>(2,205)</u>	<u>(2,205)</u>
Net change in fund balance	(1,163)	77	0	24	104	402
Fund balances - beginning	<u>4,412</u>	<u>4,412</u>	<u>1,650</u>	<u>1,650</u>	<u>1,456</u>	<u>1,456</u>
Fund balances - ending	<u>\$3,249</u>	<u>\$4,489</u>	<u>\$1,650</u>	<u>\$1,674</u>	<u>\$1,560</u>	<u>\$1,858</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, 2005
(amounts expressed in thousands)

	Tourist Development Tax Revenue Bonds		Commercial Paper		Five Cent Local Option Gas Tax Revenue Bonds	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes						
Charges for services	\$300	\$300				
Special assessments			\$595	\$455		
Miscellaneous	84	81			\$5	\$29
Total revenues	<u>384</u>	<u>381</u>	<u>595</u>	<u>455</u>	<u>5</u>	<u>29</u>
EXPENDITURES						
Debt Service						
Principal retirement	545	545	2,650	2,650	1,065	1,065
Interest and fiscal charges	394	253			1,551	1,242
Bond issuance costs					431	422
Total expenditures	<u>939</u>	<u>798</u>	<u>2,650</u>	<u>2,650</u>	<u>3,047</u>	<u>2,729</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(555)</u>	<u>(417)</u>	<u>(2,055)</u>	<u>(2,195)</u>	<u>(3,042)</u>	<u>(2,700)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,586	2,593	2,435	2,511	2,612	2,437
Transfers out	(2,773)	(2,773)	(380)	(316)		
Bond premium					1,132	1,132
Proceeds from long-term debt					26,920	26,920
Payment to refunding escrow agent					(27,622)	(27,622)
Total other financing sources (uses)	<u>(187)</u>	<u>(180)</u>	<u>2,055</u>	<u>2,195</u>	<u>3,042</u>	<u>2,867</u>
Net change in fund balance	(742)	(597)	0	0	0	167
Fund balances - beginning	<u>2,865</u>	<u>2,865</u>	<u>0</u>	<u>0</u>	<u>1,856</u>	<u>1,856</u>
Fund balances - ending	<u>\$2,123</u>	<u>\$2,268</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,856</u>	<u>\$2,023</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, 2005
 (amounts expressed in thousands)

	Non - GAAP Capital Revenue Bonds		Non - GAAP MSBU Projects Commercial Loan	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes				
Charges for services				
Special assessments	\$189	\$453	\$709	\$1,929
Miscellaneous	167	387	33	26
Total revenues	<u>356</u>	<u>840</u>	<u>742</u>	<u>1,955</u>
EXPENDITURES				
Debt Service				
Principal retirement	11,515	11,515	756	598
Interest and fiscal charges	8,427	8,405	243	169
Bond issuance costs	50			
Total expenditures	<u>19,992</u>	<u>19,920</u>	<u>999</u>	<u>767</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(19,636)</u>	<u>(19,080)</u>	<u>(257)</u>	<u>1,188</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	21,200	21,536	3	4
Transfers out			(2,591)	(2,591)
Bond premium				
Proceeds from long-term debt			2,676	2,676
Payment to refunding escrow agent				
Total other financing sources (uses)	<u>21,200</u>	<u>21,536</u>	<u>88</u>	<u>89</u>
Net change in fund balance	1,564	2,456	(169)	1,277
Fund balances - beginning	<u>15,543</u>	<u>13,968</u>	<u>4,085</u>	<u>866</u>
Fund balances - ending	<u>\$17,107</u>	<u>\$16,424</u>	<u>\$3,916</u>	<u>\$2,143</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, 2005
 (amounts expressed in thousands)

	Total		
	Budget	Actual	Variance - Positive (Negative)
REVENUES			
Taxes	\$11,179	\$12,589	\$1,410
Charges for services	300	300	0
Special assessments	1,493	2,837	1,344
Miscellaneous	593	884	291
Total revenues	<u>13,565</u>	<u>16,610</u>	<u>3,045</u>
EXPENDITURES			
Debt Service			
Principal retirement	21,236	21,078	158
Interest and fiscal charges	12,166	11,617	549
Bond issuance costs	531	422	109
Total expenditures	<u>33,933</u>	<u>33,117</u>	<u>816</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(20,368)</u>	<u>(16,507)</u>	<u>3,861</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	31,902	32,189	287
Transfers out	(15,046)	(14,982)	64
Bond premium	1,132	1,132	0
Proceeds from long-term debt	29,596	29,596	0
Payment to refunding escrow agent	(27,622)	(27,622)	0
Total other financing sources (uses)	<u>19,962</u>	<u>20,313</u>	<u>351</u>
Net change in fund balance	(406)	3,806	4,212
Fund balances - beginning	<u>31,867</u>	<u>27,073</u>	<u>(4,794)</u>
Fund balances - ending	<u><u>\$31,461</u></u>	<u><u>\$30,879</u></u>	<u><u>\$(582)</u></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, 2005
 (amounts expressed in thousands)

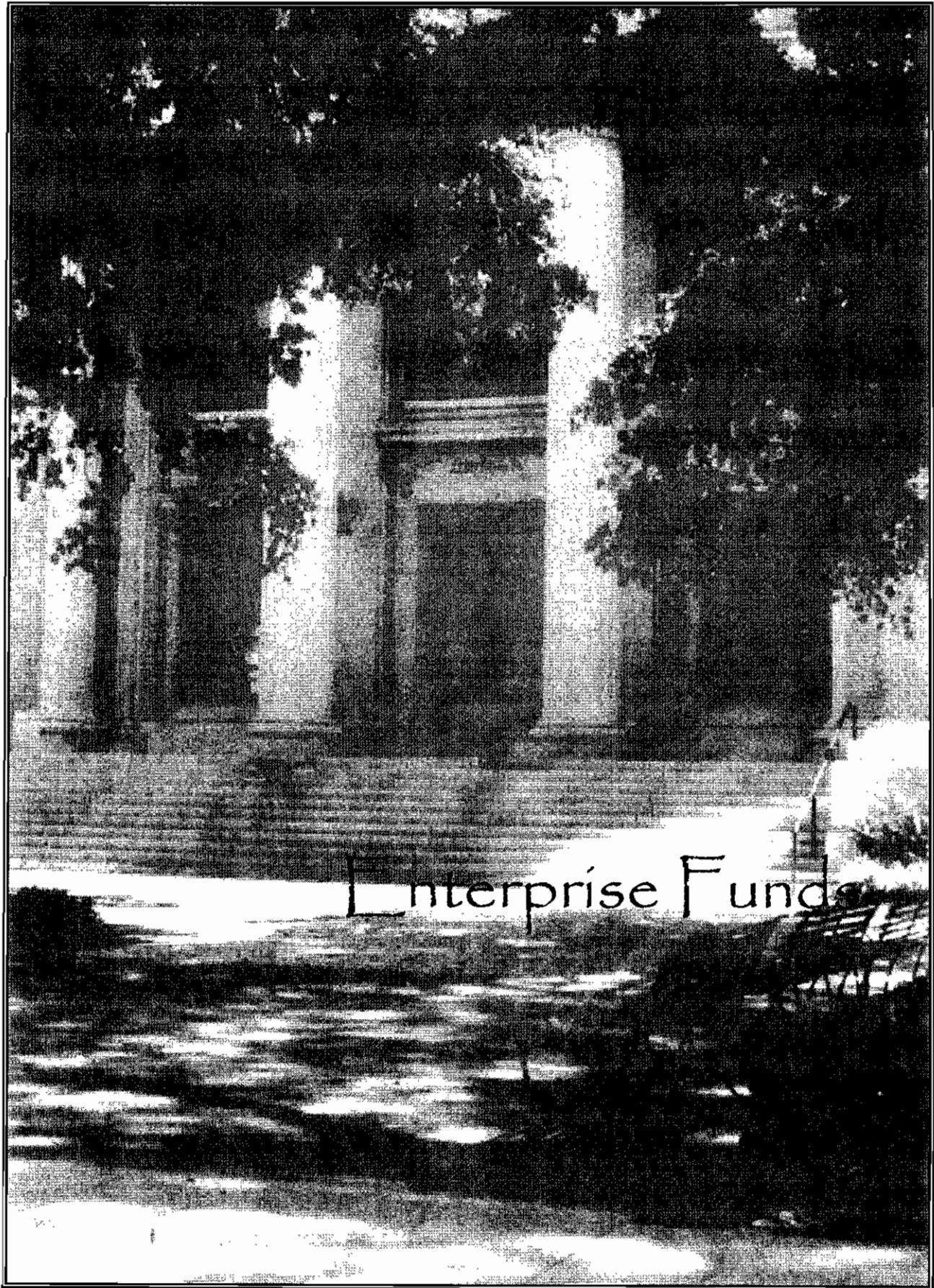
	Non - GAAP Transportation Capital Improvements		Non - GAAP Capital Revenue Bonds- Construction		MSBU Construction Projects	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$6,250	\$6,731				
Intergovernmental	11,344	6,405				
Charges for services		2				
Miscellaneous	7,159	7,916	\$285	\$1,315	\$2	\$2
Total revenues	<u>24,753</u>	<u>21,054</u>	<u>285</u>	<u>1,315</u>	<u>2</u>	<u>2</u>
EXPENDITURES						
Current						
Transportation	12,024	2,944			52	52
Capital Outlay						
General government			51,245	9,329		
Transportation	86,606	23,068			64	64
Debt Service						
Principal retirement					2,416	2,100
Interest and fiscal charges					49	47
Total expenditures	<u>98,630</u>	<u>26,012</u>	<u>51,245</u>	<u>9,329</u>	<u>2,581</u>	<u>2,263</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(73,877)</u>	<u>(4,958)</u>	<u>(50,960)</u>	<u>(8,014)</u>	<u>(2,579)</u>	<u>(2,261)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	6,529	7,699			112	112
Transfers out	(3,593)	(3,460)			(23)	(3)
Proceeds from long-term debt					2,428	2,100
Total other financing sources (uses)	<u>2,936</u>	<u>4,239</u>	<u>0</u>	<u>0</u>	<u>2,517</u>	<u>2,209</u>
Net change in fund balance	(70,941)	(719)	(50,960)	(8,014)	(62)	(52)
Fund balances - beginning	<u>76,608</u>	<u>75,152</u>	<u>50,960</u>	<u>50,960</u>	<u>65</u>	<u>52</u>
Fund balances - ending	<u>\$5,667</u>	<u>\$74,433</u>	<u>\$0</u>	<u>\$42,946</u>	<u>\$3</u>	<u>\$0</u>

See accompanying independent auditors' report.

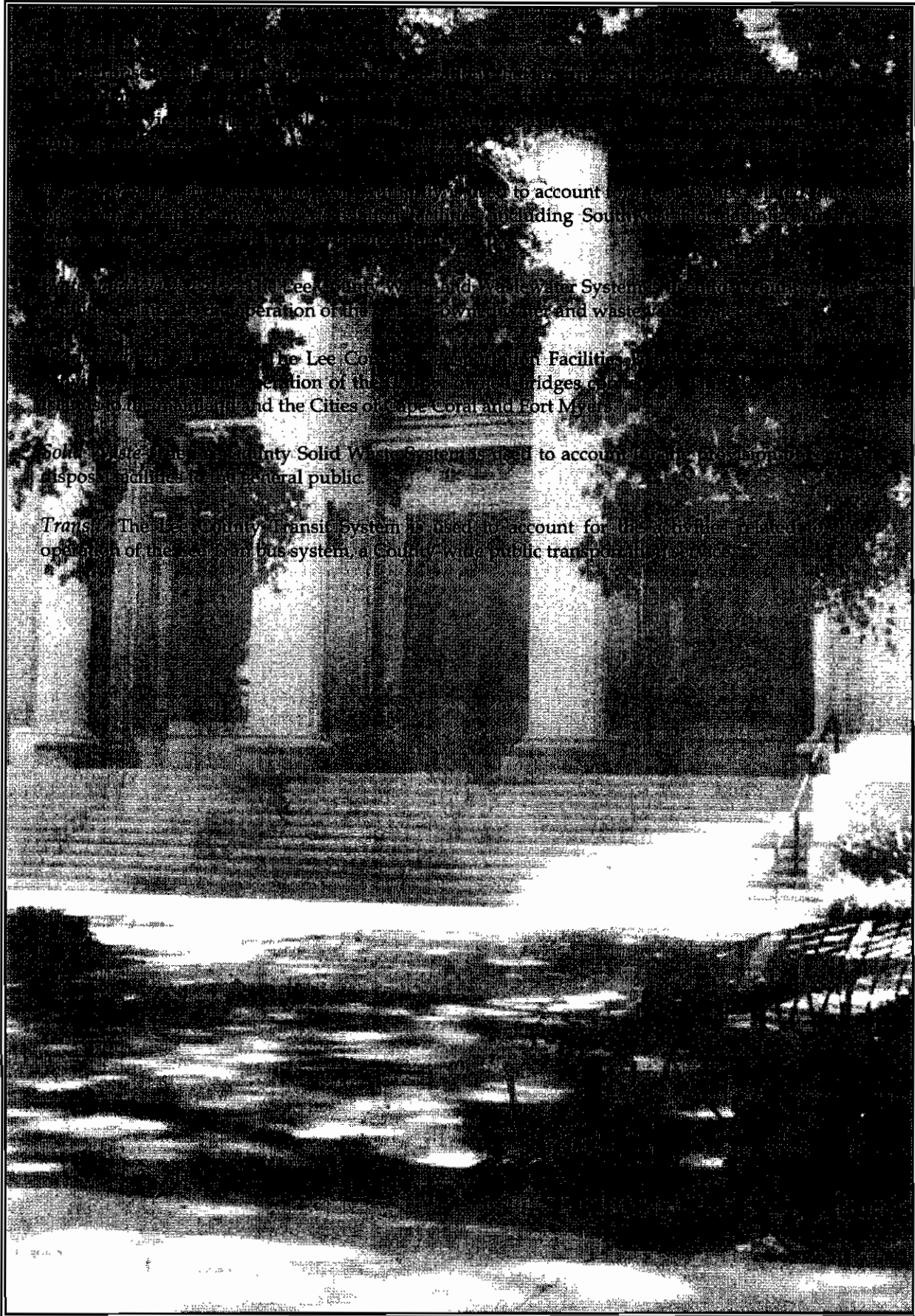
(continued)

Lee County, Florida
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET (Non-GAAP Budgetary Basis) AND ACTUAL
 CAPITAL PROJECTS FUNDS
 For the Year Ended September 30, 2005
 (amounts expressed in thousands)

	Total		
	Budget	Actual	Variance - Positive (Negative)
REVENUES			
Taxes	\$6,250	\$6,731	\$481
Intergovernmental	11,344	6,405	(4,939)
Charges for services		2	2
Miscellaneous	7,446	9,233	1,787
Total revenues	<u>25,040</u>	<u>22,371</u>	<u>(2,669)</u>
EXPENDITURES			
Current			
Transportation	12,076	2,996	9,080
Capital Outlay			
General government	51,245	9,329	41,916
Transportation	86,670	23,132	63,538
Debt Service			
Principal retirement	2,416	2,100	316
Interest and fiscal charges	49	47	2
Total expenditures	<u>152,456</u>	<u>37,604</u>	<u>114,852</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(127,416)</u>	<u>(15,233)</u>	<u>112,183</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,641	7,811	1,170
Transfers out	(3,616)	(3,463)	153
Proceeds from long-term debt	2,428	2,100	(328)
Total other financing sources (uses)	<u>5,453</u>	<u>6,448</u>	<u>995</u>
Net change in fund balance	(121,963)	(8,785)	113,178
Fund balances - beginning	<u>127,633</u>	<u>126,164</u>	<u>(1,469)</u>
Fund balances - ending	<u>\$5,670</u>	<u>\$117,379</u>	<u>\$111,709</u>



Enterprise Funds



Water The Lee County Water and Wastewater System is used to account for the operation of the system, including South County and the Cities of Fort Myers and Cape Coral.

Wastewater The Lee County Water and Wastewater System is used to account for the operation of the system, including South County and the Cities of Fort Myers and Cape Coral.

Lee County Solid Waste System The Lee County Solid Waste System is used to account for the operation of the system, including South County and the Cities of Fort Myers and Cape Coral.

Solid Waste The Lee County Solid Waste System is used to account for the operation of the system, including South County and the Cities of Fort Myers and Cape Coral.

