# TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT ........................................................................................................... 2

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet – All Fund Types and Account Groups .......................................................... 3

Combined Statement of Revenues, Expenditures and Changes
In Fund Balance – All Governmental Fund Types ................................................................................. 4-5

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual – General Fund ....................................................................................... 6-7

Statements of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual – Debt Service Fund ............................................................................... 8

Notes to Financial Statements ................................................................................................................ 9-15

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .......................................................... 16

INDEPENDENT AUDITOR’S REPORT ON EXAMINATION OF MANAGEMENT’S
ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS ........................................... 17

MANAGEMENT’S ASSERTION REPORT .................................................................................................. 18

SCHEDULE OF STATE FINANCIAL ASSISTANCE ................................................................................. 19

MANAGEMENT LETTER .......................................................................................................................... 20-21
INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lehigh Acres Fire Control and Rescue District
Lehigh Acres, Florida

We have audited the accompanying general purpose financial statements of Lehigh Acres Fire Control and Rescue District, as of September 30, 2000, as listed in the table of contents. These financial statements are the responsibility of Lehigh Acres Fire Control and Rescue District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lehigh Acres Fire Control and Rescue District as of September 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 2001, on our consideration of Lehigh Acres Fire Control and Rescue District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Schedule of State Financial Assistance listed is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Lehigh Acres Fire Control and Rescue District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

February 5, 2001

MYERS, BRETHOLTZ & COMPANY, PA
## LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT
### COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
#### SEPTEMBER 30, 2000

<table>
<thead>
<tr>
<th>Governmental Fund Types</th>
<th>Account Groups</th>
<th>Totals (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Debt Service Fund</td>
<td>General Fixed Assets</td>
</tr>
</tbody>
</table>

### ASSETS
- **Cash**: $449,619
- **Accounts receivable (net of allowance for uncollectibles)**: $344,846
- **Taxes receivable**: $88,666
- **Interest receivable**: $1,350
- **Property, plant and equipment**: $4,180,912
- **Amount available in debt service fund**: $56,623
- **Amount to be provided for debt service**: $1,168,773

- **Total assets**: $884,481

### LIABILITIES AND FUND BALANCES

#### LIABILITIES
- **Accounts payable**: $17,611
- **Deferred revenues**: $7,427
- **Notes payable**: $967,852
- **Compensated absences**: $257,544

- **Total liabilities**: $25,038

#### FUND BALANCE
- **Investment in general fixed assets**: $4,180,912
- **Fund balance - reserved for impact fees**: $141,203
- **Fund balance - reserved for debt service**: $56,623
- **Fund balance - unreserved, undesignated**: $718,240

- **Total fund balance**: $859,443

- **Total liabilities and fund balances**: $884,481

---

Read Independent Auditor's Report.
The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Debt Service Fund</th>
<th>Totals (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debt Service</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>2,407</td>
<td>125,033</td>
<td>125,033</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td>30,627</td>
<td>33,034</td>
</tr>
<tr>
<td><strong>Total debt service</strong></td>
<td>2,407</td>
<td>155,660</td>
<td>158,067</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>4,503,315</td>
<td>155,660</td>
<td>4,658,975</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over expenditures</strong></td>
<td>19,217</td>
<td>(155,660)</td>
<td>(136,443)</td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES**

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Debt Service Fund</th>
<th>Totals (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers in</td>
<td></td>
<td>155,660</td>
<td>155,660</td>
</tr>
<tr>
<td>Operating transfers out</td>
<td>(155,660)</td>
<td></td>
<td>(155,660)</td>
</tr>
<tr>
<td>Donations</td>
<td>325</td>
<td>-</td>
<td>325</td>
</tr>
<tr>
<td>Proceeds of capital lease</td>
<td>400,000</td>
<td></td>
<td>400,000</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong></td>
<td>244,665</td>
<td>155,660</td>
<td>400,325</td>
</tr>
<tr>
<td><strong>Excess of revenues and other sources over expenditures</strong></td>
<td>263,882</td>
<td>-</td>
<td>263,882</td>
</tr>
</tbody>
</table>

