LEE COUNTY, GEORGIA

Report Of Independent Certified Public Accountants In Accordance With The Single Audit Act And *Government Auditing Standards*

For the year ended June 30, 2010

Geer & Associates
Certified Public Accountants
1120 Stuart Avenue
Albany, Georgia

.

LEE COUNTY, GEORGIA
Annual Financial Report
For The Fiscal Year Ended June 30, 2010

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	2
Government-wide Financial Statements	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet- Governmental Funds	5
State of Revenues, Expenditures & Changes in Fund Balances- Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures & Changes In Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Assets- Proprietary Funds	8-9
Statement of Revenues, Expenses & Changes In Fund Net Assets- Proprietary Funds	10
Statement of Cash Flows- Proprietary Funds	11
Statement of Fiduciary Net Assets- Fiduciary Funds	12 - 13
Notes To The Financial Statements	14-32
REQUIRED SUPPLEMENTARY INFORMATION	33
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual- General Fund	34
Schedule of Funding Progress- Pension Trust Fund	35
COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES	36
Major Governmental Funds	37
General Fund	
Schedule of Assets, Liabilities & Fund Balances	38
Schedule of Revenues, Expenditures & Changes in Fund Balances	39
Development Authority Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	40
Schedule of Revenues, Expenditures & Changes in Fund Balances	41
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	42
1% SPLOST #4 Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	43
Schedule of Revenues, Expenditures & Changes in Fund Balances	44
1% SPLOST #5 BONY- Advance Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	45
Schedule of Revenues, Expenditures & Changes in Fund Balances	46
1% SPLOST #5 Tax Proceeds Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	47
Schedule of Revenues, Expenditures & Changes in Fund Balances	48

LEE COUNTY, GEORGIA
Annual Financial Report
For The Fiscal Year Ended June 30, 2010

TABLE OF CONTENTS
(Continued)

	Page
Nonmajor Governmental Funds	49
Combining Statement of Assets, Liabilities & Fund Balances	50
Combining Schedule of Revenues, Expenditures & Changes in Fund Balances	51
Drug Abuse Treatment & Education Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	52
Schedule of Revenues, Expenditures & Changes in Fund Balances	53
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	54
Jail Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	55
Schedule of Revenues, Expenditures & Changes in Fund Balances	56
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	57
Building Inspection Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	58
Schedule of Revenues, Expenditures & Changes in Fund Balances	59
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	60
District Attorney Forfeiture Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	61
Schedule of Revenues, Expenditures & Changes in Fund Balances	62
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	63
Law Library Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	64
Schedule of Revenues, Expenditures & Changes in Fund Balances	65
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	66
E-911 Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	67
Schedule of Revenues, Expenditures & Changes in Fund Balances	68
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	69
Special Assessment Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	70
Schedule of Revenues, Expenditures & Changes in Fund Balances	71
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	72
Hotel/Motel Tax Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	73
Schedule of Revenues, Expenditures & Changes in Fund Balances	74
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	75
Major Proprietary Funds	76
Utility Authority Enterprise Funds	
Schedule of Net Assets	77
Schedule of Revenues, Expenditures & Changes in Fund Balances	78
Schedule of Cash Flows	79

LEE COUNTY, GEORGIA
Annual Financial Report
For The Fiscal Year Ended June 30, 2010

TABLE OF CONTENTS
(Continued)

	Page
Major Proprietary Funds	
Solid Waste Enterprise Fund	
Schedule of Net Assets	80
Schedule of Revenues, Expenses & Changes in Fund Net Assets	81
Schedule of Cash Flows	82
Golf Complex Enterprise Fund	
Schedule of Net Assets	83
Schedule of Revenues, Expenses & Changes in Fund Net Assets	84
Schedule of Cash Flows	85
Internal Service Fund	86
Employee Medical Insurance Internal Service Fund	
Schedule of Net Assets	87
Schedule of Revenues, Expenses & Changes in Fund Net Assets	88
Schedule of Cash Flows	89
Fiduciary Funds	90
Combining Schedule of Fiduciary Net Assets	91
SUPPLEMENTAL SCHEDULES	92
Schedule of Revenues- General Fund	93
Schedule of Expenditures- General Fund	94-99
Schedule of Hotel/Motel Taxes Expended	100
Schedule of Projects Constructed with Special Sales Tax Proceeds	101
Report On Internal Control Over Finacial Reporting and On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	102
Schedule of Findings & Response	103

Geer & Associates

Certified Public Accountants, P.C.

Independent Auditors' Report

To the Board of County Commissioners
Lee County, Georgia

Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the Lee County, Georgia'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 did not audit the financial statements of the Lee County Board of Health. Those financial statements are discrete component units of the County and were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Lee County Board of Health are based solely on the report of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Lee County, Georgia as of June 30, 2010 thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lee County, Georgia, has not presented *management's discussion and analysis,* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 5, 2010 on our consideration of Lee County, Georgia's internal control over financial reporting and our test of its compliance with certain laws, regulations, contracts and grants 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 and compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lee County, Georgia's basic financial statements. The required supplementary information 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. The required supplementary information, combining and individual fund schedules, and supplemental schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated, in all material respects, in relation to the basic statements taken as a whole.

Respectfully submitted,

Geer & Associates

Geer & Associates
December 5, 2010

BASIC FINANCIAL STATEMENTS

Lee County Board of Commissions
Statement of Net Assets
June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Lee County Health Department
ASSETS				
Cash & cash equivalents	$ 12,332,770	$ 375,917	$ 12,708,687	$ 349,641
Receivables, net of allowance for uncollectibles	1,520,875	195,101	1,715,976	-
Internal balances	522,161	(522,161)	-	-
Due from other funds	201,583	-	201,583	15,801
Inventories	-	15,693	15,693	-
Prepaid items	504,101	20,259	524,360	-
Deferred items	213,316	37,053	250,369	-
Restricted cash & cash equivalents	140,067	1,763,340	1,903,407	-
Capital assets not being depreciated	6,682,156	3,404,577	10,086,733	-
Capital assets net of accumulated depreciation	40,635,102	24,735,955	65,371,057	38,303
Total Assets	62,752,131	30,025,734	92,777,865	403,745
LIABILITIES				
Accounts payable	1,721,645	78,267	1,799,912	20,987
Accrued wages, withholdings & benefits	385,109	78,305	463,414	-
Compensated absences, due within one year	40,910	2,514	43,424	4,425
Due to other funds	-	161,197	161,197	3,697
Accrued interest payable	83,825	12,490	96,315	-
Deferred revenue		134,566	134,566	-
Other current costs	-	248,291	248,291	
Debt and leases payable, due within one year	2,758,228	448,618	3,206,846	-
Noncurrent liabilities				
Compensated absences	479,741	38,565	518,306	39,826
Customer deposits	-	386,380	386,380	-
Debt and leases payable, less current portion	10,339,436	24,268,453	34,607,889	-
	15,808,894	25,857,646	41,666,540	68,935
NET ASSETS				
Invested in capital assets, net of related debt	34,219,594	4,220,406	38,440,000	38,303
Restricted				
Restricted for capital outlay	175	1,247,133	1,247,308	211,114
Restricted for debt service	353,208	-	353,208	-
Restricted for health & welfare	-	-	-	-
Unrestricted	12,370,260	(1,547,742)	10,822,518	85,393
Total Net Assets	$ 46,943,237	$ 3,919,797	$ 50,863,034	$ 334,810

The accompanying notes are an integral part of these financial statements

Lee County Board of Commissions
Statement of Activities
For the Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Lee County Health Department
Primary Government								
Governmental Activities								
General government	$ 7,598,669	$ 3,337,542	$ -	$ -	$ (4,261,127)	$ -	$ (4,261,127)	
Judicial	1,501,032	988,241	-	-	(512,791)	-	(512,791)	
Public safety	9,471,294	946,736	-	-	(8,524,558)	-	(8,524,558)	
Public works	3,607,832	2,618,298	-	-	(989,534)	-	(989,534)	
Health & welfare	431,638	53,540	-	-	(378,098)	-	(378,098)	
Culture & recreation	1,146,953	-	-	-	(1,146,953)	-	(1,146,953)	
Housing & development	759,180	-	-	-	(759,180)	-	(759,180)	
Interest on long-term debt	711,517	-	-	-	(711,517)	-	(711,517)	
Total Governmental Activities	25,228,115	7,944,357	-	-	(17,283,758)	-	(17,283,758)	
Business-type Activities								
Water and sewer	5,452,302	3,430,878	-	-	-	(2,021,424)	(2,021,424)	
Solid waste	220,384	100,749	-	-	-	(119,635)	(119,635)	
Golf/recreation	911,404	885,609	-	-	-	(25,795)	(25,795)	
Total Business-type Activities	6,584,090	4,417,236	-	-	-	(2,166,854)	(2,166,854)	
Total Primary Government	$ 31,812,205	$ 12,361,593	$ -	$ -	(17,283,758)	(2,166,854)	(19,450,612)	
Component Unit								
Lee County Health Department	$ 715,609	$ 288,032	$ 453,959	$ -				$ 26,382
Total Component Unit	$ 715,609	$ 288,032	$ 453,959	$ -				26,382
General Revenues								
Taxes								
Real property					9,716,499	-	9,716,499	-
Personal property					1,196,056	-	1,196,056	-
Real estate transfer (intangible)					312,270	-	312,270	-
Franchise					202,504	-	202,504	-
General sales & use					5,959,873	-	5,959,873	-
Selective sales & use					208,690	-	208,690	-
Business					1,206,724	-	1,206,724	-
Penalties & interest on delinquent taxes					240,794	-	240,794	-
Investment income					111,583	28,041	139,624	-
Miscellaneous					341,015	7,510	348,525	-
Gain on disposition of captial assets					59,945	-	59,945	-
Transfers					(429,565)	429,565	-	-
Total General Revenues and Transfers					19,126,388	465,116	19,591,504	-
Change in Net Assets					1,842,630	(1,701,738)	140,892	26,382
Net Assets- Beginning					45,100,607	5,621,535	50,722,142	308,428
Net Assets- Ending					$ 46,943,237	$ 3,919,797	$ 50,863,034	$ 334,810

The accompanying notes are an integral part of these financial statements.