Transit The Lee County Transit System is used to account for the operation of the system, including South County and the Cities of Fort Myers and Cape Coral.

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, 2005
(amounts expressed in thousands)

	Port Authority		Water and Wastewater		Transportation Facilities	
	Budget	Actual	Budget	Actual	Budget	Actual
OPERATING REVENUES						
User fees	\$36,302	\$31,499	\$58,429	\$65,594		
Tolls					\$41,129	\$43,769
Rentals and franchise fees	3,077	3,392	72	93		
Concessions	25,775	29,514				
Miscellaneous	798	170	581	979	128	77
Total operating revenues	65,952	64,575	59,082	66,666	41,257	43,846
Less: Rebates	(2,414)	(302)				
Net operating revenues	63,538	64,273	59,082	66,666	41,257	43,846
OPERATING EXPENSES						
Salaries and wages	14,322	14,309	11,464	11,275	3,963	3,889
Employee benefits	5,514	5,201	4,134	3,907	1,729	1,548
Contractual services, materials, and supplies	13,685	12,848	25,981	14,525	3,271	2,217
Utilities	2,884	2,659	5,455	5,067	404	313
Repairs and maintenance	1,585	1,335	3,764	3,419	1,030	340
Insurance	1,832	1,757	615	615	539	538
Other	15,433	1,554	3,290	3,207	1,211	1,136
Total operating expenses	55,255	39,663	54,703	42,015	12,147	9,981
Operating income (loss)	8,283	24,610	4,379	24,651	29,110	33,865
NON - OPERATING REVENUES (EXPENSES)						
Interest revenue	21,847	6,947	1,903	4,588	921	2,042
Taxes						
Grants		269	53	53	(74)	(48)
Special assessment collections			559	546		
Bond proceeds					98,568	98,568
Other debt proceeds		2,887	336	112	8,000	
Interest expense	(23,495)	(22,754)	(9,482)	(9,482)	(7,866)	(7,865)
Capital outlay	(242,419)	(97,581)	(123,095)	(52,115)	(119,522)	(35,128)
Principal retirement	(7,500)	(7,500)	(6,247)	(5,587)	(11,338)	(11,338)
Payment to refunding escrow agent					(30,695)	(30,695)
Proceeds from disposal of PP&E		14		181		3
Passenger facility charges	14,350	15,615				
Other - Hurricane expenses						
Other revenues	21	1,079	178	440	285	229
Other expenses	(15)	(14)	(39)	(38)	(137)	(136)
Total non - operating revenues (expenses)	(237,211)	(101,038)	(135,834)	(61,302)	(61,858)	15,632
Income (loss) before contributions, special item and transfers	(228,928)	(76,428)	(131,455)	(36,651)	(32,748)	49,497
Capital contributions	64,212	12,434	17,679	22,768		
Transfers in	102,837	57,530	32,122	35,814	81,389	80,079
Transfers out	(100,103)	(57,530)	(35,815)	(35,814)	(82,904)	(82,858)
Total contributions and transfers	66,946	12,434	13,986	22,768	(1,515)	(2,779)
Change in net assets	(161,982)	(63,994)	(117,469)	(13,883)	(34,263)	46,718
Total net assets - beginning	221,523	175,226	150,497	192,958	49,283	55,623
Total net assets - ending	\$59,541	\$111,232	\$33,028	\$179,075	\$15,020	\$102,341
RECONCILIATION OF BUDGETARY BASIS TO GAAP						
Change in net assets, budgetary basis		(\$63,994)		(\$13,883)		\$46,718
Add: Capital outlay		97,581		52,115		35,128
Principal retirement		7,500		5,587		11,338
Payment to escrow agent						30,695
Capitalized interest		14,918				459
Capital contributions				9,431		
Inventory adjustments		172				149
Fixed asset transfers				617		785
Other revenues						
Less: Depreciation and amortization		(9,983)		(20,452)		(4,727)
Compensated absences		(165)		(93)		(24)
Fair market value adjustment		(763)		(199)		(75)
Amortization of discount and issuance costs		(933)		(795)		(1,667)
Special assessment collections				(546)		
Bond proceeds						(98,568)
Other debt proceeds		(2,887)		(112)		
Net book value of PP&E disposed		(8)		(8)		(1)
Change in net assets		\$41,438		\$31,662		\$20,210

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
 ENTERPRISE FUNDS
 For the Year Ended September 30, 2005
 (amounts expressed in thousands)

	Solid Waste		Other Non-Major Transit		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	Budget	Actual	
OPERATING REVENUES							
User fees	\$48,192	\$53,159	\$1,937	\$2,520	\$144,860	\$152,772	\$7,912
Tolls					41,129	43,769	2,640
Rentals and franchise fees	907	907	11	11	4,067	4,403	336
Concessions					25,775	29,514	3,739
Miscellaneous	7,872	9,645		1	9,379	10,872	1,493
Total operating revenues	56,971	63,711	1,948	2,532	225,210	241,330	16,120
Less: Rebates					(2,414)	(302)	2,112
Net operating revenues	56,971	63,711	1,948	2,532	222,796	241,028	18,232
OPERATING EXPENSES							
Salaries and wages	2,138	1,737	7,202	7,182	39,089	38,392	697
Employee benefits	640	640	3,216	3,216	15,233	14,512	721
Contractual services, materials, and supplies	33,269	32,530	3,407	2,992	79,613	65,112	14,501
Utilities	1,761	1,546	171	162	10,675	9,747	928
Repairs and maintenance	230	230	1,000	1,000	7,609	6,324	1,285
Insurance	39	14	158	158	3,183	3,082	101
Other	1,103	1,103	683	594	21,220	7,594	14,126
Total operating expenses	39,180	37,800	15,837	15,304	177,122	144,763	32,359
Operating income (loss)	17,791	25,911	(13,889)	(12,772)	45,674	96,265	50,591
NON - OPERATING REVENUES (EXPENSES)							
Interest revenue	1,166	2,983	63	108	25,900	16,668	(9,232)
Taxes	1,768	1,801			1,768	1,801	33
Grants	(90)	974	3,564	3,563	3,453	4,811	1,358
Special assessments collections					559	546	(13)
Bond proceeds					98,568	98,568	0
Other debt proceeds				3,000	8,336	5,999	(2,337)
Interest expense	(7,094)	(7,094)	(2)	(2)	(47,939)	(47,197)	742
Capital outlay	(47,946)	(25,010)	(3,338)	(897)	(536,320)	(210,731)	325,589
Principal retirement	(11,409)	(11,409)			(36,494)	(35,834)	660
Payment to refunding escrow agent					(30,695)	(30,695)	0
Proceeds from disposal of PP&E		2	17	51	17	251	234
Passenger facility charges					14,350	15,615	1,265
Other - Hurricane expenses		(1,118)				(1,118)	(1,118)
Other revenues			9	10	493	1,758	1,265
Other expenses	(18)	(6)			(209)	(194)	15
Total non - operating revenues (expenses)	(63,623)	(38,877)	313	5,833	(498,213)	(179,752)	318,461
Income (loss) before contributions, special item and transfers	(45,832)	(12,966)	(13,576)	(6,939)	(452,539)	(83,487)	369,052
Capital contributions				1,304	81,891	36,506	(45,385)
Transfers in	25,355	25,486	5,597	7,345	247,300	206,254	(41,046)
Transfers out	(25,355)	(25,330)	7,310		(236,867)	(201,532)	35,335
Total contributions, special item, and transfers	0	156	12,907	8,649	92,324	41,228	(51,096)
Change in net assets	(45,832)	(12,810)	(669)	1,710	(360,215)	(42,259)	317,956
Total net assets - beginning	120,011	141,222	3,057	4,057	544,371	569,086	24,715
Total net assets - ending	\$74,179	\$128,412	\$2,388	\$5,767	\$184,156	\$526,827	\$342,671
RECONCILIATION OF BUDGETARY BASIS TO GAAP							
Change in net assets, budgetary basis		(\$12,810)		\$1,710		(\$42,259)	
Add: Capital outlay		25,010		897		210,731	
Principal retirement		11,409				35,834	
Payment to escrow agent						30,695	
Capitalized interest		787				16,164	
Capital contributions		7				9,438	
Inventory adjustments						321	
Fixed asset transfers		2		6		1,410	
Other revenues				3		3	
Less: Depreciation and amortization		(6,986)		(1,601)		(43,749)	
Compensated absences		(19)		(125)		(426)	
Fair market value adjustment		(7)		(3)		(1,047)	
Amortization of discount and issuance costs		(618)				(4,013)	
Special assessment collections						(546)	
Bond proceeds						(98,568)	
Other debt proceeds				(3,000)		(5,999)	
Net book value of PP&E disposed		(28)				(45)	
Change in net assets		\$16,747		(\$2,113)		\$107,944	



Internal Service Funds



Operating the County... Operating the County... billed to other... and additional...

... for the costs... billed to other... plus amounts for equipment replacement and additional...

Health and Dental To account for the assessed premiums... for group health and dental insurance... at estimated cost of operations.

Liability To account for the assessed premiums... including auto liability, workers' compensation and property liability. Such costs are billed to other departments and agencies at estimated cost of operations.

Equipment 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 additional...

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, 2005
(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 cash equivalents	\$5,287	\$4,892	\$12,354	\$9,938	\$20,881	\$2,501	\$55,853
Restricted assets					303		303
Receivables (net)	13	94	311	31	102		551
Due from other funds		53					53
Inventories					229		229
Other					2		2
Total current assets	5,300	5,039	12,665	9,969	21,517	2,501	56,991
Noncurrent Assets:							
Restricted assets					41		41
Capital assets:							
Non-depreciable	817				510		1,327
Depreciable	7,751	8,664	1	32	12,069		28,517
Less accumulated depreciation	(6,183)	(6,811)	(1)	(14)	(8,412)		(21,421)
Intangible assets (net)	270						270
Unamortized bond costs (net)					18		18
Total noncurrent assets	2,655	1,853	0	18	4,226	0	8,752
Total assets	7,955	6,892	12,665	9,987	25,743	2,501	65,743
LIABILITIES							
Current liabilities:							
Contracts and accounts payable	907	114	353	109	184		1,667
Accrued liabilities	3	10	10	8	36		67
Due to other governments	2	4	5	4	16		31
Self-insurance claims payable			2,512	1,082		2,499	6,093
Compensated absences	1	4	2	1	11		19
Current liabilities payable from restricted assets:							
Accrued liabilities					49		49
Revenue bonds - current					254		254
Total current liabilities	913	132	2,882	1,204	550	2,499	8,180
Noncurrent liabilities:							
Self-insurance claims payable				8,498			8,498
Compensated absences	5	29	27	14	113		188
Revenue bonds payable					1,609		1,609
Total noncurrent liabilities	5	29	27	8,512	1,722	0	10,295
Total liabilities	918	161	2,909	9,716	2,272	2,499	18,475
NET ASSETS							
Invested in capital assets, net of related debt	2,385	1,853		19	2,320		6,577
Restricted for debt service					296		296
Unrestricted	4,652	4,878	9,756	252	20,855	2	40,395
Total net assets	\$7,037	\$6,731	\$9,756	\$271	\$23,471	\$2	\$47,268

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, 2005
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self - Insurance		Fleet Management	Sheriff's Internal Service	Total
			Group Health and Dental	General Liability			
OPERATING REVENUES							
User fees	\$15,094	\$1,788	\$28,890	\$8,203	\$10,700	\$12,394	\$77,069
Total operating revenues	15,094	1,788	28,890	8,203	10,700	12,394	77,069
OPERATING EXPENSES							
Salaries and wages	82	257	309	293	1,175		2,116
Employee benefits	19	71	91	79	446		706
Contractual services, materials and supplies	8,616	46	3,093	516	2,447	869	15,587
Utilities	2,931	200		4	64		3,199
Repairs and maintenance	398	712		6	1,443		2,559
Insurance		1		699	9	867	1,576
Insurance claims			23,744	6,049		11,111	40,904
Other	360	106	85	59	73		683
Depreciation	1,105	311	0	3	1,032		2,451
Total operating expenses	13,511	1,704	27,322	7,708	6,689	12,847	69,781
Operating income (loss)	1,583	84	1,568	495	4,011	(453)	7,288
NON-OPERATING REVENUES (EXPENSES)							
Interest revenue	174	123	266	292	490	58	1,403
Interest expense					(152)		(152)
Grants		(60)		12	37		(11)
Gain (loss) on disposal of fixed assets	609			(1)	397		1,005
Other revenues		193	133	2	3		331
Other expenses					(1)		(1)
Total non-operating revenues (expenses)	783	256	399	305	774	58	2,575
Income (loss) before transfers	2,366	340	1,967	800	4,785	(395)	9,863
Transfers in	13		1,057		64		1,134
Transfers out	(51)	(2)			(16)		(69)
Total transfers	(38)	(2)	1,057	0	48	0	1,065
Change in net assets	2,328	338	3,024	800	4,833	(395)	10,928
Total net assets - beginning	4,709	6,393	6,732	(529)	18,638	397	36,340
Total net assets - ending	\$7,037	\$6,731	\$9,756	\$271	\$23,471	\$2	\$47,268

See accompanying independent auditors' report.

Lee County, Florida
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended September 30, 2005
 (amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$339	\$1,434	\$5,604	\$262	\$124		\$7,763
Receipts from interfund services provided	15,085	733	23,730	8,200	10,587	\$12,894	71,229
Payments to suppliers	(12,674)	(853)	(26,684)	(6,700)	(3,815)	(12,770)	(63,496)
Payments to employees	(94)	(291)	(352)	(348)	(1,368)		(2,453)
Payments for interfund services used	(350)	(205)	(42)	(46)	(417)		(1,060)
Net cash provided by operating activities	2,306	818	2,256	1,368	5,111	124	11,983
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non-capital grant				12			12
Transfers in			1,057				1,057
Net cash provided by noncapital financing activities	0	0	1,057	12	0	0	1,069
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Additions to fixed assets	(1,917)	(86)			(909)		(2,912)
Principal paid on bonds, loans, leases, and interfund loans					(280)		(280)
Interest paid on bonds, loans, leases, and interfund loans					(105)		(105)
Proceeds from sale of fixed assets	612				519		1,131
Net cash provided by (used in) capital and related financing	(1,305)	(86)	0	0	(775)	0	(2,166)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	175	123	265	290	486	58	1,397
Net cash provided by investing activities	175	123	265	290	486	58	1,397
Net increase in cash and cash equivalents	1,176	855	3,578	1,670	4,822	182	12,283
Cash and equivalents at beginning of year	4,111	4,037	8,776	8,268	16,403	2,319	43,914
Cash and equivalents at end of year	\$5,287	\$4,892	\$12,354	\$9,938	\$21,225	\$2,501	\$56,197
Classified as:							
Current assets	\$5,287	\$4,892	\$12,354	\$9,938	\$20,881	\$2,501	\$55,853
Restricted assets					344		344
Totals	\$5,287	\$4,892	\$12,354	\$9,938	\$21,225	\$2,501	\$56,197
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
(Decrease) in fair value of investments	(\$6)	(\$7)	(\$17)	(\$17)	(\$31)	\$0	(\$78)

See accompanying independent auditors' report.