**FUND BALANCE - Beginning of year**

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Debt Service Fund</th>
<th>Totals (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - Beginning of year</td>
<td>595,561</td>
<td>56,623</td>
<td>652,184</td>
</tr>
</tbody>
</table>

**FUND BALANCE - End of year**

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Debt Service Fund</th>
<th>Totals (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - End of year</td>
<td>$ 859,443</td>
<td>$ 56,623</td>
<td>$ 916,066</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td>Budget</td>
<td>Actual</td>
<td>Variance Favorable (Unfavorable)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Transfer to debt service fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>325</td>
<td>325</td>
</tr>
<tr>
<td>Proceeds of capital lease</td>
<td>-</td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>-</td>
<td>400,325</td>
<td>400,325</td>
</tr>
<tr>
<td>Excess of revenues and other sources over expenditures</td>
<td>18,820</td>
<td>419,540</td>
<td>804,154</td>
</tr>
<tr>
<td>FUND BALANCE - Beginning of year</td>
<td>595,561</td>
<td>595,561</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - End of year</td>
<td>$614,381</td>
<td>$1,015,101</td>
<td>$804,154</td>
</tr>
</tbody>
</table>

Read Independent Auditor's Report.
The accompanying notes are an integral part of the financial statements.
LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2000
(With Comparative Information for the Year Ended September 30, 1999)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th></th>
<th></th>
<th>1999</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Variance Favorable</td>
<td>Actual</td>
<td>(Unfavorable)</td>
</tr>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td>2000 Actual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,121</td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,121</td>
</tr>
</tbody>
</table>

| EXPENDITURES           |       |         |                 |       |         |
| Debt Service:          |       |         | 2000 Actual      |       |         |
| Principal              | 25,775 | 125,033 | 99,258           | 306,850 |
| Interest               | 7,505  | 30,627  | 23,122           | 21,071 |
| Total expenditures     | 33,280 | 155,660 | 122,380          | 327,921 |

| OTHER FINANCING SOURCES|       |         |                 |       |         |
| Transfer from general fund | -   | 155,660 | 155,660          | 337,921 |
| Total other financing sources | - | 155,660 | 155,660          | 337,921 |

(Deficiency) excess of other sources over expenditures
(33,280) - 33,280 | 11,121

FUND BALANCE - Beginning of year
20,502 56,623 36,121 45,502

FUND BALANCE - End of year
$ (12,778) $ 56,623 $ 69,401 $ 56,623

Read Independent Auditor's Report.
The accompanying notes are an integral part of the financial statements.
NOTE 1 – DESCRIPTION

The Lehigh Acres Fire Control and Rescue District (the “District”) is a local governmental unit created by the State of Florida Legislature under Chapter 63-1546, Laws of Florida to provide fire protection and rescue services to a certain prescribed area in Lehigh Acres, Florida. The District is funded primarily by taxes and is operated by a five-person Board of Commissioners (the “Commissioners”).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements conform to generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”) and other recognized authoritative sources. The more significant accounting policies are described below.

Reporting Entity

The District follows standards promulgated by GASB Statement No. 14, The Financial Reporting Entity, to define the reporting entity. Statement No. 14 requires funds and account groups of agencies, boards, and authorities that are controlled by, or are dependent on, the District to be included in its Audit Report. In determining the agencies, boards, or authorities to be included in the annual financial report, the District considered the following criteria: oversight responsibility, including financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public services, and special financing relationships. Control by, or dependence on, the District has been determined and, as a result, no other agencies are included in the District’s Audit Report since the District exercises no manifestations of oversight, nor is any agencies’ activity for the benefit of the District.

Basis of Presentation - Fund Accounting

The accounting records of the District are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The funds utilized by the District are as follows:

Governmental Fund Types - The governmental fund measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination.

General - The general fund is the principal fund used to account for general governmental activities of the District. All financial transactions not required to be accounted for in other funds are accounted for in the general fund.