Lee County Board of Commissions
Balance Sheet
Governmental Funds
June 30, 2010

	General	Development Authority	1% SPLOST #4	1% SPLOST #5 BONY Advance	1% SPLOST #5 Tax Proceeds	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash & cash equivalents	$ 5,442,987	$ 701,357	$ 1,298,939	$ -	$ 4,007,571	$ 763,297	$ 12,214,151
Receivables, net of allowance for uncollectibles	892,719	-	-	-	-	3,293	896,012
Due from other funds	1,804,497	-	1,162,300	1,504,463	3,899,736	38,492	8,409,488
Prepaids	473,923	-	-	-	-	-	473,923
Restricted assets	-	-	-	-	-	-	-
Cash & cash equivalents	12,614	-	47,762	31,442	-	48,248	140,066
Accounts receivable	-	-	-	$ -	562,557	62,773	625,330
Total Assets	$ 8,626,740	$ 701,357	$ 2,509,001	$ 1,535,905	$ 8,469,864	$ 916,103	$ 22,758,970
LIABILITIES & FUND EQUITY							
Liabilities							
Accounts payable	$ 463,804	$ -	$ 256,477	$ 906,118	$ -	$ 7,025	$ 1,633,424
Accrued wages, withholdings & benefits	369,981	-	-	-	-	15,129	385,110
Compensated absences	40,910	-	-	-	-	-	40,910
Deferred revenue	248,693	-	-	-	-	-	248,693
Due to other funds	-	-	1,095,177	2,273,325	3,599,812	344,506	7,312,820
Total liabilities	1,123,388	-	1,351,654	3,179,443	3,599,812	366,660	9,620,957
Fund balances							
Reserved for capital expenditure	12,614	-	47,762	31,442	4,007,571	48,248	$ 4,147,637
Reserved for debt service	-	-	-	-	-	-	-
Unreserved, reported in							
General fund	7,490,738	-	-	-	-	-	7,490,738
Special revenue funds	-	701,357	-	-	-	501,195	1,202,552
Capital projects funds	-	-	1,109,585	(1,674,980)	862,481	-	297,086
Total fund balances	7,503,352	701,357	1,157,347	(1,643,538)	4,870,052	549,443	13,138,013
Total liabilities & fund balances	$ 8,626,740	$ 701,357	$ 2,509,001	$ 1,535,905	$ 8,469,864	$ 916,103	$ 22,758,970

Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		$ 47,317,256
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		248,693
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Capital leases	(1,221,956)	
Notes payable	(2,466,555)	
Installment sale agreement	(1,625,000)	
General obligation bonds	(7,784,153)	
Deferred charges for issuance cost (to be amortized over life of debt)	213,321	
Accrued interest payable	(83,825)	
Compensated absences	(479,741)	
Total long-term liabilities		(13,447,909)
An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds		
Net assets of internal service fund	$ (312,816)	
Internal payable representing cost in excess of charges to business-type activities- prior years	-	
		(312,816)
Net Assets of governmental activities		$ 46,943,237

The accompanying notes are an integral part of these financial statements.

Lee County Board of Commissions
Statement of Revenues, Expenditures & Change in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

	General	Development Authority	1% SPLOST #4	1% SPLOST #5 BONY Advance	1% SPLOST #5 Tax Proceeds	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 15,553,427	$ -	$ -	$ -	$ 3,486,504	3,479	$ 19,043,410
Licenses & permits	210,185	-	-	-	-	-	210,185
Intergovernmental	28,767	-	-	-	-	-	28,767
Charges for services	3,358,041	-	13,892	-	-	665,673	4,037,606
Fines & forfeitures	862,319	-	-	-	-	-	862,319
Investment income	55,284	12,063	7,826	1,199	11,209	20,405	107,986
Miscellaneous	234,136	361,738	1,750	77,880	-	-	675,504
Total revenues	20,302,159	373,801	23,468	79,079	3,497,713	689,557	24,965,777
EXPENDITURES							
Current							
General government	4,871,789	-	35,910	-	-	-	4,907,699
Judical	1,449,542	-	-	-	-	-	1,449,542
Public safety	8,188,982	-	-	2	-	599,766	8,788,750
Public works	1,732,989	-	-	7,015	-	-	1,740,004
Health & welfare	414,752	-	-	-	-	-	414,752
Culture & recreation	771,900	175,186	-	-	644	-	947,730
Housing & development	670,601	-	-	-	-	69,802	740,403
Capital outlay	350,392	-	2,014,556	1,534,425	828,822	459,459	5,187,654
Debt service	510,799	261,230		2,540,180	26,778	140,455	3,479,442
Intergovernmental	-	-	-		-	-	-
Total expenditures	18,961,746	436,416	2,050,466	4,081,622	856,244	1,269,482	27,655,976
Excess (deficiency) of revenues over (under) expenditures	1,340,413	(62,615)	(2,026,998)	(4,002,543)	2,641,469	(579,925)	(2,690,199)
OTHER FINANCING							
SOURCES (USES)							
Transfer in	901,208	439,485	-	2,540,180	-	-	3,880,873
Transfer out	(1,155,357)	-	(170,000)	-	(2,818,680)	(166,401)	(4,310,438)
Proceeds of capital asset dispositions	-	-	-	-	-	-	-
General obligation bond proceeds	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-
Total other financing sources (uses)	(254,149)	439,485	(170,000)	2,540,180	(2,818,680)	(166,401)	(429,565)
net change in fund balances	1,086,264	376,870	(2,196,998)	(1,462,363)	(177,211)	(746,326)	(3,119,764)
Fund balances- beginning	6,417,088	324,487	3,354,345	(181,175)	5,047,263	1,295,769	16,257,777
Fund balances- ending	$ 7,503,352	$ 701,357	$ 1,157,347	$ (1,643,538)	$ 4,870,052	$ 549,443	$ 13,138,013

The accompanying notes are an integral part of these financial statements.

Lee County Board of Commissions
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances- total governmental funds reported in the Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds		$ (3,119,764)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 5,187,654	
Depreciation expense	(2,713,933)	2,473,721
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
Cost of capital assets sold/disposed	$ (439,519)	
Accumulated depreciation	142,490	(297,029)
The issuance of long-term debt (e.g. bonds, leses, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Principal repayments		
Capital leases	$ 472,154	
Notes payable	1,700,000	
Installment sale agreement	405,000	2,577,154
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds while expenditures reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances are recognized as expenses of the previous period in the Statement of Activities and included in beginning net assets.		
Interest	$ (22,087)	
Amortization of bond premiums	(58,131)	
Amortization of issuance costs	63,981	
Prepaid expenses	(196,833)	
Compensated absences	57,949	(155,121)
An internal service fund is used by management to charge the cost of the County's medical benefit plan to individual funds. A portion of the net revenue of the internal service fund is reported with governmental activities.		
Change in net assets of internal service fund		363,669
Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.		-
Change in net assets of governmental activities reported in the Statement of Activities		$ 1,842,630

Lee County Board of Commissions
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current Assets					
Cash & cash equivalents	$ 284,834	$ 2,204	$ 88,879	$ 375,917	$ 118,618
Receivables, net of allowance for uncollectibles	143,633	1,110	50,358	195,101	-
Due from other funds	-	-	-	-	2,624,053
Inventories	-	-	15,693	15,693	-
Prepaid items	13,212	568	6,479	20,259	30,178
Restricted assets					
Cash & cash equivalents	1,221,514	-	-	1,221,514	-
Total current assets	1,663,193	3,882	161,409	1,828,484	2,772,849
Noncurrent Assets					
Restricted assets					
Cash & cash equivalents	541,826	-	-	-	-
Total restricted assets	541,826	-	-	-	-
Deferred charges	37,053	-	-	37,053	
Capital assets not being depreciated					
Land	77,310	163,000	2,536,452	2,776,762	-
Construction in progress	627,815	-	-	627,815	-
Capital assets net of accumulated depreciated					
Buildings & systems	23,847,751	10,029	878,175	24,735,955	-
Total capital assets net of accumulated depreciation	24,552,876	173,029	3,414,627	28,140,532	-
Total noncurrent assets	25,131,755	173,029	3,414,627	28,719,411	-
Total assets	26,794,948	176,911	3,576,036	30,547,895	2,772,849

The accompanying notes are an integral part of these financial statements.

Lee County Board of Commissions
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	Internal Service Fund
LIABILITIES					
Current Liabilities					
Accounts payable	41,314	8,965	27,988	78,267	88,689
Accrued and other liabilities	7,543	1,979	68,783	78,305	-
Compensated absences	-	-	2,514	2,514	-
Internal balances	501,917	25,363	(5,119)	522,161	-
Due to Other Funds	138,462	22,735	-	161,197	2,996,976
Accrued Interest Payable	12,490	-	-	12,490	-
Deferred Revenue	117,337	-	17,229	134,566	-
Loans Payable Current	248,665	-	164,829	413,494	-
Capital Leases Payable Current	4,821	-	-	4,821	-
Close & Post Closure Care Cost	-	30,282	-	30,282	-
Other Current Liabilities	248,291	-	-	248,291	-
Total Current Liabilities	1,320,840	89,324	276,224	2,267,177	3,085,665
Non-Current Liabilities					
Customer Deposits	386,380	-	-	386,380	-
Compensated Absences	23,077	4,020	11,468	38,565	-
Loans Payable	2,847,519	-	-	2,847,519	-
Revenue Bonds Payable	20,654,292	-	-	20,654,292	-
Closure & Post Closure Care	-	1,014,954	-	1,014,954	-
Total Non-Current Liabilities	23,911,268	1,018,974	11,468	24,941,710	-
TOTAL LIABILITIES	25,232,108	1,108,298	287,692	26,628,098	3,085,665
Net Assets					
Invested in Capital Assets, Net of Related Debt	797,579	173,029	3,249,798	4,220,406	-
Restricted					
Restricted for Debt Service	1,247,133	-	-	1,247,133	-
Unrestricted	(481,872)	(1,104,416)	38,546	(1,547,742)	(312,816)
	$ 1,562,840	$ (931,387)	$ 3,288,344	$ 3,919,797	$ (312,816)

The accompanying notes are an integral part of these financial statements.