(continued)

Lee County, Florida
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2005
(amounts expressed in thousands)

	Information Technology	Governmental Communications Network	Self-Insurance Group Health and Dental	Self-Insurance General Liability	Fleet Management	Sheriff Internal Service Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$1,583	\$84	\$1,568	\$495	\$4,011	(\$453)	\$7,288
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:							
Depreciation	1,105	311		3	1,032		2,451
Other revenues		193	133	2	3		331
Other expenses		(60)					(60)
(Increase) decrease in accounts receivable	331	204	311	257	(2)		1,101
(Increase) decrease in due from other funds		(18)			10	500	492
Decrease in inventories					23		23
(Increase) decrease in other assets	17				(1)		16
Increase (decrease) in contracts and accounts payable	(730)	98	(41)	(14)	27		(660)
Increase (decrease) in accrued liabilities		2	4	(1)	(2)		3
(Decrease) in due to other funds				(495)			(495)
Increase in due to other governments		1	2		1		4
Increase (decrease) in compensated absences		3		(7)	9		5
Increase in other liabilities			279	1,128		77	1,484
Total adjustments	723	734	688	873	1,100	577	4,695
Net cash provided by operating activities	\$2,306	\$818	\$2,256	\$1,368	\$5,111	\$124	\$11,983

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, 2005
 (dollars expressed in thousands)

	Information Technology		Governmental Communications Network	
	Budget	Actual	Budget	Actual
OPERATING REVENUES				
User fees	\$14,840	\$15,094	\$1,528	\$1,788
Total operating revenues	<u>14,840</u>	<u>15,094</u>	<u>1,528</u>	<u>1,788</u>
OPERATING EXPENSES				
Salaries and wages	82	81	254	254
Employee benefits	19	19	71	71
Contractual services, materials, and supplies	8,929	8,616	99	47
Utilities	3,011	2,931	218	200
Repairs and maintenance	428	398	836	712
Insurance			1	1
Insurance claims				
Other	346	360	60	106
Total operating expenses	<u>12,815</u>	<u>12,405</u>	<u>1,539</u>	<u>1,391</u>
Operating income (loss)	<u>2,025</u>	<u>2,689</u>	<u>(11)</u>	<u>397</u>
NON - OPERATING REVENUES (EXPENSES)				
Interest revenue	(50)	179	53	130
Interest expense	(10)			
Grants			(60)	(60)
Capital outlay	(2,828)	(1,305)	(86)	(86)
Principal retirement				
Proceeds from disposal of PP&E				
Other revenues			82	192
Other expenses				
Total non - operating revenues (expenses)	<u>(2,888)</u>	<u>(1,126)</u>	<u>(11)</u>	<u>176</u>
Income (loss) before operating transfers	<u>(863)</u>	<u>1,563</u>	<u>(22)</u>	<u>573</u>
Transfers in				
Transfers out				
Total transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	<u>(863)</u>	<u>1,563</u>	<u>(22)</u>	<u>573</u>
Total net assets - beginning	<u>2,832</u>	<u>5,063</u>	<u>4,344</u>	<u>3,459</u>
Total net assets - ending	<u>\$1,969</u>	<u>\$6,626</u>	<u>\$4,322</u>	<u>\$4,032</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP				
Change in net assets, budgetary basis		\$1,563		\$573
Add: Capital outlay		1,917		86
Compensated absences				
Principal retirement				
Fixed asset transfers		13		
Less: Depreciation and amortization		(1,105)		(311)
Fair market value adjustment		(6)		(7)
Inventory				
Compensated absences				(2)
Amortization of discount and issuance costs				
Net book value of PP&E disposed		(3)		
Claims payable reserve				
Fixed asset transfers		(51)		(1)
Change in net assets		<u>\$2,328</u>		<u>\$338</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, 2005
(dollars expressed in thousands)

	Self-Insurance Group Health and Dental		Self-Insurance General Liability	
	Budget	Actual	Budget	Actual
OPERATING REVENUES				
User fees	\$26,055	\$28,890	\$4,231	\$8,203
Total operating revenues	<u>26,055</u>	<u>28,890</u>	<u>4,231</u>	<u>8,203</u>
OPERATING EXPENSES				
Salaries and wages	310	309	301	301
Employee benefits	102	91	100	79
Contractual services, materials, and supplies	3,668	3,092	762	516
Utilities			4	4
Repairs and maintenance	1		6	5
Insurance			3,348	3,322
Insurance claims	26,474	23,466	3,586	2,298
Other	135	85	91	59
Total operating expenses	<u>30,690</u>	<u>27,043</u>	<u>8,198</u>	<u>6,584</u>
Operating income (loss)	<u>(4,635)</u>	<u>1,847</u>	<u>(3,967)</u>	<u>1,619</u>
NON - OPERATING REVENUES (EXPENSES)				
Interest revenue	70	283	75	309
Interest expense				
Grants				13
Capital outlay	(1)		(122)	
Principal retirement				
Proceeds from disposal of PP&E				
Other revenues		133		2
Other expenses				
Total non - operating revenues (expenses)	<u>69</u>	<u>416</u>	<u>(47)</u>	<u>324</u>
Income (loss) before operating transfers	<u>(4,566)</u>	<u>2,263</u>	<u>(4,014)</u>	<u>1,943</u>
Transfers in		1,057		
Transfers out				
Total transfers	<u>0</u>	<u>1,057</u>	<u>0</u>	<u>0</u>
Change in net assets	(4,566)	3,320	(4,014)	1,943
Total net assets - beginning	<u>8,434</u>	<u>10,217</u>	<u>6,969</u>	<u>5,664</u>
Total net assets - ending	<u>\$3,868</u>	<u>\$13,537</u>	<u>\$2,955</u>	<u>\$7,607</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP				
Change in net assets, budgetary basis		\$3,320		\$1,943
Add: Capital outlay				
Compensated absences				6
Principal retirement				
Fixed asset transfers				
Less: Depreciation and amortization				(4)
Fair market value adjustment		(17)		(17)
Inventory				
Compensated absences		(1)		
Amortization of discount and issuance costs				
Net book value of PP&E disposed				
Claims payable reserve		(278)		(1,128)
Fixed asset transfers				
Change in net assets		<u>\$3,024</u>		<u>\$800</u>

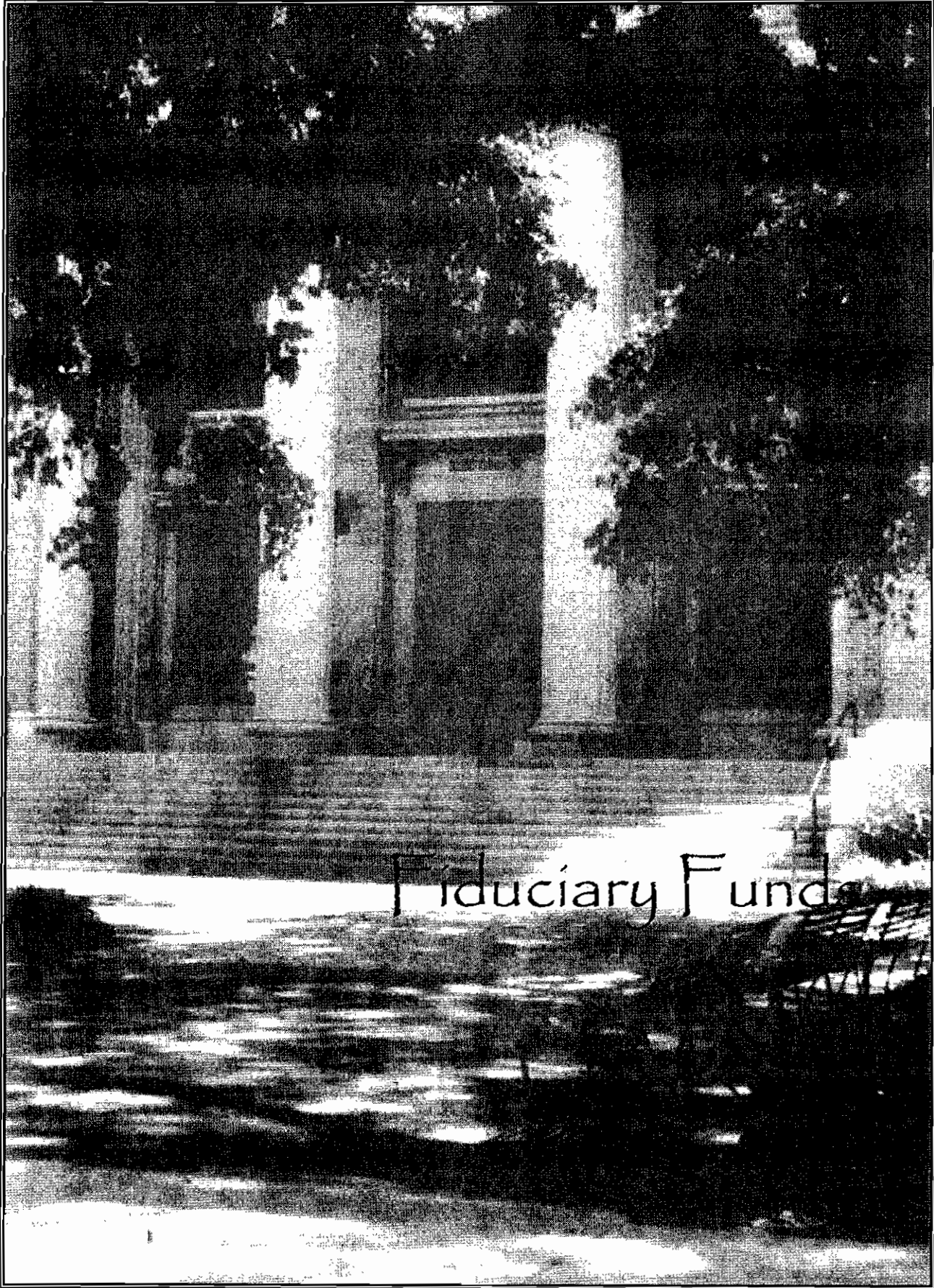
(continued)

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, 2005
(dollars expressed in thousands)

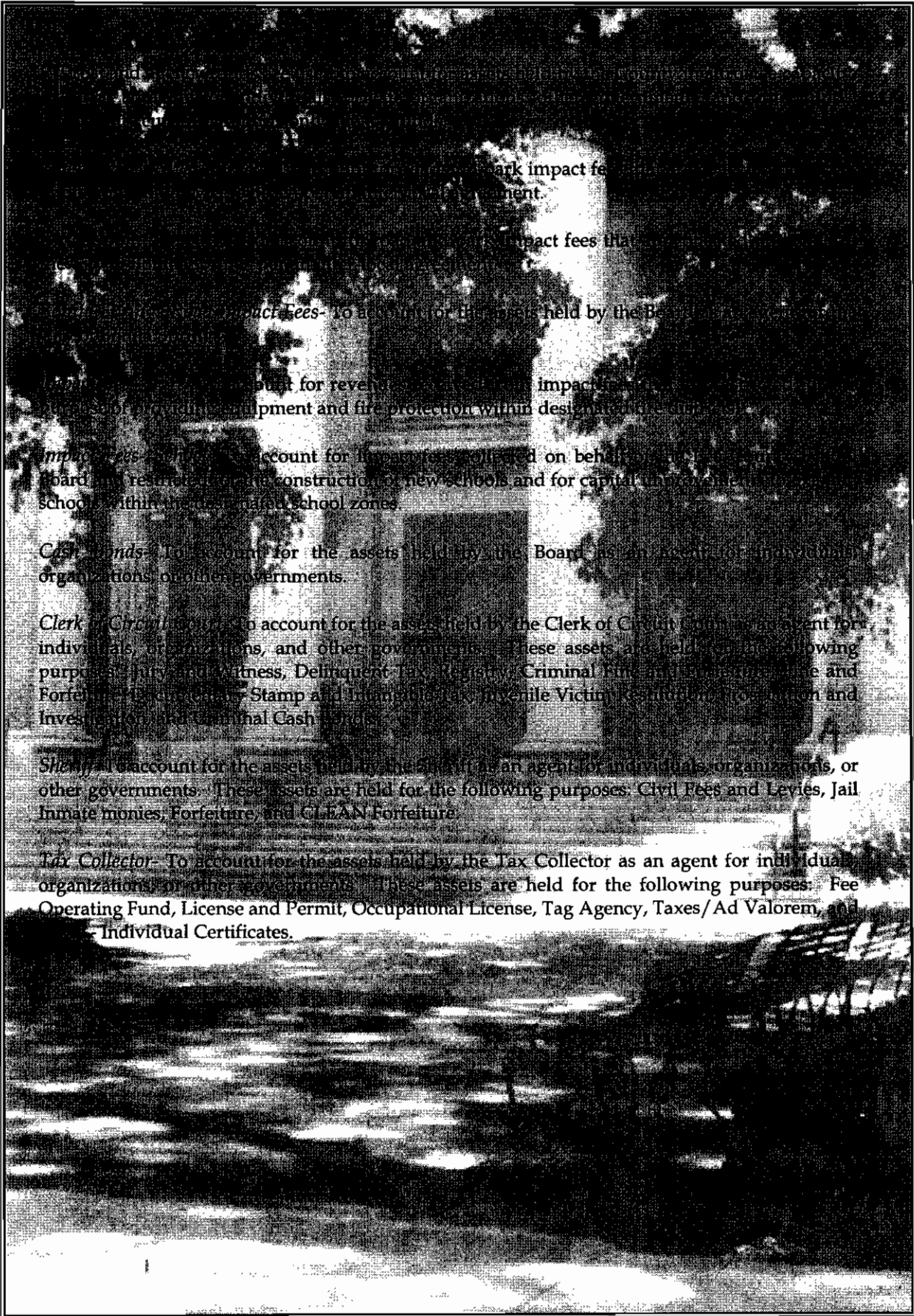
	Fleet Management		Total		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	
OPERATING REVENUES					
User fees	\$10,595	\$10,700	\$57,249	\$64,675	\$7,426
Total operating revenues	<u>10,595</u>	<u>10,700</u>	<u>57,249</u>	<u>64,675</u>	<u>7,426</u>
OPERATING EXPENSES					
Salaries and wages	1,264	1,166	2,211	2,111	100
Employee benefits	475	446	767	706	61
Contractual services, materials, and supplies	2,448	2,447	15,906	14,718	1,188
Utilities	81	64	3,314	3,199	115
Repairs and maintenance	1,420	1,420	2,691	2,535	156
Insurance	9	10	3,358	3,333	25
Insurance claims			30,060	25,764	4,296
Other	169	73	801	683	118
Total operating expenses	<u>5,866</u>	<u>5,626</u>	<u>59,108</u>	<u>53,049</u>	<u>6,059</u>
Operating income (loss)	<u>4,729</u>	<u>5,074</u>	<u>(1,859)</u>	<u>11,626</u>	<u>13,485</u>
NON - OPERATING REVENUES (EXPENSES)					
Interest revenue	129	520	277	1,421	1,144
Interest expense	(103)	(98)	(113)	(98)	15
Grants		37	(60)	(10)	50
Capital outlay	(1,152)	(909)	(4,189)	(2,300)	1,889
Principal retirement	(295)	(280)	(295)	(280)	15
Proceeds from disposal of PP&E	300	519	300	519	219
Other revenues		3	82	330	248
Other expenses	(1)	(1)	(1)	(1)	0
Total non - operating revenues (expenses)	<u>(1,122)</u>	<u>(209)</u>	<u>(3,999)</u>	<u>(419)</u>	<u>3,580</u>
Income (loss) before operating transfers	<u>3,607</u>	<u>4,865</u>	<u>(5,858)</u>	<u>11,207</u>	<u>17,065</u>
Transfers in	400	389	400	1,446	1,046
Transfers out	(400)	(389)	(400)	(389)	11
Total transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,057</u>	<u>1,057</u>
Change in net assets	<u>3,607</u>	<u>4,865</u>	<u>(5,858)</u>	<u>12,264</u>	<u>18,122</u>
Total net assets - beginning	<u>15,977</u>	<u>16,672</u>	<u>38,556</u>	<u>41,075</u>	<u>2,519</u>
Total net assets - ending	<u>\$19,584</u>	<u>\$21,537</u>	<u>\$32,698</u>	<u>\$53,339</u>	<u>\$20,641</u>
RECONCILIATION OF BUDGETARY BASIS TO GAAP					
Change in net assets, budgetary basis		\$4,865		\$12,264	
Add: Capital outlay		909		2,912	
Compensated absences				6	
Principal retirement		280		280	
Fixed asset transfers		47		60	
Less: Depreciation and amortization		(1,031)		(2,451)	
Fair market value adjustment		(31)		(78)	
Inventory		(23)		(23)	
Compensated absences		(9)		(12)	
Amortization of discount and issuance costs		(52)		(52)	
Net book value of PP&E disposed		(122)		(125)	
Claims payable reserve				(1,406)	
Fixed asset transfers				(52)	
Change in net assets		<u>\$4,833</u>		<u>\$11,323</u>	



This page is intentionally blank.



Fiduciary Funds



Mark Impact Fees - To account for the assets held by the Board as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Mark Impact Fees that are levied on new residential construction.

Impact Fees - To account for the assets held by the Board as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Impact fees that are levied on new residential construction.

Impact Fees - To account for the assets held by the Board as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Impact fees that are levied on new residential construction.

Impact Fees - To account for the assets held by the Board as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Impact fees that are levied on new residential construction.

Impact Fees - To account for the assets held by the Board as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Impact fees that are levied on new residential construction.

Cash Funds - To account for the assets held by the Board as an agent for individuals, organizations, or other governments. These assets are held for the following purposes: Cash funds that are held for various purposes.