Debt Service – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Read Independent Auditor’s Report.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Accounting (Continued)

Account groups

General Fixed Assets - This account group is used to maintain control and cost information on District-owned property, plant, and equipment.

General Long Term Debt - This account group is used to maintain control and account for the District's unmatured general long term obligations.

The account groups are not funds. They consist of self-balancing sets of accounts and are used only to establish accounting control over property, plant, and equipment and general long term obligations. Account groups are not used to account for available resources, the acquisition of fixed assets, or payment of liabilities.

Basis of Accounting

The basis of accounting for the District reflected within these statements is the modified accrual basis. A description of this basis follows:

Revenues - Under the modified accrual basis, revenues are recorded as received except for revenues susceptible to accrual and revenues of a material amount that have not been received at the normal time of receipt. Revenues considered susceptible to accrual include interest and certain miscellaneous revenues. See Note 3 for a description of property taxes.

Expenditures - Under the modified accrual basis of accounting, expenditures are generally recorded when obligations are incurred, or when benefits are received except for interest on general and special obligation bonds, which are recorded in the accounting period in which payment becomes due.

Encumbrances - The District does not utilize an encumbrance system in accounting for expenditures in its budgetary fund.

Cash and Investments

At September 30, 2000, cash consisted of a demand deposit account which is stated at cost. Cost approximates market value.

Investments can legally consist of repurchase agreements, US Government securities, certificates of deposit, and savings accounts. At September 30, 2000, investments consisted of savings accounts which are stated at cost. Cost approximates market value.

All depositories are banks designated by the State Treasurer as qualified public depositories. As of September 30, 2000, these accounts were fully insured under Chapter 280 of the Florida Statutes.

As of September 30, 2000 the District was in compliance with Chapter 218.415 of the Florida Statutes regarding local government investment policies.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process and Reporting

Budgets have been adopted by the District for all governmental funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Estimated beginning fund balance is considered in the budgetary process, but is not included in the financial statements as budgeted revenue. Differences between estimated beginning fund balance and actual fund balance, if material, are submitted to the Commissioners as budget amendments.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the amount budgeted in each fund’s budget. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Commissioners.

If, during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, the District by resolution may make supplemental appropriations for the year up to the amount of such excess.

Reserved Fund Balance

Reserved Fund Balance at September 30, 2000 consisted of amounts reserved for impact fees as further discussed in Note 9.

Donated Assets

Donations are valued at their fair market value at the date the donation is made. During the current year the District received $325 in donations.

General Fixed Assets

Property, plant, and equipment acquired by the District are capitalized into the General Fixed Assets Account Group. All general property, plant, and equipment are recorded at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Major renovations and enhancements are capitalized. No depreciation is computed on general property, plant, and equipment.

Long Term Liabilities

Long term liabilities expected to be financed from governmental funds are accounted for in the General Long Term Debt Account Group. Significant accrued liabilities for capital lease payments for vehicles and equipment have been recorded in the General Long Term Debt Account Group.

Another significant accrued liability amount is for compensated absences. Pursuant to NCGA Statement 4, the District accumulates and records a contingent liability for compensated absences accrued by employees. Vacation leave is based on the calendar year. A maximum of four vacation days may be carried over to the next calendar year. Unused vacation leave at September 30, 2000 has been accrued as a contingent liability in the amount of $123,855.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long Term Liabilities (Continued)

During the fiscal year ended September 30, 1993 the District revised its policy regarding sick leave. Under the new policy accrued sick leave as of April 1993 was converted into a sick leave closeout “bank”. Upon retirement, an employee will receive payment equal to one half the hours in the “bank” at the rate of pay at retirement. All future sick leave earned by employees will accrue without monetary value. In the event of prolonged illness, an employee may use hours from the “bank”. However, these hours may not be replaced. The total amount accrued as a contingent liability for sick leave at year end is $133,689.