Lee County Board of Commissions
Statement of Revenues, Expenses & Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES					
Changes for sales & services	$ 3,430,878	$ 100,749	$ 885,609	$ 4,417,236	$ 2,805,331
Total operating revenues	3,430,878	100,749	885,609	4,417,236	2,805,331
OPERATING EXPENSES					
Personal services & employee benefits	582,226	71,077	401,534	1,054,837	2,261,943
Purchased/contracted services	360,872	141,965	269,901	772,738	183,228
Supplies	530,927	6,495	157,187	694,609	-
Depreciation	990,003	847	72,825	1,063,675	-
Total operating expenses	2,464,028	220,384	901,447	3,585,859	2,445,171
Operating income (loss)	966,850	(119,635)	(15,838)	831,377	360,160
NONOPERATING REVENUES (EXPENSES)					
Investment income	26,560	241	1,240	28,041	3,507
Contributions & donations	7,510	-	-	7,510	-
Interest on long-term debt	(1,465,840)	-	(9,957)	(1,475,797)	-
Fiscal agent's fees	(3,877)	-	-	(3,877)	-
Bond issuance costs	(1,518,557)	-	-	(1,518,557)	-
Total nonoperating revenues (expenses)	(2,954,204)	241	(8,717)	(2,962,680)	3,507
Income (loss) before contributions & transfers	(1,987,354)	(119,394)	(24,555)	(2,131,303)	363,667
Capital contributions					
Transfers in	364,765	64,800	-	429,565	-
Transfers out	-	-	-	-	-
Changes in net assets	(1,622,589)	(54,594)	(24,555)	(1,701,738)	363,667
Net assets- beginning of year	3,185,429	(876,793)	3,312,899	5,621,535	(676,483)
Net assets- end of year	$ 1,562,840	$ (931,387)	$ 3,288,344	$ 3,919,797	$ (312,816)

The accompanying notes are an integral part of these financial statements.

Lee County Board of Commissions
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 3,685,947	$ 104,730	$ 874,637	$ 4,665,314	$ -
Receipts from interfund services provided	-	-	-	-	1,208,461
Payments to suppliers	(755,940)	(151,755)	(408,816)	(1,316,511)	(1,204,965)
Payments to employees	(501,310)	(49,545)	(368,256)	(919,111)	-
Payments for interfund services used	(71,006)	(21,300)	(31,950)	(124,256)	-
Net cash provided (used) by operating activities	2,357,691	(117,870)	65,615	2,305,436	3,496
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	364,765	64,800	-	429,565	-
Net cash provided (used) by noncapital financing	364,765	64,800	-	429,565	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING					
Proceeds from capital debt	22,070,000	-	-	22,070,000	-
Acquisition & construction of capital assets	(655,841)	-	(139)	(655,980)	-
Principal paid on capital debt	(21,659,435)	-	(2,329)	(21,661,764)	-
Interest paid on capital debt	(1,364,412)	-	(9,957)	(1,374,369)	-
Payments of fiscal agent's fees	(3,877)	-	-	(3,877)	-
Debt issuance costs	(1,517,683)	-	-	(1,517,683)	-
Net cash provided (used) by capital related financing activities	(3,131,248)	-	(12,425)	(3,143,673)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	26,559	223	1,240	28,022	1,007
Net cash provided (used) by investing activities	26,559	223	1,240	28,022	1,007
Net increase (decrease) in cash & cash equivalents	(382,233)	(52,847)	54,430	(380,650)	4,503
Cash & cash equivalents- beginning of year	2,430,408	55,051	34,449	2,519,908	114,115
Cash & cash equivalents- end of year	$ 2,048,175	$ 2,204	$ 88,879	$ 2,139,258	$ 118,618
RECONCILIATION OF OPERATING INCOME TO NET CASH					
Operating income (loss)	$ 966,850	$ (119,635)	$ (15,838)	$ 831,377	$ 360,160
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	990,003	847	72,825	1,063,675	-
(Increase) decrease in accounts receivable	221,315	-	(10,000)	211,315	-
(Increase) decrease in inventories	-	-	(2,827)	(2,827)	-
(increase) decrease in accounts payable	(29,361)	6,824	18,803	(3,734)	(356,664)
(Increase) decrease in accrued wages & withholdings	16,312	936	6,973	24,221	-
(Increase) decrease in due to other funds	166,491	(704)	(5,635)	160,152	-
(Increase) decrease in other current liabilities	26,081	3,981	1,314	31,376	-
(Increase) decrease in closure & postclosure	-	(10,119)	-	(10,119)	-
Net cash provided (used) by operating activities	$ 2,357,691	$ (117,870)	$ 65,615	$ 2,305,435	$ 3,496

The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Pension Trust Fund	Agency Funds
ASSETS		
Cash & cash equivalents	$ -	$ 731,904
Investments, at fair value	-	-
Total assets	-	731,904
LIABILITIES		
Due to others	-	731,904
Total liabilities	-	731,904
NET ASSETS		
Held in trust for pension benefits & other purposes	$ -	$ -

(See schedule of funding progress)

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Pension Trust Fund
ADDITIONS	
Contributions	$ -
Employer	-
Investment earnings	
Interest & dividends	-
Net increase in the fair value of investments	-
Total investment earnings	-
Less investments expense	-
	-
Total additions	-
DEDUCTIONS	
Benefits	-
Administrative expenses	-
Total deductions	-
Changes in net assets	-
Net assets- beginning	-
Net assets- ending	$ -

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Lee County, Georgia operates under a five member Commission form of government. Commissioners serve staggered terms of four years. The Board elects its own chairman. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate form the government.

Blended Component Units
The Lee County Utility Authority is a blended component unit. The data from this unit is combined with data of the primary government and reported as the Utility Authority enterprise fund. Separate financial statements for the Authority are not issued.

The Lee County Parks and Recreation Authority is a blended component unit. The data from this unit is combined with data of the primary government and reported as the Golf Complex enterprise fund. Separate financial statements for the Authority are not issued.

The Development Authority of Lee County is a blended component unit. The component unit is a legally separate organization for which the County is financially accountable. The data from this unit is combined with data of the primary government and reported as a special revenue fund. Separate financial statements for the Development Authority of Lee County may be obtained at the entity's administrative office at 100 Starksville Rd Leesburg, GA 31763.

Discretely Presented Component Unit. The Lee County Board of Health (Board) provides healthcare services for the citizens of the County. The County Commissioners appoint a voting majority to the Board. The Board is presented as a governmental fund type. The financial data of the Board reflects their most recent audited financial statements. The fiscal year end of the Board is June 30. Complete financial statements for the component unit may be obtained at the entity's administrative offices.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Development Authority Fund* accounts for the activities of the Lee County Development Authority, a blended component unit, which pursues and enhances economic development of the county.

The *1% SPLOST #4 Fund* accounts for the capital projects financed from the special purpose local option sales tax which was approved by the voters for a five year period effective October 1, 2002 through September 30, 2007.

The *1% SPLOST #5 BONY Advance Fund* accounts for the general obligation sales tax bonds, series 2007 used to finance a portion of the capital projects of the special purpose local option sales tax which was approved by the voters for a six year period effective October 1, 2007 through September 30, 2013.

The *1% SPLOST #5 Tax Proceeds Fund* accounts for the capital projects financed from the special purpose local option sales tax which was approved by the voters for a six year period effective October 1, 2007 through September 30, 2013.

The County reports the following major proprietary funds:

The *Utility Authority Fund* accounts for the activities of the Lee County Utility Authority, a blended component unit of the government. The Authority operates a water and sewer system for the County.

The *Solid Waste Fund* accounts for the activities of the county's inert waste landfill.

The *Golf Complex Fund* accounts for the activities of the Grande Island Golf Complex, a recreational facility owned by the county.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation- Continued

Additionally, the government reports the following fund types:

The *Internal Service Fund* accounts for the costs of the County's medical benefit plan provided to other departments and agencies of the County.

The *Pension Trust Fund* accounts for the activities of the government's defined benefit pension plan.

Agency Funds account for taxes, fees, fines, and bonds collected on behalf of other governments, agencies, officials, and individuals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then, unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

1. *Deposits and Investments*

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, obligations of any corporation of the U.S. Government, prime bankers' acceptances, the local government investment pool, repurchase agreements, and obligations of other political subdivisions of Georgia.

Investments for the County, as well as for its component units, are reported at fair value.

2. *Receivables and Payables*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding material balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

2. *Receivables and Payables- continued*

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes were levied on July 17, 2010, payable December 20, 2010, and attached as an enforceable lien on property as of January 1.

3. *Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method in the Golf Complex fund. The costs of inventories are recorded as expenditures when purchased in all other funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the proprietary funds and government-wide financial statements and as expenditures when paid in the governmental funds.