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, Deed, Copy Stamp and Imposable Tax, Juvenile Victim, Residual, Provision and Investment, and Criminal Cash Funds.

Sherrif - To account for the assets held by the Sherrif 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 Individual Certificates.

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Agency Funds			
	Board Of County Commissioners			
	Town of Ft. Myers Beach	City of Bonita Springs	Bonita Springs Road Impact Fees	Fire Impact Fees
ASSETS				
Cash and cash equivalents	\$13	\$1,739	\$6,710	\$2,221
Investments				
Accounts receivable (net)		8		7
Due from other governments				
Total assets	<u>13</u>	<u>1,747</u>	<u>6,710</u>	<u>2,228</u>
LIABILITIES				
Contracts and accounts payable			1	
Due to individuals				
Due to other governments	13	1,747	6,709	2,228
Bonds and deposits				
Total liabilities	<u>\$13</u>	<u>\$1,747</u>	<u>\$6,710</u>	<u>\$2,228</u>

See accompanying independent auditors' report.

(continued)

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Agency Funds		
	Board Of County Commissioners		Clerk of Circuit Court
	School Impact Fees	Cash Bonds	
ASSETS			
Cash and cash equivalents	\$16,921	\$3,623	\$38,670
Investments			
Accounts receivable (net)	37		
Due from other governments	1,717		
Total assets	<u>18,675</u>	<u>3,623</u>	<u>38,670</u>
LIABILITIES			
Contracts and accounts payable		27	387
Due to individuals	200		
Due to other governments	18,475		7,257
Bonds and deposits		3,596	31,026
Total liabilities	<u>\$18,675</u>	<u>\$3,623</u>	<u>\$38,670</u>

(continued)

Lee County, Florida
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 As of September 30, 2005
 (amounts expressed in thousands)

	Agency Funds		
	Sheriff	Tax Collector	Total
ASSETS			
Cash and cash equivalents	\$194	\$8,349	\$78,440
Investments		780	780
Accounts receivable (net)		16	68
Due from other governments		393	2,110
Total assets	194	9,538	81,398
LIABILITIES			
Contracts and accounts payable	36		451
Due to individuals	158	790	1,148
Due to other governments		8,748	45,177
Bonds and deposits			34,622
Total liabilities	\$194	\$9,538	\$81,398

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

For the Year Ended September 30, 2005
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Town of Ft. Myers Beach</i>				
ASSETS				
Cash and cash equivalents	\$12	\$515	\$514	\$13
Total assets	<u>12</u>	<u>515</u>	<u>514</u>	<u>13</u>
LIABILITIES				
Due to other governments	<u>12</u>	<u>545</u>	<u>544</u>	<u>13</u>
Total liabilities	<u>12</u>	<u>545</u>	<u>544</u>	<u>13</u>
<i>City of Bonita Springs</i>				
ASSETS				
Cash and cash equivalents	999	8,024	7,284	1,739
Accounts receivable (net)	<u>4</u>	<u>8</u>	<u>4</u>	<u>8</u>
Total assets	<u>1,003</u>	<u>8,032</u>	<u>7,288</u>	<u>1,747</u>
LIABILITIES				
Due to other governments	<u>1,003</u>	<u>7,842</u>	<u>7,098</u>	<u>1,747</u>
Total liabilities	<u>1,003</u>	<u>7,842</u>	<u>7,098</u>	<u>1,747</u>
<i>Bonita Springs Road Impact Fees</i>				
ASSETS				
Cash and cash equivalents	4,177	9,297	6,764	6,710
Total assets	<u>4,177</u>	<u>9,297</u>	<u>6,764</u>	<u>6,710</u>
LIABILITIES				
Contracts and accounts payable		2,151	2,150	1
Due to other governments	<u>4,177</u>	<u>2,532</u>		<u>6,709</u>
Total liabilities	<u>4,177</u>	<u>4,683</u>	<u>2,150</u>	<u>6,710</u>
<i>Fire Impact Fees</i>				
ASSETS				
Cash and cash equivalents	1,186	7,796	6,761	2,221
Accounts receivable (net)	<u>5</u>	<u>7</u>	<u>5</u>	<u>7</u>
Total assets	<u>1,191</u>	<u>7,803</u>	<u>6,766</u>	<u>2,228</u>
LIABILITIES				
Due to other governments	<u>1,191</u>	<u>6,610</u>	<u>5,573</u>	<u>2,228</u>
Total liabilities	<u>1,191</u>	<u>6,610</u>	<u>5,573</u>	<u>2,228</u>
<i>School Impact Fees</i>				
ASSETS				
Cash and cash equivalents	11,594	45,368	40,041	16,921
Accounts receivable (net)	<u>17</u>	<u>37</u>	<u>17</u>	<u>37</u>
Due from other governments		1,717		1,717
Total assets	<u>11,611</u>	<u>47,122</u>	<u>40,058</u>	<u>18,675</u>
LIABILITIES				
Due to individuals	200			200
Due to other governments	<u>11,411</u>	<u>56,259</u>	<u>49,195</u>	<u>18,475</u>
Total liabilities	<u>\$11,611</u>	<u>\$56,259</u>	<u>\$49,195</u>	<u>\$18,675</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, 2005
(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Cash Bonds</i>				
ASSETS				
Cash and cash equivalents	\$1,824	\$2,969	\$1,170	\$3,623
Total assets	<u>1,824</u>	<u>2,969</u>	<u>1,170</u>	<u>3,623</u>
LIABILITIES				
Contracts and accounts payable		1,146	1,119	27
Bonds and deposits	1,824	3,168	1,396	3,596
Total liabilities	<u>1,824</u>	<u>4,314</u>	<u>2,515</u>	<u>3,623</u>
<i>Clerk of Circuit Court</i>				
ASSETS				
Cash and cash equivalents	36,211	424,425	421,966	38,670
Total assets	<u>36,211</u>	<u>424,425</u>	<u>421,966</u>	<u>38,670</u>
LIABILITIES				
Contracts and accounts payable	74	81,895	81,582	387
Due to other funds	210		210	0
Due to other governments	3,398	272,691	268,832	7,257
Bonds and deposits	32,529	74,135	75,638	31,026
Total liabilities	<u>36,211</u>	<u>428,721</u>	<u>426,262</u>	<u>38,670</u>
<i>Sheriff</i>				
ASSETS				
Cash and cash equivalents	798	52	656	194
Total assets	<u>798</u>	<u>52</u>	<u>656</u>	<u>194</u>
LIABILITIES				
Contracts and accounts payable		36		36
Due to individuals	494	4,558	4,894	158
Due to other funds	296	505	801	0
Due to other governments	8		8	0
Total liabilities	<u>\$798</u>	<u>\$5,099</u>	<u>\$5,703</u>	<u>\$194</u>

(continued)

Lee County, Florida
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2005
(amounts expressed in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<i>Tax Collector</i>				
ASSETS				
Cash and cash equivalents	\$10,648	\$1,098,692	\$1,100,991	\$8,349
Investments		780		780
Accounts receivable (net)	24	85	93	16
Due from other governments	104	512	223	393
Total assets	<u>10,776</u>	<u>1,100,069</u>	<u>1,101,307</u>	<u>9,538</u>
LIABILITIES				
Due to individuals	1,345		555	790
Due to other funds	652	334,578	335,230	0
Due to other governments	8,779	721,941	721,972	8,748
Total liabilities	<u>10,776</u>	<u>1,056,519</u>	<u>1,057,757</u>	<u>9,538</u>
<i>Total</i>				
ASSETS				
Cash and cash equivalents	67,449	1,597,138	1,586,147	78,440
Investments	0	780		780
Accounts receivable (net)	50	137	119	68
Due from other governments	104	2,229	223	2,110
Total assets	<u>67,603</u>	<u>1,600,284</u>	<u>1,586,489</u>	<u>81,398</u>
LIABILITIES				
Contracts and accounts payable	74	85,228	84,851	451
Due to individuals	2,039	4,558	5,449	1,148
Due to other funds	1,158	335,083	336,241	0
Due to other governments	29,979	1,068,420	1,053,222	45,177
Bonds and deposits	34,353	77,303	77,034	34,622
Total liabilities	<u>\$67,603</u>	<u>\$1,570,592</u>	<u>\$1,556,797</u>	<u>\$81,398</u>

Statistical Section



Financial Section

(continued)

The magnitude of each of these details is determined in a context for understanding Lee County's overall financial health.

Government

Revenue – These schedules provide trend information to help the reader assess the County's revenue sources and how they have changed over time. Revenue sources include property taxes, sales taxes, and other taxes.

Revenue Commitments – These schedules provide information to help the reader assess the County's revenue commitments, including property taxes, sales taxes, and other taxes.

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 incur additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the County's economic environment within which it operates and the activities it performs.

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 Five Fiscal Years
(dollars in thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$479,665	\$538,217	\$600,096	\$670,833	\$769,454
Restricted for:					
Capital projects	148,459	179,728	214,202	220,591	237,428
Debt service	20,528	21,334	21,640	22,453	25,742
Claibourne and Foulds Trust	1	1	1	1	1
Unrestricted	207,217	240,731	234,752	284,293	357,515
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>
Business-type Activities					
Invested in capital assets, net of related debt	283,959	309,741	422,635	540,009	657,657
Restricted for:					
Capital projects	78,688	92,091	93,338	75,726	77,919
Debt service	85,350	69,935	54,455	35,677	30,965
Renewal and replacement	12,390	14,884	15,799	16,924	23,893
Unrestricted	164,460	182,777	198,513	241,545	228,357
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>
Primary Government					
Invested in capital assets, net of related debt	763,624	847,958	1,022,731	1,210,842	1,427,111
Restricted for:					
Capital projects	227,147	271,819	307,540	296,317	315,347
Debt service	105,878	91,269	76,095	58,130	56,707
Renewal and replacement	12,390	14,884	15,799	16,924	23,893
Claibourne and Foulds Trust	1	1	1	1	1
Unrestricted	371,677	423,508	433,265	525,838	585,872
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>

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.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses					
Governmental Activities:					
General government	\$90,497	\$110,508	\$107,961	\$123,068	\$130,947
Public safety	106,738	120,421	127,463	150,499	174,137
Physical environment	8,585	8,725	8,754	14,619	16,262
Transportation	32,828	31,732	54,173	41,246	38,794
Economic environment	16,117	13,829	18,244	17,418	19,109
Human services	11,716	14,401	19,143	16,015	19,155
Culture and recreation	42,116	43,661	49,208	57,436	61,329
Interest on long-term debt	13,112	13,441	12,450	11,925	12,763
Total governmental activities expenses	<u>321,709</u>	<u>356,718</u>	<u>397,396</u>	<u>432,226</u>	<u>472,496</u>
Business-type Activities:					
Airport	40,746	40,686	50,787	52,775	54,242
Water and wastewater	42,411	43,722	51,083	65,986	72,222
Transit	10,341	11,354	12,646	14,236	16,855
Transportation facilities	21,158	21,956	23,709	21,420	22,887
Solid waste	48,890	46,344	47,993	67,278	52,799
Total business-type activities expenses	<u>163,546</u>	<u>164,062</u>	<u>186,218</u>	<u>221,695</u>	<u>219,005</u>
Total primary government expenses	<u>\$485,255</u>	<u>\$520,780</u>	<u>\$583,614</u>	<u>\$653,921</u>	<u>\$691,501</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$25,171	\$34,241	\$41,107	\$48,446	\$69,135
Public safety	24,773	23,756	24,969	29,748	41,645
Physical environment	1,694	1,503	1,550	2,215	2,621
Transportation	2,503	10,523	2,547	2,621	3,470
Economic environment	183		3		
Human services	699	1,114	1,299	1,926	2,302
Culture and recreation	2,584	2,708	2,819	2,886	3,248
Operating grants and contributions	30,342	34,194	37,274	49,073	45,473
Capital grants and contributions	5,510	20,929	12,200	15,864	17,136
Governmental activities program revenues	<u>93,459</u>	<u>128,968</u>	<u>123,768</u>	<u>152,779</u>	<u>185,030</u>
Business-type Activities:					
Charges for services:					
Airport	45,794	44,043	50,838	60,874	80,191
Water and wastewater	44,556	46,313	52,574	62,729	66,880
Transit	1,608	1,511	1,874	2,031	2,520
Transportation facilities	29,168	30,247	31,973	33,423	43,846
Solid waste	53,228	53,963	56,642	62,122	62,479
Operating grants and contributions	4,384	4,673	6,487	20,941	4,763
Capital grants and contributions	31,803	32,566	62,898	80,444	46,128
Business-type activities program revenues	<u>210,541</u>	<u>213,316</u>	<u>263,286</u>	<u>322,564</u>	<u>306,807</u>
Total primary government program revenues	<u>\$304,000</u>	<u>\$342,284</u>	<u>\$387,054</u>	<u>\$475,343</u>	<u>\$491,837</u>

(continued)

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net (Expense) Revenue*					
Governmental activities	(\$228,250)	(\$227,750)	(\$273,628)	(\$279,447)	(\$287,466)
Business-type Activities	46,995	49,254	77,068	100,869	87,802
Total primary government net expense	<u>(\$181,255)</u>	<u>(\$178,496)</u>	<u>(\$196,560)</u>	<u>(\$178,578)</u>	<u>(\$199,664)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes	\$222,375				
Property taxes		\$216,050	\$248,411	\$289,206	\$316,947
Gas taxes		15,992	16,547	18,060	19,319
Tourist taxes		10,834	11,089	12,318	11,603
Other taxes		11,380	13,026	12,559	15,489
Impact fees	10,165	24,821	18,365	20,434	30,954
Unrestricted grants and contributions	30,399	31,817	33,387	45,103	44,608
Investment earnings	36,167	15,553	11,478	8,169	21,802
Gain on sale of capital assets	23				
Miscellaneous	17,253	17,922	15,888	18,731	24,843
Transfers	5,759	7,522	(3,705)	(17,653)	(6,131)
Total governmental activities general revenues and transfers	<u>322,141</u>	<u>351,891</u>	<u>364,486</u>	<u>406,927</u>	<u>479,434</u>
Business-type Activities:					
Property taxes	1,717	2,796	1,916	1,697	2,708
Investment earnings	29,050	8,171	5,922	4,228	10,382
Gain on sale of capital assets	41	316	36		
Miscellaneous	659	1,265	958	694	1,887
Special Item-Assumption of GES net assets			25,707		
Transfers	(5,759)	(7,522)	3,705	17,653	6,131
Total Business-type activities general revenues, special item, and transfers	<u>25,708</u>	<u>5,026</u>	<u>38,244</u>	<u>24,272</u>	<u>21,108</u>
Total primary government general revenues, special item, and transfers	<u>\$347,849</u>	<u>\$356,917</u>	<u>\$402,730</u>	<u>\$431,199</u>	<u>\$500,542</u>
Change in Net Assets					
Governmental activities	\$93,891	\$124,141	\$90,858	\$127,480	\$191,968
Business-type activities	72,703	54,280	115,312	125,141	108,910
Total primary government	<u>\$166,594</u>	<u>\$178,421</u>	<u>\$206,170</u>	<u>\$252,621</u>	<u>\$300,878</u>

*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.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved:					
Inventory	\$138	\$138	\$144	\$156	\$168
Unreserved	<u>72,973</u>	<u>87,151</u>	<u>67,173</u>	<u>91,500</u>	<u>144,231</u>
Total General Fund	<u><u>\$73,111</u></u>	<u><u>\$87,289</u></u>	<u><u>\$67,317</u></u>	<u><u>\$91,656</u></u>	<u><u>\$144,399</u></u>
All Other Governmental Funds					
Reserved:					
Advances			\$1,700	\$1,700	\$1,700
Inventory	\$1,362	\$1,457	1,321	1,854	2,170
Debt Service	20,276	21,078	21,365	22,173	25,445
Claibourne & Foulds Trust	1	1	1	1	
Unreserved:					
Special Revenue Funds	141,749	146,861	165,200	187,079	197,407
Capital Projects Funds	133,571	158,593	188,748	245,803	256,030
Debt Service Funds	<u>11,037</u>	<u>8,357</u>	<u>8,481</u>	<u>4,750</u>	<u>5,238</u>
Total All Other Governmental Funds	<u><u>\$307,996</u></u>	<u><u>\$336,347</u></u>	<u><u>\$386,816</u></u>	<u><u>\$463,360</u></u>	<u><u>\$487,990</u></u>