Retirement Plan

Members and employees of the District participate in retirement plans of the State of Florida, administered by the Department of Administration, Division of Retirement. These plans require contributions based upon the individual’s employment level as further discussed in Note 6.

Deferred Revenues

Deferred revenues represent amounts received in advance for impact fees and unexpended grant funds. These revenues are recognized as they are earned by the District. Amounts received but not yet earned are reported as deferred revenues as further discussed in Note 9.

NOTE 3 – PROPERTY TAXES

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the tax roll is certified by the County Property Appraiser, and become delinquent on April 1 of the following year. The County Tax Collector mails to each property owner on the tax roll a notice of taxes levied by the various governmental entities in the County. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year at which time a lien attaches to the property.

At September 30, 2000 taxes receivable was comprised of property taxes receivable of $36,126 and impact fees receivable of $52,540. Interest receivable from the tax collector was $1,350 at September 30, 2000.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2000, consisted of ambulance user fee receivables of $357,191. The allowance for uncollectable accounts as of September 30, 2000, amounted to $12,345 which is computed based on an historical experience rate.

NOTE 5 – CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are recorded in the General Fixed Assets Account Group, at cost, with no depreciation charged to operations. The cost or other basis of acquisition is recorded as a Capital Outlay expenditure in the General Fund. The expenditure is then capitalized in the General Fixed Assets Account Group.
NOTE 5 – CHANGES IN PROPERTY, PLANT, AND EQUIPMENT (Continued)

A summary of changes in property, plant and equipment for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; buildings</td>
<td>$1,322,149</td>
<td>$-</td>
<td>$-</td>
<td>$1,322,149</td>
</tr>
<tr>
<td>Improvements other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>than buildings</td>
<td>31,529</td>
<td>2,473</td>
<td>-</td>
<td>34,002</td>
</tr>
<tr>
<td>Autos, trucks &amp;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>equipment</td>
<td>2,531,843</td>
<td>504,621</td>
<td>211,703</td>
<td>2,824,761</td>
</tr>
<tr>
<td>Total</td>
<td>$3,885,521</td>
<td>$507,094</td>
<td>$211,703</td>
<td>$4,180,912</td>
</tr>
</tbody>
</table>

NOTE 6 – RETIREMENT PLAN

The District participates in the Florida Retirement System ("FRS"), a cost-sharing, multiple-employer, public employee retirement system, which covers all of the employees. The FRS is noncontributory and is totally administered by the State of Florida. Benefits under the plan vest after ten years of service. Employees who retire at or after age 62, with ten 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. The benefit provisions and all other requirements are established by Florida Statute, Chapter 112 and 121.

Pension costs for the District as required and defined by State statute ranged between 9.1 percent and 20.3 percent of gross salaries for fiscal year 2000. For the fiscal years ended September 30, 2000, 1999, and 1998, the District contributed 100 percent of the required contributions. These contributions aggregated $471,139, $522,499, and $562,628, respectively, which represents 20 percent, 23 percent, and 26 percent of covered payroll.

A copy of the FRS's June 30, 1999, annual report can be obtained by writing to the Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.
NOTE 7 – LONG TERM DEBT

The District has three capital leases. One lease originated in 1997 to cover the cost of a radio system. The second lease was taken out in 1999. Proceeds were used to refinance two previous leases on two existing engines as well as for the purchase of two new ambulances and a new staff vehicle. In the current year an additional lease was taken out for the purchase of a new engine. The debt service requirements are included in the schedule below:

<table>
<thead>
<tr>
<th>Year ended September 30,</th>
<th>Radio System</th>
<th>Multiple Vehicles</th>
<th>Unit 210</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$ 34,236</td>
<td>$ 121,423</td>
<td>$ 79,570</td>
<td>$ 235,229</td>
</tr>
<tr>
<td>2002</td>
<td>-</td>
<td>121,423</td>
<td>79,570</td>
<td>200,993</td>
</tr>
<tr>
<td>2003</td>
<td>-</td>
<td>121,423</td>
<td>79,570</td>
<td>200,993</td>
</tr>
<tr>
<td>2004</td>
<td>-</td>
<td>121,423</td>
<td>79,570</td>
<td>200,993</td>
</tr>
<tr>
<td>2005</td>
<td>-</td>
<td>121,423</td>
<td>79,570</td>
<td>200,993</td>
</tr>
<tr>
<td>2006</td>
<td>-</td>
<td>-</td>
<td>79,570</td>
<td>79,570</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>34,236</td>
<td>607,115</td>
<td>477,420</td>
<td>1,118,771</td>
</tr>
<tr>
<td>Less: amounts representing interest</td>
<td>1,666</td>
<td>71,836</td>
<td>77,417</td>
<td>150,919</td>
</tr>
<tr>
<td>Present value of minimum lease payments</td>
<td>$ 32,570</td>
<td>$ 535,279</td>
<td>$ 400,003</td>
<td>$ 967,852</td>
</tr>
</tbody>
</table>

NOTE 8 – CHANGES IN LONG TERM DEBT

A summary of changes in long term debt for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oct. 1, 1999</td>
<td>$ 166,130</td>
<td>$ 177,535</td>
<td>Sept. 30, 2000</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$ 268,949</td>
<td></td>
<td></td>
<td>$ 257,544</td>
</tr>
<tr>
<td>Note payable - Sun Bank</td>
<td>63,555</td>
<td></td>
<td>30,985</td>
<td>32,570</td>
</tr>
<tr>
<td>Note payable - SunTrust</td>
<td>629,330</td>
<td></td>
<td>94,048</td>
<td>535,282</td>
</tr>
<tr>
<td>Note payable - Unit 210</td>
<td>-</td>
<td>400,000</td>
<td></td>
<td>400,000</td>
</tr>
<tr>
<td>Total</td>
<td>$ 961,834</td>
<td>$ 566,130</td>
<td>$ 302,568</td>
<td>$ 1,225,396</td>
</tr>
</tbody>
</table>

NOTE 9 – IMPACT FEES AND CREDITS

During the year the District received fire impact fees from Lee County. These funds, which were maintained in a separate savings account during the year, may be spent only after receiving permission from the County for the proposed expenditure. During the current year, impact fees were expended for principal and interest payments for leases on a radio system and several vehicles as well as for the conversion of an engine into a brush truck.

The following is an analysis of impact fee transactions during the year:

- Impact fees - October 1, 1999 $ 150,831
- Current year impact fees $ 162,357
- Current year interest income $ 2,645
- Current year impact fee credits applied $ (3,900)
- Current year expenditures $ (170,730)
- Impact fees - September 30, 2000 $ 141,203

Read Independent Auditor’s Report.
NOTE 9 – IMPACT FEES AND CREDITS (Continued)

During the year ended September 30, 1994, the District received five parcels of land in exchange for impact fee credits of $41,000. The transaction was approved by Lee County. Credits have been issued against future impact fees assessed to the transferor. The remaining credit is included in deferred revenue on the combined balance sheet – all fund and account groups.

The following is an analysis of change in impact fee credit balance during the year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact fee credits - October 1, 1999</td>
<td>$5,199</td>
</tr>
<tr>
<td>Current year credits issued</td>
<td>$3,900</td>
</tr>
<tr>
<td>Impact fee credits - September 30, 2000</td>
<td>$1,299</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Lehigh Acres Fire Control and Rescue District
Lehigh Acres, Florida

We have audited the general purpose financial statements of Lehigh Acres Fire Control and Rescue District as of and for the year ended September 30, 2000, and have issued our report thereon dated February 5, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Lehigh Acres Fire Control and Rescue District’s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not a objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lehigh Acres Fire Control and Rescue District’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information of the management, the Auditor General, and the Comptroller of Florida. However, this report is a matter of public record and its distribution is not limited.