4. Capital *Assets*

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost which exceeds certain capitalization thresholds and has an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County chose to include all such items regardless of their acquisition date or amount. As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical costs. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Capitalization Thresholds	Estimated Service Life
Buildings	$ 10,000	25-50
Machinery and Equipment	5,000	5-15
Improvements	5,000	10-20
Public Domain Infrastructure	25,000	15-50
Water & Sewer Systems	5,000	15-50

5. *Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. For current and advance refundings resulting in the defeasance of debt, the differences between the reacquisition price and the net carrying amount of the old debt are reported as a deduction from or addition to the new liability.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets, and the Hotel/Motel Tax special revenue fund. All annual appropriations lapse at fiscal year end.

All agencies of the government submit requests for appropriations to the County administrator so that a budget may be prepared. The County administrator prepares and submits a proposed budget to the Board of County Commissioners for review. The commission holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County commission. The legal level of budgetary control is the department level.

The Official Code of Georgia Annotated section 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length budget for each capital projects fund.

B. Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations at the department level (the legal level of control) is presented below:

	Budget	Actual	Excess
General Fund			
Animal Control	$ 248,386	$ 308,904	$ (60,518)
Health Department	305,955	307,775	(1,820)
Library	366,958	368,477	(1,519)
Transfers	985,937	1,155,357	(169,420)
Development Authority	178,256	436,416	(258,160)
Building Inspection	-	923	(923)
District Attorney	13,610	31,084	(17,474)
Special Assessment	79,175	517,568	(438,393)
E-911	-	709,690	(709,690)

C. Bond Covenants

In accordance with the requirements of the General Obligation Sales Tax Bonds, Series 2007, and pursuant to an Escrow Agreement, dated as of September 1, 2007, between the County and The Bank of New York Trust Company, N.A., the County is required to deposit 3.10% of the sales and use tax proceeds into the Smithville account until such time as there has been deposited therein $900,000. The remaining proceeds are to be deposited into the Debt Service account until such time as there is on deposit therein the amount needed to pay the principal of and interest on the bonds coming due in the current bond year (December 2 of each year through the following December 1). After the Debt Service account is fully funded each bond year, the remaining County proceeds will be deposited into the County account. The funds required to be deposited into the Smithville and Debt Service accounts were held in the County account at June 30, 2010. The County has subsequently funded the Smithville account.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County does not have a formal investment policy for interest rate, credit, concentration of credit, or custodial credit risks.

As of June 30, 2010, the County had the following investments.

Investments	Maturities	Fair Value
U.S. Treasury Money Market Funds		1,123,156
LPL Financial Services- Money Mkt Funds		88,510
Georgia Fund 1		7,644,878
		$ 8,856,544

Credit risk. The County's investments in Georgia Fund 1 are rated AAAm (Standard & Poor's). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, the State of Georgia Office of Treasury operates Georgia Fund 1 in manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and it is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Other investments in debt securities which require disclosure of credit ratings were not rated.

Concentration of credit risk. As of June 30, 2010, the County had no investments in the Federal National Mortgage Association.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2010, the U.S. Treasuries have a custodial credit risk because they are uninsured, unregistered and held by the counterparty's trust department, but not in the County's name.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of June 30, 2010, the County's bank balance was not exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

B. Receivables

Receivables as of year-end for the County's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	1% SPLOST #5 Tax Proceeds	Nonmajor Governmental Funds	Utility Authority	Solid Waste	Golf Complex	Total
Receivables:							
Taxes	$ 248,693	$ -	$ -	$ -	$ -	$ -	$ 248,693
Accounts	942,846	562,557	65,598	-	1,110	50,358	1,622,469
Intergovernmental	399,272	-	-	-	-	-	399,272
	1,590,811	562,557	65,598	-	1,110	50,358	2,270,434
Gross receivables							
Less: allowance for uncollectibles	(698,092)	-	-	-	-	-	(698,092)
	$ 892,719	$ 562,557	$ 65,598	$ -	$ 1,110	$ 50,358	$ 1,572,342

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable
Property taxes (General Fund)	$ 248,693
	$ 248,693

C. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 3,792,704	$ 257,850	$ 301,134	$ 3,749,420
Construction in progress	2,959,933	2,901,723	2,928,920	2,932,736
Total capital assets, not being depreciated	6,752,637	3,159,574	3,230,054	6,682,157
Capital assets, being depreciated				
Buildings	14,053,527	3,141,699	-	17,195,226
Infrastructure	65,313,636	1,003,089	-	66,316,725
Improvements other than buildings	1,588,879	11,628	-	1,600,507
Machinery and equipment	7,087,094	1,415,500	173,925	8,328,669
Total capital assets, being depreciated	88,043,136	5,571,916	173,925	93,441,127
Less accumulated depreciation for:				
Buildings	(4,253,343)	(313,548)	-	(4,566,891)
Infrastructure	(40,501,362)	(1,614,957)	-	(42,116,319)
Improvements other than buildings	(403,602)	(85,904)	-	(489,506)
Machinery and equipment	(5,076,277)	(699,524)	(142,490)	(5,633,311)
Total accumulated depreciation	(50,234,584)	(2,713,933)	(142,490)	(52,806,027)
Total capital assets, being depreciated, net	37,808,552	2,857,983	31,435	40,635,100
Governmental activities capital assets, net	$ 44,561,189	$ 6,017,557	$ 3,261,489	$ 47,317,257

C. Capital Assets- Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 2,776,762	$ -	$ -	$ 2,776,762
Construction in progress	4,750,815	587,883	4,710,883	627,815
Total capital assets, not being depreciated	7,527,577	587,883	4,710,883	3,404,577
Capital assets, being depreciated				
Buildings and infrastructure	28,544,611	4,729,870	-	33,274,481
Improvements other than buildings	262,020	667	-	262,687
Machinery and equipment	847,962	-	-	847,962
Total capital assets, being depreciated	29,654,593	4,730,537	-	34,385,130
Less accumulated depreciation for:				
Buildings and system	(7,877,439)	(951,837)	-	(8,829,276)
Improvements other than buildings	(90,060)	(72,964)	-	(163,024)
Machinery and equipment	(617,862)	(38,874)	-	(656,736)
Total accumulated depreciation	(8,585,361)	(1,063,675)	-	(9,649,036)
Total capital assets, being depreciated, net	21,069,232	3,666,862	-	24,736,094
Business-type activities capital assets, net	$ 28,596,809	$ 4,254,745	$ 4,710,883	$ 28,140,671

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	$ 156,859
Judicial	11,434
Public safety	580,270
Public works	1,850,072
Health & welfare	16,266
Culture & recreation	85,171
Housing & development	13,861
Total depreciation expense- governmental activities	$ 2,713,933
Business-type activities	
Water and sewer	$ 990,003
Solid waste	847
Golf complex	72,825
Total depreciation expense- business-type activities	$ 1,063,675

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	222,740
General Fund	Utility Authority Enterprise Fund	979,084
General Fund	Employeee Medical Internal Service Fund	2,993,426
General Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	280,225
General Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	350,482
General Fund	Solid Waste Enterprise Fund	25,363
General Fund	1% SPLOST #4 Capital Projects Fund	62,137
1% SPLOST #4 Capital Projects Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	1,151,296
1% SPLOST #4 Capital Projects Fund	General Fund	11,004
1% SPLOST #5 BONY Advance Capital Projects Fund	1% SPLOST #5 Capital Projects Fund	1,504,463
1% SPLOST #5 Capital Projects Fund	1% SPLOST #4 Capital Projects Fund	1,033,040
1% SPLOST #5 Capital Projects Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	2,586,671
1% SPLOST #5 Capital Projects Fund	General Fund	280,025
Nonmajor Governmental	General Fund	4,596
Utility Governmental Fund	General Fund	477,167
Utility Governmental Fund	Employee Medical Internal Service Fund	3,550
Employee Medical Internal Service Fund	Nonmajor Governmental Funds	87,948
Employee Medical Internal Service Fund	Utility Authority Enterprise Fund	138,462
Employee Medical Internal Service Fund	Solid Waste Enterprise Fund	22,735
Employee Medical Internal Service Fund	General Fund	2,330,972
Employee Medical Internal Service Fund	Golf Complex Enterprise Fund	43,936
Nonmajor Governmental	Nonmajor Governmental Funds	33,896
		14,623,218

The outstanding balances between funds result mainly from un-reimbursed expenditures of the receivable fund that are accounted for in the payable fund. All balances are expected to be repaid in the subsequent year.

Transfers to/from other funds for the year ending June 30, 2010 are as follows:

Transfer In	Transfer Out	Amount
General Fund	SPLOST V	448,500
General Fund	Jail	37,270
General Fund	Building Inspector	415,436
E-911	General Fund	286,306
Development Authority	General Fund	439,486
Solid Waste Enterprise Fund	General Fund	64,800
Utility Authority	General Fund	364,765
		2,056,563

The SPLOST #4 fund transferred $1,697,350 to the General Fund to finance capital project expenditures. The SPLOST #5 BONY Advance Capital Projects Fund transferred $2,130,879 to the General Fund to finance capital project expenditures. The General fund made transfers to the Golf Complex Fund, Nonmajor Governmental Fund, Solid Waste Fund, and Utility Authority to finance their operations.