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

	2001	2002	2003	2004	2005
Revenues					
Taxes	\$222,375	\$254,254	\$289,073	\$332,143	\$363,358
Licenses and permits	8,578	9,641	10,772	13,560	19,249
Intergovernmental	61,291	67,747	74,653	95,934	96,031
Charges for services	43,170	49,349	53,902	64,906	82,876
Fines and forfeitures	2,133	2,634	3,492	3,286	1,533
Impact fees	10,165	24,758	18,365	20,434	30,954
Special assessments	2,455	2,475	2,129	3,120	4,044
Miscellaneous	53,109	31,982	32,589	29,694	54,055
Total revenues	<u>403,276</u>	<u>442,840</u>	<u>484,975</u>	<u>563,077</u>	<u>652,100</u>
Expenditures					
Current					
General government	79,313	95,236	88,890	103,334	105,547
Public safety	105,151	114,462	121,566	141,274	165,699
Physical environment	8,659	8,283	7,899	13,565	15,119
Transportation	31,878	23,300	32,611	32,701	29,797
Economic environment	17,111	13,503	17,589	17,309	19,025
Human services	11,255	13,745	15,307	15,410	18,501
Culture and recreation	42,244	38,043	43,633	53,081	56,474
Capital outlay	66,706	67,104	84,702	90,935	126,643
Debt service					
Principal retirement	16,348	17,865	19,884	23,125	25,058
Interest and fiscal charges	13,918	13,317	12,421	10,905	11,936
Bond issuance costs				1,872	422
Total expenditures	<u>392,583</u>	<u>404,858</u>	<u>444,502</u>	<u>503,511</u>	<u>574,221</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>10,693</u>	<u>37,982</u>	<u>40,473</u>	<u>59,566</u>	<u>77,879</u>
Other Financing Sources (Uses)					
Transfers in	61,840	88,386	111,649	94,281	95,542
Transfers out	(56,645)	(85,746)	(124,222)	(111,224)	(101,319)
Surplus to state and other local governments				(1,791)	
Insurance proceeds					65
Proceeds from capital leases	23	242			
Bond premium					1,132
Proceeds from long-term debt	350	1,665	2,775	115,491	31,696
Payments to refunding escrow agent				(55,440)	(27,622)
Total other financing sources (uses)	<u>5,568</u>	<u>4,547</u>	<u>(9,798)</u>	<u>41,317</u>	<u>(506)</u>
Net change in fund balances	<u>\$16,261</u>	<u>\$42,529</u>	<u>\$30,675</u>	<u>\$100,883</u>	<u>\$77,373</u>
Debt service as a percentage of noncapital expenditures	<u>9.3%</u>	<u>9.2%</u>	<u>9.0%</u>	<u>8.7%</u>	<u>8.4%</u>

Lee County, Florida
 SCHEDULE 5
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Six 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%

Less:

Source: Lee County Property Appraiser

¹ Includes tax-exempt property

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Lee County	4.575	4.475	4.475	4.475	4.475	4.328	4.328	4.328	4.328	4.261
Operating millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Debt service millage	<u>0.272</u>	<u>0.272</u>	<u>0.772</u>	<u>0.853</u>	<u>1.012</u>	<u>1.012</u>	<u>1.012</u>	<u>1.012</u>	<u>1.012</u>	<u>1.012</u>
Capital improvements millage	<u>4.847</u>	<u>4.747</u>	<u>5.247</u>	<u>5.328</u>	<u>5.487</u>	<u>5.340</u>	<u>5.340</u>	<u>5.340</u>	<u>5.340</u>	<u>5.273</u>
Total Lee County millage	9.271	9.348	9.245	9.306	8.941	8.798	8.478	8.572	8.346	8.065
School District	5.430	5.430	5.430	5.987	5.987	5.987	5.803	5.803	5.683	5.529
Operating millage	<u>0.838</u>	<u>0.838</u>	<u>0.838</u>	<u>0.906</u>	<u>0.861</u>	<u>0.791</u>	<u>0.714</u>	<u>0.571</u>	<u>0.422</u>	<u>0.231</u>
Debt service millage	<u>6.267</u>	<u>6.267</u>	<u>6.267</u>	<u>6.893</u>	<u>6.848</u>	<u>6.778</u>	<u>6.517</u>	<u>6.374</u>	<u>6.105</u>	<u>5.760</u>
Total Cape Coral millage	2.141	2.118	2.069	2.013	1.918	1.729	1.729	1.729	1.729	2.500
Sanibel	0.000	0.000	0.000	0.339	0.364	0.328	0.261	0.490	0.387	0.227
Operating millage	<u>2.141</u>	<u>2.118</u>	<u>2.069</u>	<u>2.352</u>	<u>2.282</u>	<u>2.057</u>	<u>1.990</u>	<u>2.219</u>	<u>2.116</u>	<u>2.727</u>
Debt service millage	5.726	5.660	5.736	5.782	5.782	5.782	7.782	7.782	7.782	7.210
Total Sanibel millage	0.000	1.060	1.096	1.096	1.096	1.096	1.040	1.040	1.000	0.850
Other	0.000	0.000	0.000	0.000	0.000	1.220	1.220	1.089	0.998	0.998
Bonita Springs ²	<u>14.135</u>	<u>15.105</u>	<u>15.168</u>	<u>16.123</u>	<u>16.008</u>	<u>16.933</u>	<u>18.549</u>	<u>18.503</u>	<u>18.001</u>	<u>17.545</u>
Total municipalities millage	0.647	0.672	0.697	0.697	0.697	0.697	0.697	0.697	0.697	0.597
South Florida Water Management Dist.	0.040	0.040	0.039	0.039	0.036	0.038	0.036	0.033	0.030	0.030
Lee County Hyacinth Control	0.397	0.397	0.393	0.393	0.379	0.360	0.360	0.329	0.298	0.272
Lee County Mosquito Control	0.019	0.019	0.030	0.040	0.040	0.040	0.040	0.040	0.040	0.040
West Coast Inland Waterway	1.060	1.160	1.160	1.160	1.211	1.211	1.211	1.211	1.211	1.012
MSTU (Unincorporated)	<u>0.477</u>	<u>0.576</u>	<u>0.578</u>	<u>0.576</u>	<u>0.963</u>	<u>0.963</u>	<u>0.963</u>	<u>0.963</u>	<u>0.963</u>	<u>0.606</u>
Lee County Library	<u>2.641</u>	<u>2.863</u>	<u>2.897</u>	<u>2.905</u>	<u>3.326</u>	<u>3.309</u>	<u>3.307</u>	<u>3.273</u>	<u>3.239</u>	<u>2.557</u>
Total special districts millage	0.042-5.854	0.036-5.728	0.001-5.365	0.009-5.142	0.060-6.000	0.008-6.000	0.051-6.000	0.044-6.000	0.044-6.000	0.010-6.000
Other special districts ³	30.894	32.063	32.558	33.662	33.762	34.381	35.674	35.688	34.926	33.441
Total direct and overlapping rates ⁴										

¹ Fort Myers Beach incorporated during 1996 therefore there is no prior years' data available.

² Bonita Springs incorporated during 2000 therefore there is no prior years' data available.

³ Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

⁴ 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)

Taxpayer	2005			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Christian & Missionary Alliance, Inc.	\$125,589	1	0.343%	\$28,286	7	0.127%
Edison Mall Business Trust	88,151	2	0.240%	91,369	1	0.411%
Bay Colony Gateway, Inc.	83,688	3	0.228%			
K Hovnanian First Homes LLC	59,979	4	0.163%			
Centex Homes	57,842	5	0.158%			
Bell Tower Shops LLC	55,754	6	0.152%			
Long Bay Partners LLC	54,121	7	0.148%			
WCI Communities, Inc.	50,633	8	0.138%			
Miromar Outlet West LLC	50,227	9	0.137%			
US Home Corporation	49,379	10	0.135%			
Avatar Properties, Inc.				78,090	2	0.352%
Merry Land & Investment Co., Inc.				46,708	3	0.210%
Bonita Bay Properties, Inc.				39,804	4	0.179%
Gatorland Vistas, Inc.				33,635	5	0.151%
Aetna Life Insurance Company				33,049	6	0.149%
South Seas Resort				28,132	8	0.127%
Mariner Services Corporation				25,858	9	0.116%
Suncoast Investment Group, LTD				24,783	10	0.112%
Total	\$675,363		1.842%	\$429,714		1.934%

Source: Lee County Property Appraiser

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year ¹	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
1996	123,985	119,898	96.70%	\$97	119,995	96.78%
1997	128,910	125,984	97.73%	206	126,190	97.89%
1998	145,036	142,690	98.38%	384	143,074	98.65%
1999	155,025	149,167	96.22%	741	149,908	96.70%
2000	181,814	174,167	95.79%	829	174,996	96.25%
2001	192,595	184,800	95.95%	641	185,441	96.29%
2002	219,911	211,175	96.03%	499	211,674	96.25%
2003	255,095	244,304	95.77%	379	244,683	95.92%
2004	297,850	285,130	95.73%	248	285,378	95.81%
2005	326,026	312,673	95.90%	-	312,673	95.90%

Sources: Lee County Tax Collector, and Lee County Property Appraiser

Notes: ¹ These tax levies are for funds for County purposes, excluding School Board, municipalities, and other independent special districts.
² Property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will not equal 100 percent of the tax levy. Tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of the following year.

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

Fiscal Year	General Bonded Debt						Other Governmental Activities Debt						
	Capital Revenue Bonds ¹	Gas Tax Bonds	Tourist Development Tax Bonds	Certificates of Participation	Total	Percentage of Estimated Actual Taxable Property Value ²	Special Assessment Bonds	Commercial Paper	Notes	Capital Leases	Per Capita ³	Percentage of Personal Income ³	Per Capita ³
1996	\$178,285	\$79,465	\$11,125	\$28,250	\$297,125	1.16%	\$9,845	\$2,892		\$2,037	0.76	8.86%	2.16
1997	172,367	76,610	10,810	26,040	285,827	1.07%	9,820	4,655	\$154	1,628	0.71	7.95%	2.03
1998	165,993	73,345	10,485	23,910	273,733	0.99%	8,210		4,265	1,165	0.66	7.18%	1.98
1999	160,803	69,895	10,140	22,740	263,578	0.91%	6,750	2,410	4,004	9,615	0.62	8.47%	2.19
2000	171,038	66,305	9,790	21,515	268,648	0.86%	5,245	100	5,071	8,001	0.61	10.56%	2.81
2001	163,003	62,565	9,415	20,235	255,218	0.74%	3,890	450	4,672	6,526	0.56	9.63%	2.65
2002	153,888	58,655	9,025	18,835	240,403	0.61%	2,910	1,640	4,399	5,176	0.51	8.47%	2.44
2003	144,303	54,575	8,615	17,385	224,878	0.49%	1,755	3,225	3,776	3,531	0.45	8.23%	2.39
2004	189,603	50,343	8,195	15,865	264,006	0.48%	1,075	2,650	3,234	1,832	0.51	7.76%	2.33
2005	178,688	46,653	7,650	14,275	247,266	0.39%	475		5,207	57	0.46	6.58%	2.29

Fiscal Year	Business-Type Activities Debt						Total Primary Government ⁴	Capital Leases	Notes	Percentage of Personal Income ³	Per Capita ³
	Port Authority Revenue Bonds	Solid Waste Revenue Bonds	Transportation Facilities Revenue Bonds	Water and Wastewater Revenue Bonds	Sewer District General Obligation Bonds	Commercial Paper					
1996	\$67,240	\$205,765	\$175,775	\$33,140	\$8,230	\$42,171	\$844,220		\$42,171	8.86%	2.16
1997	61,745	202,915	173,920	27,085	7,400	43,145	818,294		43,145	7.95%	2.03
1998	110,085	198,965	171,945	23,825	6,520	13,215	821,428		13,215	7.18%	1.98
1999	105,375	193,850	168,795	154,910	5,590	13,694	936,471		13,694	8.47%	2.19
2000	427,730	187,900	165,215	151,950	4,610	3,000	1,240,662	\$35	13,157	10.56%	2.81
2001	422,465	181,145	160,360	147,055	3,570	750	1,206,207	7	20,099	9.63%	2.65
2002	408,670	167,100	156,930	142,020	1,870	29,533	1,160,651		29,533	8.47%	2.44
2003	406,150	157,720	152,505	202,850	1,280	24,862	1,182,532		24,862	8.23%	2.39
2004	403,530	146,805	151,190	197,980		21,444	1,213,746		21,444	7.76%	2.33
2005	396,030	135,415	210,935	192,915		24,598	1,229,424	126	24,598	6.58%	2.29

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

¹ Excludes accreted interest of \$6,160,000.

² See Schedule 5 for property value data.

³ See Schedule 11 for personal income data for 1997 through 2005, and population data for 1996 through 2005; For 1995 and 1996 personal income data the source is University of Florida, Bureau of Economic and Business Research. 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 Department

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

Fiscal Year	Passenger Facility Charge Revenue Bonds ¹				Port Authority Line of Credit ³			
	Passenger Facility Charge Revenues	Less: Operating Expenses ⁴	Net Available Revenues	Coverage	General Aviation Airport Revenues	Less: Operating Expenses ⁵	Net Available Revenue	Coverage
			Principal	Interest			Principal	Interest
1996								
1997								
1998	\$6,098	n/a	\$6,098	\$1,229				
1999	6,616	n/a	6,616	2,422				
2000	6,724	n/a	6,724	2,362				
2001	7,236	n/a	7,236	2,293				
2002	6,488	n/a	6,488	2,221				
2003	7,930	n/a	7,930	2,143				
2004	12,878	n/a	12,878	2,062				
2005	15,615	n/a	15,615	1,974	\$7,129	\$5,853	\$1,276	\$59
				3.84				
								21.63

Fiscal Year	Port Authority Revenue Bonds				Solid Waste System Revenue Bonds			
	Airport Revenues	Less: Operating Expenses ⁶	Net Available Revenues	Coverage	Solid Waste System Revenues ⁸	Less: Operating Expenses ⁷	Net Available Revenue	Coverage
			Principal	Interest			Principal	Interest
1996	\$32,490	\$18,228	\$14,262	\$4,377	\$47,233	\$24,020	\$23,213	\$13,749
1997	33,016	19,573	13,443	4,140	48,685	24,636	24,049	13,396
1998	34,204	21,555	12,649	3,770	52,574	26,329	26,245	13,189
1999	36,831	22,525	14,306	3,589	52,418	26,640	25,778	12,908
2000	36,951	21,290	15,661	3,386	56,667	27,101	29,566	12,558
2001	37,713	28,273	9,440	3,164	60,204	29,335	30,869	12,149
2002	34,848	26,774	8,074	2,219	58,264	30,275	27,989	9,937
2003	39,656	29,995	9,661	1,644	60,168	30,394	29,774	8,308
2004	43,184	31,209	11,975	1,518	64,674	33,905	30,769	7,882
2005	61,051	33,902	27,149	13,648	67,350	35,659	31,691	7,369
				1.42				
								1.47
								1.48
								1.53
								1.43
								1.60
								1.63
								1.59
								1.68
								1.64
								1.69

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

¹ Ten years of data are not provided as bonds were issued in 1999.

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

³ Ten years of data are not provided as the Line of Credit was issued in 2004.

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, all revenues generated from the operation of Southwest Florida International Airport which includes arbitrage rebate liability and does not include interest expense, depreciation, or rebates.

⁸ Excludes expense related to hurricane damage which is treated in the financial statements as non-operating expense.