February 5, 2001

Myers, Brettholtz & Company, PA
INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF MANAGEMENT'S ASSERTION
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

Board of Commissioners
Lehigh Acres Fire Control and Rescue District
Lehigh Acres, Florida

We have examined management's assertion about Lehigh Acres Fire Control and Rescue District's compliance with the allowable cost requirements established in the grant agreement applicable to the State grants and aids appropriations identified on the Schedule of State Financial Assistance for the year ended September 30, 2000, included in the accompanying Management's Assertion Report. Management is responsible for Lehigh Acres Fire Control and Rescue District's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Lehigh Acres Fire Control and Rescue District's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence about Lehigh Acres Fire Control and Rescue District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lehigh Acres Fire Control and Rescue District's compliance with specified requirements.

In our opinion, management's assertion that Lehigh Acres Fire Control and Rescue District complied with the aforementioned requirements during the fiscal year ended September 30, 2000, and is fairly stated, in all material respects.

February 5, 2001

MYERS BRETHHOLTZ & COMPANY, PA
MANAGEMENT'S ASSERTION REPORT

I, John O. Boardman, Jr., hereby assert that, Lehigh Acres Fire Control and Rescue District complied with allowable cost requirements of the grants and aids appropriations identified on the attached Schedule of State Financial Assistance during the fiscal year ended September 30, 2000.

[Signature]

[Title]

[Date]
## LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT
### SCHEDULE OF STATE FINANCIAL ASSISTANCE
#### SEPTEMBER 30, 2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Florida</td>
<td>$ -</td>
<td>$ 6,128</td>
<td>$ -</td>
<td>$ 6,128</td>
</tr>
<tr>
<td>Lee County / Contract 9936</td>
<td>$ -</td>
<td>$ 6,128</td>
<td>$ -</td>
<td>$ 6,128</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$ -</td>
<td>$ 6,128</td>
<td>$ -</td>
<td>$ 6,128</td>
</tr>
</tbody>
</table>

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Read Independent Auditor's Report.
The accompanying notes are an integral part of the financial statements.
MANAGEMENT LETTER

Board of Commissioners
Lehigh Acres Fire Control and Rescue District
Lehigh Acres, Florida

In planning and performing our audit of the general purpose financial statements of Lehigh Acres Fire Control and Rescue District, as of and for the year ended September 30, 2000, (on which we have issued a report dated February 5, 2001), we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure. In connection therewith, we have issued our report on compliance and on internal control over financial reporting dated February 5, 2001.

Our comments and recommendations, including the status of prior year comments and recommendations, and the reporting requirements of the Auditor General, State of Florida, are presented under the following main captions:

- Status of Prior Year Comments
- Current Year Comments
- State Reporting Requirements

STATUS OF PRIOR YEAR COMMENTS

All prior year comments have been satisfactorily resolved.

CURRENT YEAR COMMENTS

There are no current year comments.

STATE REPORTING REQUIREMENTS

The rules of the Auditor General, State of Florida, require that this report be filed with the Auditor General together with the audited financial statements.
In connection with our audit of the general purpose financial statements of Lehigh Acres Fire Control and Rescue District, pursuant to Chapter 10.550, the Rules of the Auditor General, State of Florida-Local Government Entity Audits, we report the following:

- Nothing came to our attention to cause us to believe that Lehigh Acres Fire Control and Rescue District, is or during the year ended September 30, 2000 was, in a state of financial emergency (as defined) due to the occurrence of any of the conditions described in Section 218.503(1), Florida Statutes.

- The financial report of Lehigh Acres Fire Control and Rescue District filed with the Department of Banking and Finance, State of Florida pursuant to Section 218.32, Florida Statutes, is in agreement with the general purpose financial statements for the year ended September 30, 2000.

- The Lehigh Acres Fire Control and Rescue District is a local governmental unit created by the Florida State Legislature under Chapter 63-1546 Laws of Florida to provide fire protection and rescue services to a certain prescribed area in Lehigh Acres, Florida.

This report is intended solely for the information of management, the Auditor General, and the Comptroller of Florida. However, this report is a matter of public record and its distribution is not limited.

February 5, 2001

MYERS BRETHOLTZ & COMPANY, PA