E. Leases

Operating Leases. The County leases equipment at the Golf Course under non-cancelable operating leases. Total costs for such leases were $69,234 for the year ended June 30, 2010. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Business-type Activities
2011	69,234
Total minimum lease payments	$ 69,234

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of capital assets. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Capital assets subject to lease obligations at June 30, 2009 are as follows:

	Governmental Activities	Business-type Activities	Total
Machinery and equipment	$ 3,560,776	$ 224,420	$ 3,785,196
Less: accumulated depreciation	(2,356,731)	(184,819)	(2,541,550)
Total	$ 1,204,045	$ 39,601	$ 1,243,646

The future minimum lease payments in total for each of the next five years and in five-year increments thereafter, presenting a deduction of the amount of imputed interest to reduce the net minimum future lease payments to their present value as of June 30, 2010, are as follows:

Year Ending June 30	Governmental Activities	Business-Type Activities	Total
2011	372,881	4,821	377,702
2012	272,791	-	272,791
2013	119,393	-	119,393
2014	87,177	-	87,177
2015	369,714	-	369,714
Total	$ 1,221,955	$ 4,821	$ 1,226,777

F. Long-Term Debt

Notes Payable

The Development Authority of Lee County issued notes payable for land acquisitions due in semi-annual installments of $130,615 each, through December 2012, with a balloon payment of $2,180,861 due June 27, 2013 at a 5.25% interest rate. The balance outstanding as June 30, 2010 was $2,466,555.

The Lee County Parks & Recreation Authority refinanced a note payable at Colony Bank to fund renovations at the golf course. The current note is dated April 12, 2007 at 7.5% interest. The total balance outstanding as of June 30, 2010 was $164,829.

.

Notes payable debt service requirements to maturity are as follows:

	Governmental Activities			Business-type Activities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2011	$ 131,657	$ 129,573	$ 261,230	$ 164,829	$ 842	$ 165,671
2012	138,428	122,802	261,230	-	-	-
2013	2,196,470	115,005	2,311,475	-	-	-
	-	-	-			-
	$ 2,466,555	$ 367,380	$ 2,833,935	$ 164,829	$ 842	$ 165,671

Loan Payable

The Lee County Utilities Authority entered into a loan agreement with the Georgia Environmental Facilities Authority to finance wastewater treatment facility improvements. The loan is to be repaid quarterly over a twenty year period with interest at 3 percent. The balance outstanding as of June 30, 2010 was $2,464,100. On October 12, 2006, the Authority entered into a new loan agreement with the Georgia Environmental Facilities Authority for $5,977,069 to finance the U.S. Highway 82 water and sewer extension at 4.15% for twenty years to be repaid in monthly installments beginning March 2008. The total amount drawn as of June 30, 2010 was refunded by the issuing of Revenue Bonds, Series 2010. The Authority received a $740,000 loan from Sumter Electric Membership Corporation, the recipient of a USDA Rural Economic Development Loan, to be used for the sewer extension along U.S. Highway 82. The note will be repaid in monthly installments of $7,708 over an eight year period, with no interest, beginning two years after May 8, 2007, the date of the note. The total amount outstanding as of June 30, 2010 was $632,083. The County has recognized imputed interest at a rate of 4.15 percent on the loan.

Loan payable debt service requirements to maturity are as follows:

Year ending June 30	Principal	Interest	Total
2011	$ 248,665	$ 71,793	$ 320,458
2012	253,308	67,150	320,458
2013	258,409	62,048	320,458
2014	263,352	57,105	320,458
2015	301,549	18,909	320,458
2016 - 2020	1,133,437	175,936	1,309,372
2021 - 2025	637,464	502,325	1,139,789
Total	3,096,184	$ 955,266	$ 4,051,450
Unamortized discounts	(117,337)		
	$ 2,978,846		

F. Long-Term Debt- Continued

Installment Sale Agreements

On September 1, 2002 the County entered into an installment lease-purchase agreement with the Association of County Commissioners of Georgia in the amount of $6,965,000. The County used $4,040,499 to pay off the existing jail obligation and $1,497,459 to purchase land for the industrial park. The remainder is being used to construct an administration building and pay costs associated with the debt. Interest payments will be made semi-annually and principal payments annually in varying amounts from $469,000 to $1,051,000 per year through September 1, 2013 if the agreement is renewed annually. These payments will be made from the proceeds of the Special Local Option Sales Tax. The balance outstanding as of June 30, 2010 was $1,625,000.

Installment sale agreement debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ 415,000	$ 55,133	$ 470,133
2012	430,000	41,645	471,645
2013	450,000	27,240	477,240
2014	330,000	11,715	341,715
Total	$ 1,625,000	$ 135,733	$ 1,760,733

General Obligation Bonds

On August 28, 2007, the County issued $10,635,000 in series 2007 general obligation sales tax bonds to finance certain capital outlay projects. Interest is payable semiannually on June 1 and December 1 at varying rates ranging from 4 percent to 5.25 percent beginning June 1, 2008 through 2013. Principal is paid on December 1 of each year beginning 2008. General obligation bonds outstanding, net of unamortized premiums of $199,153, at June 30, 2010, was $7,585,000.

General obligation bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ 1,770,000	$ 329,225	$ 2,099,225
2012	1,845,000	248,700	2,093,700
2013	1,940,000	155,075	2,095,075
2014	2,030,000	53,288	2,083,288
Total	7,585,000	$ 786,288	$ 8,371,288
Unamortized premiums	199,153		
	$ 7,784,153		

F. Long-Term Debt- Continued

Revenue Bonds

On June 24, 2010, the Lee County Utilities Authority issued $22,070,000 revenue bonds, (the "Series 2010 Bonds") for the purpose of (a) refunding the Prior Bonds and the GEFA Loan, (b) acquiring, constructing, installing and equipping the Series 2010 Projects, (c) funding a debt service reserve fund for the Series 2010 Bonds and (d) paying the costs of issuing the Series Bonds. The Series 2010 Bonds shall bear interest (based on a 360 day year comprised of twelve thirty day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of original issuance) at rates per annum not to exceed 6% per annum. The interest shall be payable February 1 and August 1 of each year, commencing February 1, 2011, and the principal shall mature on the 1st day of August on or before August 1, 2035. The maximum annual debt service on the Series 2010 Bonds in any Sinking Fund year shall not exceed $2,500,000.

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ -	$ 501,397	$ 501,397
2012	415,000	827,661	1,242,661
2013	440,000	819,111	1,259,111
2014	515,000	809,561	1,324,561
2015	575,000	798,661	1,373,661
2016 - 2020	3,605,000	3,696,364	7,301,364
2021 - 2025	4,855,000	2,896,845	7,751,845
2026 - 2030	6,850,000	1,749,004	8,599,004
2031 - 2035	4,815,000	316,497	5,131,497
Total	22,070,000	$ 12,415,101	$ 29,353,604
Unamortized discounts, losses on refunds, & related issue costs	(1,298,370)		
	$ 20,771,630		

F. Long-Term Debt- Continued

Changes In Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 456,335	$ 64,316	$ -	$ 520,651	$ 40,910
Capital leases	1,070,554	623,557	472,155	1,221,956	441,571
Notes payable	2,591,474	-	124,919	2,466,555	131,657
Installment sale agreement	2,030,000	-	405,000	1,625,000	415,000
General obligation bonds	9,542,284	-	1,758,131	7,784,153	1,770,000
	$ 15,690,647	$ 687,873	$ 2,760,205	$ 13,618,315	$ 2,799,138
Business-type activities:					
Compensated absences	$ 25,101	$ 15,978	$ -	$ 41,079	$ 2,514
Capital leases	20,712	-	15,891	4,821	4,821
Notes payable	167,179	-	2,329	164,850	164,850
Loans payable	8,300,292	647,419	5,968,865	2,978,846	248,665
Revenue bonds payable	11,140,180	22,070,000	12,438,572	20,771,608	-
Revenue notes payable	4,827,567	-	4,827,567	-	-
Closure & post closure care costs	1,055,355	-	10,119	1,045,236	30,282
	$ 25,536,386	$ 22,733,397	$ 23,263,342	$ 25,006,441	$ 451,132

For governmental activities, compensated absences are generally liquidated by the General fund.

G. Landfill Post-Closure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for five years after closure of landfills prior to April 1994 and thirty years for all other landfills. For the County's landfill, which was closed prior to April 1994, the estimated liability for post-closure care cost is $1,045,236, which is based on 100% of landfill capacity used to date. Actual costs may be higher due to inflation, deflation, revisions to laws or regulations, or changes in technology.

H. Restricted Assets

The balances of the restricted asset accounts are as follows:

	General Fund	1% SPLOST #4 Fund	1% SPLOST #5 BONY-Advance Fund	Nonmajor Governmental Funds	Utility Authority Fund
Wachovia master lease	$ -	$ -	$ -	$ 48,248	$ -
JAG Court Services	12,440				
Animal control building	175	-	-	-	-
COPS acquisition fund	-	178	-	-	-
COPS reserve fund	-	42,222	-	-	-
COPS payment fund	-	5,362	-	-	-
Office of treasury- Georgia fund 1	-	-	23	-	-
Colony bank escrow	-	-	31,419	-	-
GEFA 2006	-	-	-	-	54,488
Emergency fund	-	-	-	-	88,510
Revenue bond 2003 debt service	-	-	-	-	3,123
Revenue bond 2010 debt service	-	-	-	-	1,075,394
Customer deposits	-	-	-	-	608,992
	$ 12,614	$ 47,762	$ 31,442	$ 48,248	$ 1,830,508

IV. OTHER INFORMATION

A. 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; and natural disasters. Settled claims from these risks have not exceeded insurance coverage for the past three years. To cover the risks, the County is a member of the Association County Commissioners of Georgia - Interlocal Risk Management Agency (ACCG-IRMA). The ACCG-IRMA operates under the authority of O.C.G.A. 36-85-1 *et Seq*. and administers group self-insurance funds, which receive contributions of its members in order to pool the risks of general liability, motor vehicle liability and property damage. Through participation in the agency, members jointly purchase insurance with other counties participating in and belonging to the agency and are coinsured under master policies with the total premium apportioned among the participants. The County is jointly and severally liable for all legal obligations of the funds which arise out of an event which occurs while the County is a member of the fund. The County's deductible for coverage is $1,000 with various limits of liability up to $1,000,000 for liability, $30,056,912 for property, and $100,000,000 for boiler/machinery coverage.