Source: Lee County Clerk of Courts Finance Department

(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		Transportation Facilities Revenues ³	Less: Operating Expenses ²	Net Available Revenue		Coverage	
			Principal	Debt Service Interest			Principal	Debt Service Interest		
1996	\$31,147	\$13,089	\$18,058	\$5,830	\$2,132	\$2,132	\$17,330	\$1,750	\$9,797	1.50
1997	31,518	12,188	19,330	6,885	1,868	1,868	16,527	1,855	10,138	1.38
1998	32,898	15,074	17,824	4,140	1,583	1,583	21,016	1,975	10,035	1.75
1999	37,982	18,470	19,512	4,195	1,395	1,395	22,677	3,150	9,920	1.74
2000	53,089	21,192	31,897	3,940	7,431	7,431	23,960	3,580	9,764	1.80
2001	55,010	21,849	33,161	5,935	7,220	7,220	25,454	3,750	9,590	1.91
2002	51,144	23,348	27,796	6,735	6,968	6,968	23,719	3,430	7,646	2.14
2003	55,665	27,545	28,120	5,285	6,680	6,680	23,104	4,425	8,328	1.81
2004	65,229	34,231	30,998	6,150	8,667	8,667	25,484	4,755	7,029	2.16
2005	71,495	42,108	29,387	5,065	9,112	9,112	35,308	3,615	5,792	3.75

Fiscal Year	Florida Department of Environmental Protection Loan				Florida Department of Transportation State Infrastructure Bank (SIB) Loan ⁴					
	Water and Wastewater Revenues ¹	Less: Operating Expenses ²	Net Available Revenues		Transportation Facilities Revenues ³	Less: Operating Expenses ²	Net Available Revenue		Coverage	
			Principal	Debt Service Interest			Principal	Debt Service Interest		
1996	\$31,147	\$13,089	\$18,058	\$378	\$343	\$343	\$23,719	\$640	\$7,06	37.06
1997	31,518	12,188	19,330	392	329	329	23,104	1,140	20.27	20.27
1998	32,898	15,074	17,824	406	314	314	25,484	1,406	n/a	n/a
1999	37,982	18,470	19,512	421	300	300	35,308	1,406	25.11	25.11
2000	53,089	21,192	31,897	436	285	285	35,308	1,406	25.11	25.11
2001	55,010	21,849	33,161	452	269	269	35,308	1,406	25.11	25.11
2002	51,144	23,348	27,796	469	252	252	35,308	1,406	25.11	25.11
2003	55,665	27,545	28,120	486	235	235	35,308	1,406	25.11	25.11
2004	65,229	34,231	30,998	504	217	217	35,308	1,406	25.11	25.11
2005	71,495	42,108	29,387	522	199	199	35,308	1,406	25.11	25.11

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 pledged.

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. The pledge of these revenues to the SIB loan is subordinate to the revenue bonds pledged.

⁴ Ten years of data are not provided as loan was issued in 2001 and repayment began in 2002.

Source: Lee County Clerk of Courts Finance Department

Lee County, Florida
 SCHEDULE 11
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years
 (dollars in thousands)

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
1996	391,257	n/a	n/a	n/a	51,469	3.8	5.1	5.4
1997	402,838	10,299,359	25,567	43.6	53,523	3.4	4.8	4.9
1998	413,952	11,441,633	27,640	43.9	54,710	3.0	4.3	4.5
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	537,180	18,672,377	34,760	44.2	75,558	3.0	3.8	4.8

Sources: ¹Office of Economic and Demographic Research. Population for 2005 is projected.

²Woods and Poole Economics, Inc, MSA Profile.

³District School Board of Lee County.

⁴Florida Agency for Workforce Innovation, Office of Labor Market Statistics, and U.S. Department of Labor, Bureau of Labor Statistics. Fiscal Year 2005 unemployment statistics are preliminary.

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

Employer	2005			1997		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee County School Board	10,044	1	4.79%	7,200	1	n/a
Lee Memorial Health System	6,473	2	3.09%	4,500	2	n/a
Publix Super Markets	2,857	3	1.04%	3,005	4	n/a
Lee County Government	2,523	4	1.20%	1,936	5	n/a
Wal-Mart Corporation	2,189	5	1.36%	1,589	7	n/a
SWFL Regional Medical Center	1,500	6	0.72%	-	-	n/a
City of Cape Coral	1,461	7	0.70%	1368	8	n/a
Bonita Bay Group	1,300	8	0.62%	-	-	n/a
Lee County Sheriff's Office	1,296	9	0.62%	-	-	n/a
U.S. Postal Service	1,267	10	0.60%	-	-	n/a
Columbia/HCA	-	-	-	3,500	3	n/a
Mariner Group, Inc./South Seas Resort	-	-	-	1,900	6	n/a
Department of Children and Families	-	-	-	1,213	9	n/a
Winn-Dixie Stores, Inc.	-	-	-	1,200	10	n/a
Total	30,910		14.74%	27,411		n/a

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

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

Function/Program	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:					
General government	1,035	1,089	1,137	1,156	1,386
Public safety	1,315	1,445	1,552	1,620	1,827
Physical environment	68	73	73	72	85
Transportation	205	212	229	231	261
Economic environment	49	50	53	59	63
Human services	49	50	55	60	65
Culture and recreation	428	434	450	503	546
Business-type activities:					
Airport	257	261	269	282	319
Water and wastewater	33	179	196	229	272
Transit	166	163	166	166	239
Transportation facilities	135	130	125	132	120
Solid waste	20	21	30	34	55
Total	<u>3,760</u>	<u>4,107</u>	<u>4,335</u>	<u>4,544</u>	<u>5,238</u>

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

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

<u>Function/program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Community Development					
Building Permits Issued	50,000	55,000	61,000	92,000	122,000
Inspections	124,000	150,000	200,000	237,500	290,000
Public Safety /EMS ¹					
E-911 calls processed	112,512	115,287	123,864	143,160	147,730
Sheriff Department ²					
Physical arrests	11,857	13,645	14,597	15,233	15,007
Traffic tickets	28,439	38,056	37,529	40,718	44,158
Natural Resources					
Environmental lab tests performed	74,337	76,657	77,327	88,449	96,049
Pollutant storage tanks inspections	696	727	780	858	860
Solid Waste					
Number of business and residential customers ³	176,424	183,335	191,041	196,889	216,804
Volume of solid waste collection (tons per year) ⁴	430,665	444,147	486,486	533,754	581,000
Volume of recycling collection (tons per year) ⁵	32,625	35,655	39,853	44,209	46,802
Megawatt hours of electricity sold	239,407	215,468	231,296	229,479	236,533
Water and Wastewater					
Water customers	52,914	55,151	68,243	71,241	73,670
Wastewater customers	34,928	39,408	46,528	48,830	51,774
Meter installations	1,618	1,627	2,149	3,531	3,754
Department of Transportation					
Number of signal and flasher locations maintained	392	410	419	425	433
Number of streetlights maintained	1,846	1,632	2,052	2,138	2,138
Number of Driveway and ROW permits issued	1,811	2,369	2,761	4,128	6,435
Asphalt road resurfacing (in tons)	26.7	58.8	57.9	60.6	83.1
Bridges					
Toll paying traffic per year					
Sanibel	3,456,438	3,406,557	3,249,378	3,192,595	2,910,454
Mid-point Memorial	13,700,380	14,880,050	15,795,078	16,578,145	17,958,287
Cape Coral	14,359,196	14,747,594	15,423,942	16,303,265	17,355,653
Transit					
Number of bus passenger trips	2,318,342	2,240,545	2,335,842	2,512,886	2,821,676
Number of bus route miles	427	414	418	418	418
Port Authority					
Number of enplanements	2,665,387	2,618,297	2,973,330	3,393,275	3,741,071
Number of deplanements	2,612,321	2,567,351	2,918,338	3,343,355	3,678,511
Human Services					
Number of emergency services provided with General Fund County Service dollars (mortgage, rent, utilities, etc.)					
	803	1,053	874	876	525
Animal Services					
Officer responses	13,005	17,548	23,663	33,025	36,372
Animal placement	3,233	3,969	3,827	4,591	4,642
Library					
Cardholders	187,213	196,523	209,618	223,376	243,917
Items available for circulation	1,046,221	1,077,870	1,132,113	1,211,717	1,238,611
Total circulation	2,814,023	3,164,773	3,628,490	3,618,912	3,171,641
Parks and Recreation					
Number of public parks maintained	58	60	58	59	65
Number of public pools maintained	9	9	9	9	9
Number of public boat ramps maintained	5	5	5	5	6

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 is 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, and Cape Coral.

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

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

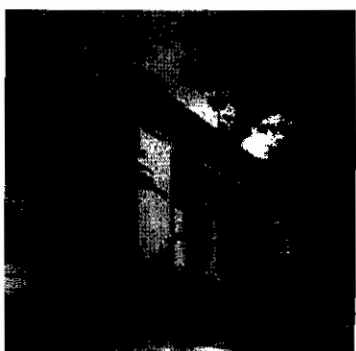
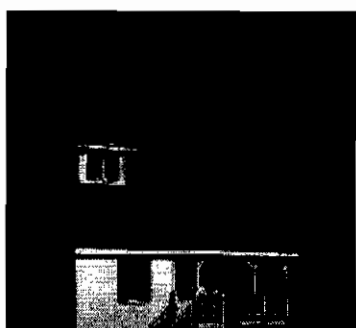
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities					
General Government	8,642	10,573	10,510	9,140	10,107
Public Safety	2,433	2,369	2,727	2,439	2,571
Physical Environment	408	440	463	401	447
Transportation	2,999	3,142	3,256	3,224	3,237
Economic Environment	142	152	165	134	147
Human Services	869	967	967	893	842
Culture and Recreation	3,439	3,884	4,030	3,668	4,022
	<u>18,932</u>	<u>21,527</u>	<u>22,118</u>	<u>19,899</u>	<u>21,373</u>
Business-type Activities					
Port Authority	2,016	2,068	2,162	1,990	2,061
Water and Wastewater	3,998	4,421	5,240	6,429	7,814
Transportation Facilities	729	778	814	784	881
Solid Waste	290	313	372	354	407
Transit	377	472	456	412	504
	<u>7,410</u>	<u>8,052</u>	<u>9,044</u>	<u>9,969</u>	<u>11,667</u>

Source: Lee County Clerk of Courts Finance Department



This page is intentionally blank.

Other Supplemental Information



Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS, SERIES 2004
 September 30, 2005
 (unaudited)
 (dollars in thousands)

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

<u>Fiscal Year Ended September 30</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Tourist Development Tax Revenues	\$11,077	\$11,815	\$10,834	\$11,089	\$12,318	\$11,603
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⁾	\$11,377	\$12,115	\$11,134	\$11,389	\$12,618	\$11,903
Maximum Annual Debt Service Payable from Pledged Funds	833	833	833	833	833	825
Debt Service Coverage ⁽²⁾	13.7x	14.5x	13.4x	13.7x	15.1x	14.4x

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

⁽²⁾ The Bond Resolution requires 1.75 times the Maximum Annual Debt Service for the issuance of Additional Bonds.

Source: Lee County Finance Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
CAPITAL REVENUE BONDS
September 30, 2005
(unaudited)

Pledged Revenues and Debt Service Coverage

<u>Revenues⁽¹⁾</u>	Historical				Projected		
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Ambulance Service Receipts	\$8,926,492	\$8,340,917	\$11,305,812	\$13,870,181	\$14,147,585	\$14,430,536	\$14,719,147
Excess County Officer Fees	6,142,140	9,047,561	16,578,537	23,143,886	23,375,325	23,609,078	23,845,169
Race Track Funds	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Communication Services Tax	2,534,814	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Cable Television	270,333						
First Guaranteed Entitlement	579,000	579,000	579,000	579,000	579,000	579,000	579,000
License Fees (Mobile Home/Alcohol/Insurance)	831,699	800,480	807,059	780,419	803,092	826,571	850,892
Sales Tax	31,392,498	32,528,178	37,202,092	41,197,944	43,257,841	45,420,733	47,691,770
Investment Earnings	2,799,562	2,243,755	1,501,829	3,441,929	3,510,768	3,580,983	3,652,603
Data Processing Fees	8,243,010	8,980,953	8,717,717	10,031,791	10,332,745	10,642,727	10,962,009
Sub-Total Pledged Revenues	\$61,942,798	\$65,344,094	\$79,515,296	\$95,868,400	\$98,829,605	\$101,912,879	\$105,123,839
Maximum Annual Debt Service	18,129,654	18,129,654	19,642,988	19,642,988	19,642,988	19,642,988	19,642,988
Debt Service Coverage	3.41 x	3.60 x	4.05 x	4.88 x	5.03 x	5.19 x	5.35 x
Plus Limited Availability Revenues⁽²⁾							
Building and Zoning Permits and Fees ⁽²⁾	11,016,603	12,437,759	16,359,582	23,328,301	23,794,867	24,270,764	24,756,180
Pledged Gas Taxes							
Constitutional Gas Tax	4,515,237	4,961,267	5,245,535	5,601,896	5,753,147	5,902,729	6,050,297
County (7th cent) Gas Tax	2,113,304	2,180,031	2,310,253	2,450,751	2,516,921	2,582,361	2,646,920
Ninth Cent (Voted) Gas Tax (Net of Series '93 and '03)	1,536,142	1,654,387	1,970,481	2,297,851	2,359,893	2,421,250	2,481,781
Total Pledged Revenues	\$81,124,084	\$86,577,538	\$105,401,147	\$129,547,199	\$133,254,433	\$137,089,984	\$141,059,018
Maximum Annual Debt Service	18,129,654	18,129,654	19,642,988	19,642,988	19,642,988	19,642,988	19,642,988
Debt Service Coverage	4.47 x	4.78 x	5.37 x	6.60 x	6.78 x	6.98 x	7.18 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 Finance Department for historical figures; Division of Budget Services for projected figures

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LOCAL OPTION GAS TAX BONDS
 September 30, 2005
 (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		Debt Service Coverage Ratio	State Fiscal Year ²	Number of Gallons ⁴		
	Local Option Gas Tax Revenues	Maximum Annual Debt Service			Motor Fuel	Diesel Fuel ³	Total Gallons
1995	\$7,141	\$3,445	2.07	1995	182,854,725	23,859,417	206,714,142
1996	7,036	3,445	2.04	1996	186,822,344	24,382,000	211,204,344
1997	6,372	3,312	1.92	1997	190,380,896	26,653,933	217,034,829
1998	7,011	3,312	2.12	1998	196,277,167	26,809,598	223,086,765
1999	7,386	3,312	2.23	1999	210,503,207	28,670,595	239,173,802
2000	7,588	3,310	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

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		State Fiscal Year ²	Gallons of Motor Fuel ³	Percentage Increase (Decrease)
	Local Option Gas Tax Revenues	Percentage Increase (Decrease)			
1997	\$4,653	N/A	1997	\$190,380,896	N/A
1998	5,230	12.4%	1998	196,277,167	3.1%
1999	5,474	4.7%	1999	210,503,207	7.2%
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%

Five Cent Local Option Gas Tax Debt Service Coverage

County Fiscal Year ¹	Five Cent		Debt Service Coverage Ratio
	Local Option Gas Tax Revenues	Maximum Annual Debt Service	
2003	\$5,851	\$2,472	2.37 x
2004	6,388	2,539	2.52 x
2005	6,731	2,539	2.65 x

Allocation of Gas Tax Revenues

City of Cape Coral	23.80%
City of Fort Myers	14.00%
Sanibel	5.00%
Town of Ft. Myers Beach	1.27%
City of Bonita Springs	5.05%
Lee County	50.88%

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 Finance Department and Lee County Budget Services

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEMS
 September 30, 2005
 (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	\$6.20 per unit	1 - 6,000	\$2.26
		6,001 - 12,000	2.78
		12,001 - 18,000	3.30
		18,001 and above	4.33
Multi - family	\$4.95 per unit/lot	1 - 6,000	\$2.26
		6,001 - 12,000	2.78
		12,001 - 18,000	3.30
		18,001 and above	4.33
Recreational vehicle	\$2.50 per unit/lot	1 - 6,000	\$2.26
		6,001 - 12,000	2.78
		12,001 - 18,000	3.30
		18,001 and above	4.33

Each residential service account will be charged a monthly administrative fee of \$2.25.

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.

Commercial and All Non-Residential

<u>Meter Size</u>		<u>ERU Ratio</u>		
5/8"	\$8.45	1.0	1 - 6,000	\$2.26
3/4"	11.55	1.5	6,001 - 12,000	2.78
1"	17.55	2.5	12,001 - 18,000	3.30
1½"	33.25	5.0	18,001 and above	4.33
2"	51.85	8.0		
3"	101.45	16.0	<u>Non-irrigation class</u>	
4"	157.25	25.0	Per 1,000	2.26
6"	312.25	50.0		
8"	498.25	80.0	<u>Irrigation class</u>	
10"	901.25	145.0	1 - 6,000	2.78
			6,001 - 12,000	3.30
			12,001 and over	4.33

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.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEMS
 September 30, 2005
 (Unaudited)

Monthly Wastewater Rates

Customer Classification

<u>Residential Service</u>	Monthly <u>Service Charge</u>	User Charge <u>Per 1,000 Gallons</u>	Unmetered <u>User Charge</u>
Single - family	\$10.10 per unit	\$3.69	\$16.61 per unit
Multi - family	\$ 8.10 per unit/lot	\$3.69	\$13.29 per unit/lot
Recreational vehicle	\$ 4.10 per unit/lot	\$3.69	\$ 6.65 per unit/lot

Each residential service account shall be charged a monthly administrative fee of \$3.25.