For its workers compensation coverage, the County is a member of the Association County Commissioners of Georgia-Group Self-Insurance Workers' Compensation Fund (ACCG-GSIWCF). The ACCG-GSIWCF operates under the authority of O.C.G.A 34-9-150 *et Seq*. The County pays into the fund its share of the fund's projected obligation for workers' compensation liability, administrative expenses, and other costs incurred by the fund. The County's share is adjusted by the board of the fund according to the claims experience of each participating member in accordance with criteria set forth in the bylaws of the fund. The fund makes payments to the employees of the members for workers compensation benefits pursuant to and in accordance with the claims procedures set forth in title 34, chapter 9 of O.C.G.A. The County is jointly and severally liable for all legal obligations of the fund, including, but not limited to, any obligations of the fund to pay claims against the fund arising out of any occurrence, incident, or accident covered under title 34, chapter 9 of O.C.G.A.

The County has an employee benefit plan designed to protect employees covered against catastrophic health expenses. The plan is a self-funded welfare plan consisting of an insured part and a self-funded part. Under the plan, the self-funded part provides medical coverage for employees and their dependents up to a maximum of $70,000 per participant per plan year. The insured part provides insurance coverage for claims in excess of the coverage provided by the self-funded part, providing the County with protection from risk of loss. The total amount of the County's liability for a contract year, which begins February 1 and ends January 31, is the premium for each employee per month plus the maximum claim liability of $70,000 per employee per year not to exceed an estimated annual maximum cost of $3,077,136. The total claims incurred for the year ending June 30, 2010 by the County totaled $2,445,171. The County contracts with the plan administrator to examine, review, determine benefits, calculate payments, approve or disapprove all claims for the plan.

B. Commitments and Contingencies

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of most of these matters will not have a material adverse effect on the financial condition of the County.

On October 17, 2005, the County entered into a contract with Camvera Networks, Inc. to provide various wireless communications services. The County in turn contracted with Consolidated Financial Resources, Inc. (CFRI) pursuant to a lease for equipment which CFRI purchased from Camvera. CFRI is responsible for the payment of the total consideration to Camvera for their purchase. The County is responsible for the lease payments to CFRI. Camvera guarantees it shall reimburse the County for its lease payments made to CFRI. Camvera does not have any property rights in the equipment being leased by the County. However, upon full payment of all guaranty payment obligations, title shall automatically vest in Camvera. The service agreement with Camvera in providing services to end-users expired December 31, 2007. Camvera fully owns the subscriber revenue generated, subject to its rights to apply such revenue toward its system operating, general operating or administrative costs, or towards funding a reserve, sinking or other account for the guaranty payments or for other purposes at its discretion. Under an assignment agreement entered into by the County, CFRI has assigned all its rights, title and interest, in the lease agreement, and in the equipment under the lease agreement, to Vision Bank. Under the agreement, the County makes its lease payments to Vision Bank.

B. Commitments and Contingencies- Continued

On July 22, 2008, the County adopted a resolution authorizing the County Administrator or the Finance Director to seek a loan in the form of a Tax Anticipation Note in an amount of up to $4,000,000.

C. Pensions

The County adopted a defined benefit pension plan on April 2, 1986, which became effective July 1, 1986. This single-employer plan has been funded solely by the County and employee contributions were not permitted. Effective June 1, 1997, the County converted from a defined benefit plan to a defined contribution retirement plan, known as the Lee County Board of Commissioners Money Purchase Plan, which is administered by the County Administrator. Under the conversion, the defined benefit plan was essentially terminated and all current and future eligible employees are enrolled in the defined contribution plan. Employees were given credit for the present value of their accrued benefits in the defined benefit plan at conversion, which became their opening account balance in the defined contribution plan. The defined benefit plan was retained for eleven retirees already receiving or eligible to receive benefits and who did not elect to convert to the defined contribution plan.

Defined Benefit Plan

The County's defined benefit pension plan provides retirement and death benefits to plan members and beneficiaries. All persons eligible to receive benefits under the defined benefit plan are no longer active employees of the County. The benefit provisions of the plan are established by County ordinance. The financial statements of the plan are prepared using the accrual basis of accounting. Plan contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are reported at the last reported sales price on the County's balance sheet date. Securities without an estimated established market are reported at estimated fair value.

A financial report that includes financial statements and required supplementary information for the plan may be obtained by writing to Qualified Pension Consultants of Florida, Inc., 117 Horseshoe Trail, Ormond Beach, Florida 32174.

Funding Policy. Retired or terminated county employees are not required to contribute to the Plan. The County is required to contribute at an actuarially determined rate. All contribution requirements of plan members and the County are established by County ordinance.

Annual Pension Cost. For the year ended June 30, 2009, the County's annual pension cost of $374,576 was equal to the County's required contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the terminal funding method. Under this method, the entire actuarial present value of benefits for each individual is contributed to the plan's fund at the time of withdrawal, retirement or benefit commencement. The actuarial assumptions included (a) 6% investment rate of return and (b) the 1983 individual annuity mortality tables (c) no inflation rate assumption due to the fact all participants are no longer employees of the County. The actuarial value of Plan assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over four years as of July 1, 1999.

Three Year Trend Information

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Annual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2008	$ -	$ -	0%	$ -
2009	302,200	340,169	116%	-
2010	374,576	374,576	100%	(81,804)

D. Related Organizations

Related organizations are excluded from the financial reporting entity because the County's accountability does not extend beyond making appointments. Related organizations are described as follows:

Lee County Housing Authority

The Lee County Housing Authority administers Federal funding and/or other financing for improvement of housing conditions in the County. The six citizens who serve as the Governing Board are appointed by the County Commission. The County has no significant influence over management, budget, or policies of the Authority. The Authority reports independently.

E. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in a fourteen county Southwest Georgia area, is a member of the Southwest Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from:

Southwest Georgia Regional Development Center
P.O. Box 346
30 West Broad St.
Camilla, Georgia 31730

REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 15,291,000	$ 15,291,000	$ 15,553,427	$ 262,427
Penalties & interest	188,750	188,750	-	(188,750)
Licenses & permits	211,550	211,550	210,185	(1,365)
Intergovernmental	4,800	4,800	28,767	23,967
Charges for services	3,734,925	3,734,925	3,358,041	(376,884)
Fines & forfeitures	775,500	775,500	862,319	86,819
Interest revenue	82,500	82,500	55,284	(27,216)
Contributions & donations	-	-	-	-
Miscellaneous	182,934	182,934	234,136	51,202
Total revenues	20,471,959	20,471,959	20,302,159	(169,800)
EXPENDITURES				
Board of Commissioners	916,352	916,352	827,286	89,066
County Administrator	594,669	594,669	541,903	52,766
Election & registration	172,028	172,028	155,133	16,895
Information technology services	207,080	207,080	170,516	36,564
Tax commissioner	387,412	387,412	351,867	35,545
Tax assesor	398,027	398,027	369,370	28,657
General building & plant maintenance	410,315	410,315	339,342	70,973
Clerk, superior court	470,454	470,454	421,518	48,936
Magistrate court	466,507	466,507	426,606	39,901
Probate court	238,382	238,382	211,330	27,052
Juvenile court	54,533	54,533	39,588	14,945
District attorney	54,447	54,447	54,447	-
Indigent care & defense	280,737	280,737	267,701	13,036
Sheriff's department	2,924,304	2,924,304	2,912,003	12,301
Criminal justice center	1,985,968	1,985,968	1,943,287	42,681
Fire & emergency management	1,706,948	1,706,948	1,567,296	139,652
Emergency medical services	1,687,341	1,687,341	1,597,790	89,551
Coroner	40,336	40,336	23,301	17,035
Animal control	248,386	248,386	308,904	(60,518)
Highway & streets	1,925,572	1,925,572	1,838,901	86,671
Utility billing department	2,308,859	2,308,859	2,225,594	83,265
Health department	305,955	305,955	307,775	(1,820)
Mental health	12,250	12,250	12,250	-
DFACS	22,000	22,000	20,640	1,360
Recreation	480,432	480,432	403,433	76,999
Library	366,958	366,958	368,477	(1,519)
Forestry commission	5,156	5,156	5,156	-
Planning & engineering	368,966	368,966	363,315	5,651
Building Inspector	318,357	318,357	302,131	16,226
Economic development	439,661	439,661	-	439,661
County extension services	74,545	74,545	74,087	458
Debt service	533,233	533,233	510,799	22,434
Total expenditures	20,406,170	20,406,170	18,961,746	1,444,424
Excess (deficiency) of revenues over (under) expenditures	65,789	65,789	1,340,413	(1,614,224)
OTHER FINANCING SOURCES (USES)				
Transfers in	920,148	920,148	901,208	(18,940)
Transfers out	(985,937)	(985,937)	(1,155,357)	169,420
Proceeds of capital asset dispositions	-	-	-	-
Use of reserves	-	-	-	-
Total other financing sources (uses)	(65,789)	(65,789)	(254,149)	150,480
Net change in fund balances	-	-	1,086,264	(1,463,744)
Fund balances- beginning	6,417,088	6,417,088	6,417,088	-
Fund balances- Ending	$ 6,417,088	$ 6,417,088	$ 7,503,352	$ (1,463,744)

Lee County, Georgia
Pension Trust Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ration	Covered Payroll	UAAL as a % of Covered Payroll
7/1/1998	$ 341,608.00	$ 421,635.00	$ 80,027.00	81.0%	N/A	N/A
7/1/1999	369,839	407,450	37,611	90.8%	N/A	N/A
7/1/2000	345,244	402,590	57,346	85.8%	N/A	N/A
7/1/2001	299,038	395,728	96,690	75.6%	N/A	N/A
7/1/2002	324,604	370,634	46,030	87.6%	N/A	N/A
7/1/2003	298,832	306,310	7,478	97.6%	N/A	N/A
7/1/2004	292,776	238,865	(53,911)	122.6%	N/A	N/A
7/1/2005	277,895	232,344	(45,551)	119.6%	N/A	N/A
7/1/2006	263,462	225,072	(38,390)	117.1%	N/A	N/A
7/1/2007	260,005	220,185	(39,820)	118.1%	N/A	N/A
7/1/2008	233,746	72,791	(160,955)	321.1%	N/A	N/A

COMBINING & INDIVIDUAL FUND SCHEDULES

Major Governmental Funds

General Fund

The general fund is the County's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Development Authority Fund- This fund is used to account for the activities of the Lee County Development Authority, a blended component unit, which pursues and enhances economic development of the County.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

1% SPLOST #4 Fund- This fund is used to account for the capital projects financed from the 1% special purpose local option sales tax which was approved by the voters for a five year period effective October 1, 2002 through September 30, 2007.