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>	Monthly <u>Service Charge</u>	User Charge <u>Per 1,000 Gallons</u>
5/8"	\$13.35	\$3.69
3/4"	18.45	3.69
1"	28.55	3.69
1½"	54.25	3.69
2"	84.25	3.69
3"	165.00	3.69
4"	255.50	3.69
6"	509.75	3.69
8"	813.50	3.69
10"	1,470.30	3.69

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

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

Connection Fees

<u>Customer Classification</u>	Number <u>ERU's</u>	Water <u>Charge</u>	Wastewater <u>Charge</u>
<u>Residential Service</u>			
Single - family	1.00	\$1,140.00	\$1,735.00
Multi - family (per Dwelling Unit)	0.80	912.00	1,388.00
Recreational vehicle (per Dwelling Unit/Lot)	0.40	456.00	694.00
<u>Commercial and All Non-Residential</u>			
Charge Per Gallon		\$4.56	\$6.94

Water Meter Installation and Service Connection Fees

<u>Meter Size</u>	Installation <u>Charge</u>	Tap-In <u>Charge</u>
5/8"	\$125.00	\$470.00
3/4"	145.00	490.00
1"	195.00	560.00
1½"	410.00	825.00
2"	560.00	990.00
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 within ten days upon receipt of such bill.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2005
(Unaudited)

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Water and wastewater sales revenues	\$45,480	\$51,819	\$61,175	\$65,434
Other operating revenue ⁽¹⁾	701	820	1,698	1,232
Total operating revenues	<u>46,181</u>	<u>52,639</u>	<u>62,873</u>	<u>66,666</u>
Operating expenses ⁽²⁾	<u>22,348</u>	<u>27,545</u>	<u>34,230</u>	<u>42,108</u>
Net operating revenue	<u>23,833</u>	<u>25,094</u>	<u>28,643</u>	<u>24,558</u>
Interest income ⁽³⁾	2,226	1,534	1,164	2,535
Special assessments ⁽⁴⁾	1,126	925	729	769
Net available revenues	<u>27,185</u>	<u>27,553</u>	<u>30,536</u>	<u>27,862</u>
Net available revenues after other transfers	27,185	27,553	30,536	27,862
Connection fee revenues ⁽⁵⁾	11,959	10,474	17,932	24,462
Net revenues and connection fees	39,144	38,027	48,468	52,324
Senior lien debt service	11,807	11,268	13,463	14,177
Senior lien debt service coverage:				
Without pledged connection fees	2.30	2.45	2.27	1.97
With pledged connection fees	3.32	3.37	3.60	3.69
Other debt service requirements ⁽⁶⁾	2,029	1,419	2,075	721
Net available revenues and other funds received for capital improvements and other purposes ⁽⁷⁾	<u><u>\$13,349</u></u>	<u><u>\$14,866</u></u>	<u><u>\$14,998</u></u>	<u><u>\$12,964</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.

(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 and certain general obligation bonded indebtedness.

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

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
 September 30, 2005
 (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 Statistics¹

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)
1998	29,600	3,335,178	9.14	2,811,147	7,914
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	9,038
Average Annual Historical Growth Rate	<u>13.19%</u>	<u>15.54%</u>		<u>17.11%</u>	

¹ 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 ³ (000s of gallons)	Daily Flow (MGD)
1998	24,597	2,433,589	2,941,163	8.06
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
Average Annual Historical Growth Rate	<u>9.34%</u>	<u>11.69%</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).

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY WATER AND WASTEWATER SYSTEM
September 30, 2005
(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	552,863	0.84%
Jamaica Bay Assoc. LDT	Multifamily	8"	Water/Sewer	323,533	0.49%
Shell Point Village	Commercial	8"	Water/Sewer	309,128	0.47%
Indian Creek Park	Multifamily	6"	Water/Sewer	215,164	0.33%
Lee County Port Authority	Commercial	4"	Water/Sewer	194,765	0.30%
Riverwoods Plantation	Multifamily	4"	Water/Sewer	186,117	0.28%
Corkscrew Woodlands	Multifamily	6"	Water/Sewer	176,757	0.27%
Bayside Estates	Multifamily	3"	Water/Sewer	173,349	0.26%
Sanibel Harbour Resort	Commercial	6"	Water/Sewer	165,042	0.25%
Lee Memorial Health System	Commercial	6"	Water/Sewer	164,295	0.25%
				2,461,013	3.74%

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
 September 30, 2005
 (unaudited)

Historic Tipping Fees for Solid Waste System

Fiscal Year	Unincorporated Area ⁽¹⁾	Incorporated Area
1996	66.20	47.70
1997	62.43	49.61
1998	63.84	51.59
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

(1) Includes Surcharges

Source: Lee County Solid Waste Division

**Historic Revenue and Operating Expenses of Lee County
 Solid Waste Enterprise Fund**
 September 30, 2005
 (unaudited)
 (amounts in thousands)

Fiscal Year	Revenues	Operating Expenses	Net Revenues	Annual Debt Services	Coverage	Retained Earnings
1996	\$ 47,233	\$ 24,020	\$ 23,213	\$ 15,809	1.47	\$ 62,222
1997	48,685	24,636	24,049	16,246	1.48	68,059
1998	52,574	26,329	26,245	17,139	1.53	74,835
1999	52,418	26,640	25,778	18,023	1.43	80,190
2000	56,667	27,101	29,566	18,508	1.60	91,409
2001	60,204	29,335	30,869	18,904	1.63	106,153
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	67,350	35,659*	31,691	18,759	1.69	163,798

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

Source: Lee County Finance Department

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
 September 30, 2005
 (unaudited)

Historic Solid Waste Tonnage

The following table provides the historic tons of solid waste delivered to the System for FY 1996 through FY 2005.

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⁾
1996	202,000	17,700	102,200	100	27,351	9,117
1997 ⁽⁴⁾	190,482	25,715	116,747	15,761	27,698	9,233
1998 ⁽⁴⁾	209,840	27,742	128,612	17,003	28,267	9,422
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

(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 recovered/recycled and does not include ash residue. The Hendry County non-processible waste estimate does include horticultural waste that is recycled. The horticultural waste is estimated to be approximately 35% of the non-processible waste delivered to the system from Hendry County.

(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, 2005
(unaudited)

HISTORICAL REVENUES AND EXPENSES		
Lee County, Florida		
Solid Waste System		
1. WTE Facility Energy Revenues.....	7,941,005	9,407,060
2. WTE Facility Ferrous/Non-Ferrous Revenues.....	400,249	542,451
3. Hendry County Disposal Revenues.....	538,287	718,492
4. Disposal Facility Assessment	8,937,308	8,246,859
5. Interest Income.....	1,441,870	2,634,938
6. Reserve Fund Earnings.....	185,032	347,286
7. Franchise Fees.....	931,341	906,614
8. Solid Waste Program Revenues.....	41,270,033	41,266,271
9. Rate Stabilization Reserve Fund.....	0	0
10. Resource Recovery Tip Fees Revenues.....	included in line 8	included in line 8
11. Landfill Tip Fee Revenues.....	included in line 8	included in line 8
12. MSTU Tax Fund.....	1,696,965	1,801,410
13. Other Revenue.....	<u>19,827,669</u>	<u>3,834,634</u>
14. TOTAL SYSTEM INCOME.....	83,169,759	69,706,015
15. Non-applied Income.....	<u>18,479,740</u>	<u>2,355,574</u>
16. NET SYSTEM INCOME.....	64,690,019	67,350,441
Landfill Operation Costs		
17. Landfill Operating Costs.....	2,317,685	2,412,666
18. Landfill Closure Operating Costs.....	1,100,962	2,160,021
WTE Facility Operation Costs		
19. Operation and Maintenance Charge.....	9,491,151	10,307,764
20. Energy Credit.....	788,976	931,586
21. Ferrous/Non-Ferrous Credit.....	200,125	271,225
22. Pass Through Costs.....	1,983,707	2,138,096
23. County Operations	15,942,977	6,054,334
24. Regulation Service Charge.....	91,200	91,200
Solid Waste Program Costs		
25. Solid Waste Program Costs.....	<u>8,642,662</u>	<u>20,437,967</u>
26. TOTAL SYSTEM EXPENSES.....	40,559,445	44,804,859
27. Non-applied Expenses.....	<u>7,754,151</u>	<u>9,146,103</u>
28. NET SYSTEM EXPENSES.....	32,805,294	35,658,756
29. Series 2001 Refunded 1991 Bonds	17,037,336	16,998,524
30. Series 1995 Bonds.....	<u>1,760,149</u>	<u>1,760,431</u>
31. TOTAL ANNUAL DEBT SERVICE.....	18,797,485	18,758,955
32. NET REVENUES APPLIED TO D.S.	31,884,725	31,691,685
33. DEBT SERVICE COVERAGE.....	170%	169%

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2005
(unaudited)

NOTES TO HISTORICAL
REVENUES AND EXPENSES FOR
FISCAL YEAR 2005

1. Electrical revenues from the Seminole Electric Cooperative Power Purchase Agreement.
2. The WTE Facility Ferrous/Non-Ferrous Revenue as 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 FY05 assessment fee of \$19.00 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 FY05.
6. Reserve Fund Earnings are equal to the sum of the interest earnings on the reserve funds of the Series 1995 Bonds and Series 2001 Bonds for FY05.
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, Right-of-Way Cleanup, Hazardous Waste and Recycling. 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 2005 were \$13.9 million as provided by the Lee County Clerk of Courts Finance Department. Currently Rate Stabilization is held in reserve and not applied to revenues.
10. The Resource Recovery Tip Fees for FY05 are based on the following per ton fees: MSW - \$48.15, Commercial Horticulture- \$25.00, Cities Residential Horticulture - \$15.18, Tires - \$100.00, Extra Large Tires - \$135.00.
11. Landfill Tips Fees based on a \$48.15 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, and Other Miscellaneous Revenue including advertising revenue and delinquent accounts. The sum also includes the estimated F.E.M.A. grant revenue (\$1,062,388) for partial reimbursement of expenses resulting from Hurricane Charley

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2005
(unaudited)

Notes to Historical Revenues and Expenses (continued)

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 estimated F.E.M.A. Grant Revenue (\$1,062,388), Material Recovery Facility Revenues (\$1,266,455) and Construction Fund Interest Income (\$26,731).
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 \$27,631 for FY 2005.
19. The Operation and Maintenance Charge (O&M) is based on the Initial Operation and Maintenance Charge of \$5,631,496 plus \$9.245 for every ton exceeding 279,225 tons up to a Maximum Guaranteed Tonnage of 372,300 or \$6,491,974, plus \$10.00 for every ton exceeding 372,300 tons, all adjusted from August 1990 in accordance with the provisions of the Service Agreement with Covanta Energy (formerly Odgen Martin, Inc.). In FY 2005 the O&M charge was \$9,917,704 for the first 372,300 tons, and \$15.28 for every ton exceeding 372,300 tons.
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).
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 the debris clean up for Hurricane Charley (FY04 and FY05), disposal administration costs, horticultural processing, Waste-to-energy transfer station, ash hauling, and disposal expenses.

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY SOLID WASTE SYSTEM
September 30, 2005
(unaudited)

Notes to Historical Revenues and Expenses (continued)

24. The Regulation Service Charge for FY05 is \$91,200 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 24.
27. Non-applied Expenses are equal to the sum of the Landfill Closure Operating Costs (Line 18) and Depreciation. These expenses are not Operating Expenses as defined in the Indenture and are, therefore, not applied to the expenses that are to be covered prior to 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 Refunding Revenue Bonds are the annual debt service payments for the refunding of the Series 1991 Bonds as provided by the Lee County Clerk of Courts Finance Department.
30. Series 1995 Bonds are the annual debt service payments for the 1995 Bonds as provided by the Lee County Clerk of Courts Finance Department.
31. Total Annual Debt Service equals the sum of the Series 2001 Bonds (Line 29) and the Series 1995 Bonds (Line 30).
32. Net Revenues Applied to D.S. (Debt Service) is equal to the Net System Income (Line 16) less the Net System Expenses (Line 28).
33. The Debt Service Coverage is equal to the Net System Revenues Applied to D.S. (Line 32), divided by the Total Annual Debt Service (Line 31).

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2005
 (Unaudited)

Toll Revenue - Sanibel Bridge

The schedule below reflects the toll structure⁽¹⁾:

<u>Vehicle Class</u>	<u>November 1, 2004</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 ⁽²⁾	Initial Vehicle	\$ 67.00	\$ 2.00
	Second Vehicle	33.50	2.00
	Initial Vehicle	400.00	-0-
	Second Vehicle	300.00	-0-
Semiannual ⁽³⁾	Initial Vehicle	50.00	2.00
	Second Vehicle	25.00	2.00
	Initial Vehicle	300.00	-0-
	Second Vehicle	150.00	-0-

Source: August 2005 Toll Resolution

⁽¹⁾ In August, 2005, the Board passed a toll resolution establishing the listed toll rates which were implemented on November 1, 2005. Non-discount program fees did not change.

⁽²⁾ Valid for 12 months commencing November 1 of each year.

⁽³⁾ 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, 2005
 (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⁽¹⁾
 (Sanibel Causeway, Cape Coral Bridge and Midpoint Memorial Bridge)

Type of Discount Program	Vehicle	Cost of Discount Program	Additional Toll	
Annual ⁽²⁾	Initial Vehicle	\$ 107.00	\$.50 for Cape Coral or Midpoint;\$2.00 for Sanibel	
	Second Vehicle	53.50	\$.50 for Cape Coral or Midpoint;\$2.00 for Sanibel	
	Initial Vehicle	730.00	-0-	
	Second Vehicle	365.00	-0-	
	Semiannual ⁽³⁾	Initial Vehicle	74.00	\$.50 for Cape Coral or Midpoint;\$2.00 for Sanibel
		Second Vehicle	37.00	\$.50 for Cape Coral or Midpoint;\$2.00 for Sanibel
Initial Vehicle		500.00	-0-	
Second Vehicle		250.00	-0-	

Source: August 2005 Toll Resolution

⁽¹⁾ In August, 2005, the Board passed a toll resolution establishing the listed toll rates which were implemented on November 1, 2005.

⁽²⁾ Valid for 12 months commencing November 1 of each year.

⁽³⁾ 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⁽¹⁾:

<u>Vehicle Class</u>	<u>November 1, 2004</u>
Motorcycles	\$0.50
2 axles	1.00
3 axles	2.00
4 axles	3.00
5 axles	4.00
6 or more axles, per axle	1.00
Commuter Discounts	(See below)

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY TRANSPORTATION FACILITIES
 September 30, 2005
 (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) a fifty cent (\$.50) toll for each 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 ⁽²⁾	Initial Vehicle	\$ 40.00	\$ 0.50
	Second Vehicle	20.00	0.50
	Initial Vehicle	330.00	-0-
	Second Vehicle	165.00	-0-
Semiannual ⁽³⁾	Initial Vehicle	24.00	0.50
	Second Vehicle	12.00	0.50
	Initial Vehicle	200.00	-0-
	Second Vehicle	100.00	-0-

Source: August 2005 Toll Resolution

⁽¹⁾ In August, 2005, the Board passed a toll resolution establishing the listed toll rates which were implemented on November 1, 2005. Rates for the Cape Coral and Midpoint Bridges did not change from the prior resolution.

⁽²⁾ Valid for 12 months commencing November 1 of each year.

⁽³⁾ 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 one - way 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	\$0.50	\$0.25
2 axles	1.00	0.50/0.25
3 axles	2.00	1.00
4 axles	3.00	1.5
5 axles	4.00	2.00
6 or more axles	1.00 per axle	0.50 per axle

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY TRANSPORTATION FACILITIES
 September 20, 2005
 (unaudited)

TRANSPORTATION FACILITIES TRAFFIC, REVENUES AND EXPENSES BY BRIDGE
MIDPOINT MEMORIAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses (2) (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic (1)	Total				
1998	9164191	77611	9241802		\$8,094	\$1,263	\$6,831
1999	11468036	96573	11564609	25.13%	9,823	1,528	8,295
2000	12772984	117570	12890554	11.47%	10,608	1,780	8,828
2001	13572885	127448	13700333	6.28%	11,846	2,605	9,241
2002	14733131	146919	14880050	8.61%	12,099	2,183	9,916
2003	15626841	168237	15795078	6.15%	13,115	2,668	10,447
2004	16264245	313900	16578145	4.96%	14,072	2,878	11,194
2005	17547324	410963	17958287	8.33%	15,520	3,439	12,081

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

(1) Includes motorcycles and 3+ axle vehicles

(2) Does not include depreciation

CAPE CORAL BRIDGE TRAFFIC, REVENUE AND EXPENSES

Year	TOLL PAYING TRAFFIC			Percentage Change	Gross Toll Revenues (000's omitted)	Operating and Maintenance Expenses (2) (000's omitted)	Net Revenues (000's omitted)
	Passenger Cars	Other Traffic (1)	Total				
1996	16,298,161	122,495	16,420,656		14,169	2,289	11,880
1997	16,589,427	139,224	16,728,651	1.88%	14,265	1,849	12,416
1998 (4)	12,573,124	98,412	12,671,536	-24.25%	10,300	1,469	8,831
1999	12,977,169	96,925	13,074,094	3.18%	10,730	1,767	8,963
2000	13,440,431	95,631	13,536,062	3.53%	10,934	1,922	9,014
2001	14,250,084	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

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) Reduction coincides with opening of Midpoint Memorial Bridge

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				
1996	3,241,971	36,903	3,278,874		6,049	1,480	4,569
1997	3,256,442	32,290	3,288,732	0.30%	6,022	1,282	4,740
1998	3,265,956	33,565	3,299,521	0.33%	6,083	1,286	4,797
1999	3,346,640	33,365	3,380,005	2.44%	6,317	1,213	5,103
2000	3,361,639	37,856	3,399,495	0.58%	6,512	1,484	5,028
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

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 PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2005
 (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 Airport⁽¹⁾

Domestic Carriers

AirTran Airways*
 American Airlines*
 American Trans Air*
 Continental Airlines*
 Delta Air Lines ⁽²⁾*
 Frontier Airlines
 Independence*
 JetBlue*
 Midwest Airlines
 Northwest Airlines*
 Spirit Airlines*
 Sun Country
 United Airlines*
 US Airways*
 USA 3000*

Regionals/Commuters

American Eagle
 Cape Air
 Chautauqua
 Comair
 Continental Express

International Air Carriers

Air Canada
 Condor
 LTU Int'l Airways

Air Cargo Carriers

Airborne Express
 DHL
 Fedex
 United Parcel Service

⁽¹⁾ As of September, 2005. During the peak winter months, a number of other domestic and international charter airlines also operate at the Airport.

⁽²⁾ Also operates Song Airlines 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
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2005
 (Unaudited)

Airport Enplanements October 2004-September 2005

	<u>Commercial Air Carriers</u>	<u>Regionals/ Commuters</u>	<u>International Air Carriers</u>	<u>Domestic Charters</u>	<u>Total Enplanements</u>	<u>Total Enplanements for Month in Prior Year</u>	<u>Percentage Change</u>
October 2004	211,587	13,119	4,094	269	229,069	196,166	16.8%
November 2004	276,157	12,402	7,098	235	295,892	253,885	16.5%
December 2004	291,774	11,576	7,870	426	311,646	265,469	17.4%
January 2005	320,305	10,690	9,669	1,312	341,976	293,969	16.3%
February 2005	352,044	11,319	8,749	1,401	373,513	346,941	7.7%
March 2005	472,783	21,184	8,693	2,394	505,054	434,796	16.2%
April 2005	417,292	18,474	6,168	399	442,333	387,344	14.2%
May 2005	295,316	14,960	4,766	244	315,286	269,764	16.9%
June 2005	242,359	11,388	4,722	365	258,834	227,504	13.8%
July 2005	239,456	11,653	4,219	713	256,041	230,846	10.9%
August 2005	211,233	11,518	5,578	368	228,697	206,501	10.7%
September 2005	166,244	12,083	4,287	116	182,730	159,003	14.9%

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>
1996	1,957,820	141,398	59,590	19,838	2,178,646
1997	2,044,257	110,099	59,286	22,706	2,236,348
1998	2,069,174	139,055	72,261	40,574	2,321,064
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
<u>Compounded Growth</u>					
1996-2005	6.65%	1.41%	2.72%	-7.54%	6.19%

Source: Lee County Port Authority

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2005
 (Unaudited)

HISTORICAL LANDED WEIGHT BY AIRLINE (000 lbs)

HISTORICAL ENPLANEMENTS BY AIRLINE

Airline	FY 2004		FY 2005	
	Landed Weight	Share	Landed Weight	Share
Delta	1,153,493	28.6%	1,101,793	23.4%
US Airways	411,970	10.2%	468,125	9.9%
Northwest	333,413	8.3%	416,000	8.8%
JetBlue	250,699	6.2%	370,147	7.9%
Continental	291,327	7.2%	301,292	6.4%
Spirit Airlines	247,520	6.1%	298,075	6.3%
USA 3000	84,612	2.1%	274,358	5.8%
American	185,880	4.6%	233,488	5.0%
AirTran	202,074	5.0%	227,403	4.8%
Am Trans Air	199,485	5.0%	226,680	4.8%
United	113,627	2.8%	77,901	1.7%
Independence	0	0.0%	70,459	1.5%
American Eagle	61,745	1.5%	60,212	1.3%
Sun Country	22,192	0.6%	53,360	1.1%
Frontier	43,290	1.1%	45,166	1.0%
Chautauqua	52,575	1.3%	41,140	0.9%
Comair	16,591	0.4%	40,655	0.9%
Midwest Airlines	28,928	0.7%	32,619	0.7%
Cape Air	15,990	0.4%	19,170	0.4%
Continental Express	7,405	0.2%	11,008	0.2%
Domestic Charters	31,618	0.8%	13,542	0.3%
International Airlines	108,746	2.7%	135,877	2.9%
Cargo	163,322	4.1%	193,026	4.1%
Airport Total	4,026,502	100.0%	4,711,496	100.0%

Airline	FY2004		FY2005	
	Enplanements	Share	Enplanements	Share
Delta	854,432	26.1%	814,852	21.8%
US Airways	409,094	12.5%	415,263	11.1%
JetBlue	238,368	7.3%	347,339	9.3%
Northwest	283,256	8.7%	341,480	9.1%
Continental	263,288	8.0%	262,282	7.0%
Spirit Airlines	230,885	7.1%	259,815	6.9%
USA 3000	75,392	2.3%	251,676	6.7%
AirTran	185,204	5.7%	203,191	5.4%
American	152,041	4.6%	197,014	5.3%
Am Trans Air	187,287	5.7%	181,488	4.9%
United	95,573	2.9%	67,215	1.8%
American Eagle	59,080	1.8%	56,421	1.5%
Independence	0	0.0%	48,333	1.3%
Sun Country	20,246	0.6%	42,160	1.1%
Comair	12,317	0.4%	41,821	1.1%
Frontier	32,468	1.0%	35,259	0.9%
Chautauqua	41,036	1.3%	34,215	0.9%
Midwest Airlines	24,347	0.7%	27,634	0.7%
Cape Air	14,251	0.4%	16,999	0.5%
Continental Express	7,360	0.2%	10,910	0.3%
Domestic Charters	11,914	0.4%	9,791	0.3%
International Airlines	70,807	2.2%	75,913	2.0%
Other	3,542	0.1%	0	0.0%
Airport Total	3,272,188	100.0%	3,741,071	100.0%

Source: Lee County Port Authority

Lee County, Florida
SUPPLEMENTAL SCHEDULES
LEE COUNTY PORT AUTHORITY
SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2005
 (Unaudited)

HISTORICAL AIR SERVICE

The following table presents historical data on the Airport's top 30 origin and destination (O&D) markets.

PRIMARY DOMESTIC ORIGIN & DESTINATION PASSENGER MARKETS

Rank	Fiscal Year 2004			Fiscal Year 2005			Percent of Total	Market	Rank	Fiscal Year 2005			Percent of Total
	Nonstop Service Miles	Total O&D Passengers	Percent of Total	Nonstop Service Miles	Total O&D Passengers	Percent of Total				Nonstop Service Miles	Total O&D Passengers	Percent of Total	
1	New York (JFK)	1,092	346,140	13.23%	1,092	New York (JFK)	1	1,092	529,590	20.25%			
2	Boston	1,249	319,560	12.22%	1,249	Boston	2	1,249	418,066	15.98%			
3	Detroit	1,085	306,990	11.74%	1,085	Detroit	3	1,085	386,803	14.79%			
4	Chicago (O'Hare)	1,120	267,200	10.21%	1,120	Chicago (O'Hare)	4	1,120	323,877	12.38%			
5	Minneapolis	1,416	226,960	8.68%	1,416	Minneapolis	5	1,416	273,610	10.46%			
6	New York (Newark)	1,068	222,300	8.50%	1,068	New York (Newark)	6	1,068	231,960	8.87%			
7	Indianapolis	946	209,020	7.99%	946	Indianapolis	7	946	229,332	8.77%			
8	Chicago (Midway)	1,105	189,250	7.23%	1,105	Chicago (Midway)	8	1,105	189,100	7.23%			
9	Philadelphia	992	183,250	7.01%	992	Philadelphia	9	992	201,497	7.70%			
10	Atlanta	515	157,800	6.03%	515	Atlanta	10	515	177,347	6.78%			
11	Milwaukee	1,183	122,890	4.70%	1,025	Cleveland	11	1,025	145,167	5.55%			
12	Pittsburgh	966	118,470	4.53%	892	Washington (National)	12	892	129,505	4.95%			
13	Cleveland	1,025	117,020	4.47%	982	Atlantic City	13	982	124,812	4.77%			
14	Hartford	1,180	111,910	4.28%	1,183	Milwaukee	14	1,183	124,272	4.75%			
15	Baltimore	919	108,280	4.14%	1,180	Hartford	15	1,180	119,874	4.58%			
16	Columbus	930	108,120	4.13%	966	Baltimore	16	966	125,400	4.79%			
17	Atlantic City	982	101,820	3.89%	966	Pittsburgh	17	966	119,199	4.56%			
18	New York (Laguardia)	1,080	97,750	3.74%	930	Columbus	18	930	113,766	4.35%			
19	Denver	1,606	79,660	3.05%	1,606	Denver	19	1,606	96,012	3.67%			
20	Cincinnati	879	78,280	2.99%	879	Cincinnati	20	879	94,950	3.63%			
21	Providence	1,201	77,960	2.98%	1,201	Providence	21	1,201	93,027	3.56%			
22	St. Louis	979	77,040	2.95%	979	St. Louis	22	979	79,223	3.03%			
23	Washington (National)	892	76,880	2.94%	1,144	Buffalo	23	1,144	73,563	2.81%			
24	Kansas City	1,155	61,420	2.35%	1,155	Kansas City	24	1,155	67,724	2.59%			
25	Buffalo	1,144	59,110	2.26%	1,017	Dallas/Ft. Worth	25	1,017	67,577	2.58%			
26	Dayton	932	56,740	2.17%	2,293	Las Vegas	26	2,293	57,411	2.19%			
27	Dallas/Ft. Worth	1,017	56,570	2.16%	932	Dayton	27	932	55,034	2.10%			
28	Las Vegas	2,288	47,850	1.83%	617	Charlotte	28	617	55,471	2.12%			
29	Rochester	1,166	44,100	1.69%	1,166	Rochester	29	1,166	55,325	2.12%			
30	Houston	854	41,330	1.58%	1,080	Houston	30	1,080	45,269	1.73%			
Total - Top 30 Markets			4,071,670	62.7%	Total - Top 30 Markets			4,803,763	64.7%				
Total - All Other Markets			2,422,832	37.3%	Total - All Other Markets			2,615,819	35.3%				
Total - All Markets			6,494,502	100.0%	Total - All Markets			7,419,582	100.0%				
Average													
Stage Length ¹			Airport	1052 miles	Stage Length ¹			Airport	1201 miles	Stage Length ¹			
			United States	1368 miles				United States	1145 miles				

¹ Average passenger trip distance for all of the Airport's O&D markets.
 Source: USDOT Origin & Destination Survey of Airline Passenger Traffic

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 September 30, 2005
 (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	Total
1996	36,314	17,608	962	276	11,164	1,628	1,152	69,104	
1997	36,520	12,378	848	336	12,836	1,634	1,442	65,994	
1998	34,568	14,150	972	798	15,711	1,588	1,943	72,967	
1999	35,142	16,354	870	864	17,479	1,610	1,855	78,706	
2000	35,786	14,938	886	940	20,164	1,602	1,847	78,160	
2001	41,096	11,684	1,196	570	19,295	1,588	2,187	78,729	
2002	36,440	10,666	602	728	20,239	1,616	3,205	68,358	
2003	40,866	11,554	708	616	32,402	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	
Compounded									
Growth Rate									
1996-2005	5.39%	-3.35%	1.54%	-3.62%	3.35%	3.26%	5.04%	3.16%	

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, 2005
 (dollars in thousands)

HISTORICAL STATEMENT OF NET REVENUES¹
 FISCAL YEARS 2001-2005

OPERATING REVENUES:	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
User Fees	\$13,739	\$11,772	\$14,450	\$15,780	\$26,912
Rentals and Franchise Fees	842	891	1,037	1,306	1,508
Concessions	20,112	20,488	22,715	25,109	29,441
Interest Revenue	2,867	1,278	906	740	2,433
Miscellaneous	153	419	548	249	757
Total Operating Revenues	<u>\$37,713</u>	<u>\$34,848</u>	<u>\$39,656</u>	<u>\$43,184</u>	<u>\$61,051</u>
OPERATING EXPENSES:					
Salaries and Wages	\$9,327	\$10,182	\$11,159	\$12,289	\$13,231
Employee Benefits	3,292	3,313	3,588	4,303	4,657
Contractual Services, Materials and Supplies	7,240	6,382	7,617	7,325	9,416
Utilities	1,628	1,361	1,855	2,030	2,321
Repairs and Maintenance	997	909	991	1,021	1,055
Insurance	453	658	999	1,287	1,695
Other	849	1,205	1,914	1,632	1,412
Total Operating Expenses	<u>\$23,786</u>	<u>\$24,010</u>	<u>\$28,123</u>	<u>\$29,887</u>	<u>\$33,787</u>
NET REVENUES:	\$13,927	\$10,838	\$11,533	\$13,297	\$27,264
Debt Service Interest	\$3,164	\$2,219	\$1,644	\$1,518	\$13,648
Principal	3,495	3,740	4,744	4,871	5,410
TOTAL DEBT SERVICE:	<u>\$6,659</u>	<u>\$5,959</u>	<u>\$6,388</u>	<u>\$6,389</u>	<u>\$19,058</u>
BOND SERVICE REQUIREMENT COVERAGE BEFORE REBATE AND DISCRETIONARY FUND TRANSFER	2.09x	1.82x	1.81x	2.08x	1.43x

¹ Net Revenues are determined in accordance with the bond resolution as excerpted from the audited financial statements. Does not include annual, accrued arbitrage rebate liability paid to the United States of America, which arbitrage rebate liability is included as a Current Expense under the Bond Resolution, but not under applicable GAAP standards. If such arbitrage rebate liability were included as a Current Expense, the Bond Service Requirement Coverage for Fiscal Years 2001-2005 would be 1.42x, 1.35x, 1.51x, 1.87 and 1.42x, respectively. The arbitrage rebate liability was paid from investment earnings on amounts deposited in the Project Fund established in connection with the issuance of the Series 2000 bonds, which investment earnings are not included as Operating Revenues in the table above.

Source: Lee County Finance Department

Lee County, Florida
 SUPPLEMENTAL SCHEDULES
 LEE COUNTY PORT AUTHORITY
 SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
 PASSENGER FACILITY CHARGE REVENUE REPORT
 September 30, 2005
 (unaudited)

Total Enplaned Passengers	Eligible Enplaned Passengers	Net PFC Cash Collections	Interest Income	Total PFC Revenue
3,741,071	3,663,184	\$14,788,707	\$294,673	\$15,083,380

DEBT SERVICE COVERAGE
 For Fiscal Year Ending September 30, 2005

Actual PFC Revenues	Actual 2005 PFC debt service requirements	Actual debt service factor
\$15,083,380	\$4,064,120	3.71

Source: Lee County Port Authority