1% SPLOST #5 BONY Advance Fund- This fund is used to account for the general obligation sales tax bonds, series 2007, used to finance a portion of the capital projects of the special purpose local option sales tax which was approved by the voters for a six year period effective October 1, 2007 through September 30, 2013.

1% SPLOST #5 Tax Proceeds Fund- This fund is used to account for the capital projects financed from the special purpose local option sales tax which was approved by the voters for a six year period effective October 1, 2007 through September 30, 2013.

General Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 5,442,987	$ 4,677,130
Receivables, net of allowance for uncollectibles		
Taxes	248,693	247,507
Accounts	244,754	404,500
Intergovernmental	399,272	383,226
Prepaid insurance	473,923	-
Due from other funds		
E-911 special revenue fund	96,763	158,993
1% SPLOST #4 capital projects fund	62,137	139
1% SPLOST #5 BONY- advance capital projects fund	350,482	350,122
Building inspection special revenue fund	85,809	64,743
Special assessment special revenue fund	39,269	37,729
Utility authority enterprise fund	979,084	864,219
Solid waste enterprise fund	25,363	22,086
Golf complex enterprise fund	-	516
Employee medical internal service fund	2,993,426	1,377,406
Drug education and treatment	899	899
1% SPLOST #5 proceeds	280,225	280,225
Restricted assets		
Cash & cash equivalents	12,614	106,952
Total assets	$ 11,735,700	$ 8,976,392
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 463,804	$ 306,015
Accrued wages, withholdings & benefits	369,981	312,542
Compensated absences payable	40,910	34,542
Due to other funds	-	
1% SPLOST #4 capital projects fund	11,004	12,258
1% SPLOST #5 proceeeds	280,025	280,225
Utility authority enterprise fund	477,167	581,940
Golf complex enterprise fund	5,119	-
E-911 special revenue fund	4,673	-
Employee medical internal service fund	2,330,972	783,089
Deferred Revenue		
Property taxes	248,693	248,693
Ambulance fees	-	-
Notes payable- current	-	-
Total liabilities	4,232,348	2,559,304
Fund Balances		
Reserved for capital expenditure	12,614	-
Unreserved	7,490,738	6,310,136
Total fund balances	7,503,352	6,310,136
Total liabilities & fund balances	$ 11,735,700	$ 8,869,440

General Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes	$ 15,553,427	$ 15,351,945
Licenses & permits	210,185	22,940
Intergovernmental	28,767	272,968
Charges for services	3,358,041	3,147,276
Fine & forfeitures	862,319	878,496
Investment income	55,284	76,739
Contributions & donations	-	(1,062)
Miscellaneous	234,136	100,132
Total revenues	20,302,159	19,849,434
EXPENDITURES		
Current		
General government	4,981,088	3,099,643
Judicial	1,455,281	1,429,520
Public safety	8,318,424	7,918,642
Public works	1,838,901	3,910,951
Health & welfare	414,752	339,124
Culture & recreation	771,900	864,752
Housing & development	670,601	416,645
Debt service	510,799	416,706
Total expenditures	18,961,746	18,395,983
Excess (deficiency) of revenues over (under) expenditures	1,340,413	1,453,451
OTHER FINANCING SOURCES (USES)		
Transfers in		
Jail special revenue fund	37,270	37,281
1% SPLOST #4 capital projects fund	170,000	-
Building inspector special revenue fund	415,438	-
Utility authority enterprise fund	-	-
Use of SPLOST V	278,500	280,225
Transfers out		
E-911 special revenue fund	(286,306)	(228,789)
Development authority special revenue fund	(439,486)	(439,502)
Employee medical internal service fund	-	-
Utility authority enterprise fund	(364,765)	(295,074)
Solid waste enterprise fund	(64,800)	(117,955)
Golf complex enterprise fund	-	(263,013)
Proceeds of capital asset dispositions	-	193,368
Capital leases	-	-
Total other financing sources (uses)	(254,149)	(833,459)
Net change in fund balances	1,086,264	619,992
Fund balance- beginning	6,417,088	5,797,096
Fund balance- Ending	$ 7,503,352	$ 6,417,088

Development Authority Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 701,357	$ 324,487
Total assets	$ 701,357	$ 324,487
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	701,357	324,487
Total fund balances	701,357	324,487
Total liabilities & fund balances	$ 701,357	$ 324,487

Development Authority Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Interest revenues	$ 12,063	$ 2,426
Total revenues	12,063	2,426
EXPENDITURES		
Current		
Housing & development	175,186	168,763
Debt service	261,230	261,230
Total expenditures	436,416	429,993
Excess (deficiency) of revenues over (under) expenditures	(424,353)	(427,567)
OTHER FINANCING SOURCES (USES)		
Transfers in		
General fund	439,485	439,502
Proceeds of capital asset dispositions	361,738	109,712
Notes payable	-	-
Total other financing sources (uses)	801,223	549,214
Net changes in fund balances	376,870	121,647
Fund balances- beginning	324,487	202,840
Fund balances- Ending	$ 701,357	$ 324,487

Development Authority Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest revenue	$ -	$ -	$ 12,063	$ 12,063
Total revenue	-	-	12,063	12,063
EXPENDITURES				
Current				
Housing & development	178,256	178,256	175,186	3,070
Debt servicing	-	-	261,230	(261,230)
Total expenditures	178,256	178,256	436,416	(258,160)
Excess (deficiency) of revenues over (under) expenditures	(178,256)	(178,256)	(424,353)	(246,097)
OTHER FINANCING SOURCES (USES)				
Transfers in	178,256	178,256	439,485	261,229
Proceeds of capital asset dispositions	-	-	361,738	361,738
Total other financing sources (uses)	178,256	178,256	801,223	622,967
Net change in fund balances	-	-	376,870	376,870
Fund balances- beginning	324,487	324,487	324,487	-
Fund balances- Ending	$ 324,487	$ 324,487	$ 701,357	$ 376,870

1% SPLOST #4 Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 1,298,939	$ 3,239,355
Due from other funds		
General fund	11,004	12,257
1% SPLOST #5 BONY- advance capital projects fund	1,151,296	1,082,937
1% SPLOST #5 Tax Proceeds	-	37,625
Restricted assets		
Cash & cash equivalents	47,762	47,761
Total assets	$ 2,509,001	$ 4,419,935
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 256,477	$ 805
Due to other funds	1,095,177	1,064,785
Total liabilities	1,351,654	1,065,590
Fund Balances		
Reserved for capital expenditure	47,762	47,761
Unreserved	1,109,585	3,306,584
Total fund balances	1,157,347	3,354,345
Total liabilities & fund balances	$ 2,509,001	$ 4,419,935

1% SPLOST #4 Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes		
General sales & use		
Special purpose local option sales & use	$ -	$ -
Charges for services		
State road maintenance fees	13,892	228,338
Interest revenue	9,576	58,068
Total revenues	23,468	286,406
EXPENDITURES		
Current		
Public works	35,910	51
Capital outlay	2,014,556	1,701,736
Debt service	-	540
Total expenditures	2,050,466	1,702,327
Excess (deficiency) of revenues over (under) expenditures	(2,026,998)	(1,415,921)
OTHER FINANCING SOURCES (USES)		
Transfers in		
1% SPLOST #3 capital projects fund	-	-
SPLOST debt service fund	-	-
Transfers out	(170,000)	-
Total other financing sources (uses)	(170,000)	-
Net change in fund balances	(2,196,998)	(1,415,921)
Fund balance- beginning	3,354,345	4,770,266
Fund balance- Ending	$ 1,157,347	$ 3,354,345

1% SPLOST #5 BONY- Advance Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Due from other funds		
Splost V proceeds F245	$ 1,504,463	$ 2,617,504
Restricted assets		
Cash & cash equivalents	31,442	476,619
Total assets	$ 1,535,905	$ 3,094,123
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 906,118	$ 27,115
Due to other funds	2,273,325	3,248,183
Total liabilities	3,179,443	3,275,298
Fund Balances		
Reserved for capital expenditure	31,442	476,620
Unreserved	(1,674,980)	(657,795)
Total fund balances	(1,643,538)	(181,175)
Total liabilities & fund balances	$ 1,535,905	$ 3,094,123

1% SPLOST #5 BONY- Advance Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Interest revenue	$ 79,079	$ 42,728
Total revenues	79,079	42,728
EXPENDITURES		
Current		
Public works		
Intergovernmental payments of SPLOST	-	-
City of Leesburg	-	-
Capital outlay	1,541,442	2,139,299
Debt service	2,540,179	1,815,125
Total expenditures	4,081,621	3,954,424
Excess (deficiency) of revenues over (under) expenditures	(4,002,542)	(3,911,696)
OTHER FINANCING SOURCES (USES)		
Transfers In	2,540,179	-
Total other financing sources (uses)	2,540,179	-
Net change in fund balances	(1,462,363)	(3,911,696)
Fund balance- beginning	(181,175)	3,730,521
Fund balance- Ending	$ (1,643,538)	$ (181,175)

1% SPLOST #5 Tax Proceeds Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 4,007,571	$ 4,354,095
Receivables, net of allowance for uncollectibles		
Intergovernmental	562,557	530,743
Due from other funds		
General fund F100	280,025	-
Splost V BONY fund F225	2,586,671	-
Splost IV fund F225	1,033,040	2,817,554
Total assets	$ 8,469,864	$ 4,884,838
LIABILITIES & FUND BALANCES		
Due to other funds		
General fund F100	280,225	-
Splost IV fund F225	-	37,625
Splost V fund Bony F235	3,319,587	2,617,504
Total liabilities	3,599,812	2,655,129
Fund Balances		
Reserved for capital expenditure	4,007,571	4,354,095
Unreserved	862,681	693,168
Total fund balances	4,870,252	5,047,263
Total liabilities & fund balances	$ 8,470,064	$ 7,702,392

1% SPLOST #5 Tax Proceeds Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes		
General sales & use		
Special purpose local option sales & use	$ 3,486,504	$ 3,523,817
Interest revenue	11,208	36,936
Miscellaneous	-	89
Total revenues	3,497,712	3,560,842
EXPENDITURES		
	829,466	7,595
Total expenditures	829,466	7,595
Excess (deficiency) of revenues over (under) expenditures	2,668,246	3,553,247
OTHER FINANCING SOURCES (USES)		
Transfers in		
SPLOST debt service fund	-	-
Transfers out		
General fund	(278,500)	(280,225)
BONY SPLOST V	(2,540,179)	-
Debt Service	(26,778)	(1,050,846)
Total other financing sources (uses)	(2,845,457)	(1,331,071)
Net change in fund balances	(177,211)	2,222,176
Fund balance- beginning	5,047,263	2,825,087
Fund balance- Ending	$ 4,870,052	$ 5,047,263

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Drug Abuse Treatment & Education Fund- This fund is used to account for the additional penalties for certain drug related crimes for the purpose of providing drug abuse treatment and education programs.

Jail Fund- This fund is used to account for an additional 10% on all fines collected for the purpose of jail construction, improvements, and staffing.

Building Inspection Fund- This fund is used to account for business taxes and licenses and permits.

District Attorney Forfeiture Fund- This fund is used to account for the assets seized by law enforcement officials and used for law enforcement purposes.

E-911 Fund- This fund is used to account for the proceeds of the $1.50 per month surcharge on County residents' telephone bills to fund the emergency services telephone system.

Special Assessment Fund- This fund is used to account for impact fees imposed by the County to finance the costs of additional growth and development.

Hotel/Motel Tax Fund- This fund is used to account for taxes on charges for rooms, lodging, or accommodations furnished by hotels, motels, inns, and tourist camps and cabins.

Federal Grant Fund- This fund is used to account for the grants received to finance the construction costs of extending the sewer system.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

1% Special Purpose Local Option Sales Tax #3 Fund- This fund is used to account for the proceeds of the 1% SPLOST which was approved by the voters for a five year period effective April 1, 1999 through march 31, 2004 to build roads and bridges, recreational facilities, public safety facilities and various municipal water and sewer projects.

Debt Service Funds

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment

Special Purpose Local Option Sales Tax Fund- This fund is used to account for SPLOST taxes to be used to retire debt incurred to finance SPLOST – approved projects.

Nonmajor Governmental Funds
Combining Schedule of Assets, Liabilities & Fund Balances
June 30, 2010

	Special Revenue Funds								
	Drug Abuse Treatment & Education	Jail	Building Inspection	District Attorney Forfeiture	Law Library	E-911	Special Assessment	Hotel/Motel Tax	Total Nonmajor Governmental Funds
ASSETS									
Cash & cash equivalents	$ 73,284	$ 21,620	$ 403	$ 27,465	$ 8,302	$ 3,445	$ 613,951	$ 14,827	$ 763,297
Receivables, net of allowance for uncollectibles	414	2,879	-	-	-	-	-	-	3,293
Due from other funds	-	-	16,948	-	-	4,596	16,948	-	38,492
Restricted assets	-	-	-	-	-	-	-	-	-
Cash & cash equivalents	-	-	-	-	-	48,248	-	-	48,248
Accounts receivable	-	-	-	-	-	62,773	-	-	62,773
Total Assets	$ 73,698	$ 24,499	$ 17,351	$ 27,465	$ 8,302	$ 119,062	$ 630,899	$ 14,827	$ 916,103
LIABILITIES & FUND EQUITY									
Liabilities									
Accounts payable	$ -	$ -	$ 176	$ -	$ 292	$ 6,106	$ 451	$ -	$ 7,025
Accrued wages, withholdings & benefits	-	-	-	-	-	15,129	-	-	15,129
Compensated absences payable	-	-	-	-	-	-	-	-	-
Due to other funds	899	-	115,183	-	-	172,207	56,217	-	344,506
Total liabilities	899	-	115,359	-	292	193,442	56,668	-	366,660
Fund balances									
Reserved for capital expenditure	-	-	-	-	-	111,021	-	-	111,021
Unreserved	72,799	24,499	(98,008)	27,465	8,010	(185,401)	574,231	14,827	438,422
Total fund balances	72,799	24,499	(98,008)	27,465	8,010	(74,380)	574,231	14,827	549,443
Total liabilities & fund balances	$ 73,698	$ 24,499	$ 17,351	$ 27,465	$ 8,302	$ 119,062	$ 630,899	$ 14,827	$ 916,103

Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures & Changes in Fund Balances
For the Year Ended June 30, 2010

	Special Revenue Funds								
	Drug Abuse Treatment & Education	Jail	Building Inspection	District Attorney Forfeiture	Law Library	E-911	Special Assessment	Hotel/Motel Tax	Total Nonmajor Governmental Funds
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,479	$ 3,479
Charges for services	21,093	49,216	-	47,611	8,001	465,028	74,724	-	665,673
Interest revenue	1,286	583	403	418	9	626	16,718	362	20,405
Total revenues	22,379	49,799	403	48,029	8,010	465,655	91,441	3,841	689,557
EXPENDITURES									
Current									
Public safety	10,216	-	-	20,314	-	569,236	-	-	599,766
Housing & development	-	-	923	-	-	-	68,879	-	69,802
Capital outlay	-	-	-	10,770	-	-	448,689	-	459,459
Debt service	-	-	-	-	-	140,455	-	-	140,455
Total expenditures	10,216	-	923	31,084	-	709,690	517,568	-	1,269,482
Excess (deficiency) of revenues over (under) expenditures	12,163	49,799	(520)	16,945	8,010	(244,035)	(426,127)	3,841	(579,925)
OTHER FINANCING SOURCES (USES)									
Transfer in	-	-	-	-	-	286,306	-	-	286,306
Transfer out	-	(37,270)	(415,436)	-	-	-	-	-	(452,706)
Total other financing sources (uses)	-	(37,270)	(415,436)	-	-	286,306	-	-	(166,400)
net change in fund balances	12,163	12,529	(415,957)	16,945	8,010	42,271	(426,127)	3,841	(746,325)
Fund balances- beginning	60,636	11,969	317,948	10,520	-	(116,649)	1,000,358	10,986	1,295,769
Fund balances- ending	$ 72,799	$ 24,499	$ (98,008)	$ 27,465	$ 8,010	$ (74,380)	$ 574,231	$ 14,827	$ 549,443

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 73,284	$ 61,536
Accounts receivable	414	-
Total assets	$ 73,698	$ 61,536
LIABILITIES & FUND BALANCES		
Liabilities	$ 899	$ 899
Total liabilities	899	899
Fund Balances		
Unreserved	72,799	60,637
Total fund balances	72,799	60,637
Total liabilities & fund balances	$ 73,698	$ 61,536

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Fines & forfeitures	$ 21,093	$ 11,880
Interest revenues	1,286	1,467
Total revenues	22,379	13,347
EXPENDITURES		
Current		
Public Safety	10,216	8,816
Total expenditures	10,216	8,816
Excess (deficiency) of revenues over (under) expenditures	12,163	4,531
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net changes in fund balances	12,163	4,531
Fund balances- beginning	60,637	56,106
Fund balances- Ending	$ 72,799	$ 60,637

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines & forfeitures	$ 11,335	$ 21,093	$ 9,758
Interest revenue	1,515	1,286	(229)
Total revenue	12,850	22,379	9,529
EXPENDITURES			
Current			
Public Safety	12,850	10,216	2,634
Total expenditures	12,850	10,216	2,634
Excess (deficiency) of revenues over (under) expenditures	-	12,163	6,895
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	12,163	6,895
Fund balances- beginning	60,637	60,637	-
Fund balances- Ending	$ 60,637	$ 72,799	$ 6,895

Jail Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 21,620	$ 11,969
Accounts receivable	2,879	-
Total assets	$ 24,499	$ 11,969
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	24,499	11,969
Total fund balances	24,499	11,969
Total liabilities & fund balances	$ 24,499	$ 11,969

Jail Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Fines & forfeitures	$ 49,216	$ 41,549
Interest revenues	583	411
Total revenues	49,800	41,960
EXPENDITURES		
Current		
Public Safety	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	49,800	41,960
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(37,270)	(37,281)
Total other financing sources (uses)	(37,270)	(37,281)
Net changes in fund balances	12,530	4,679
Fund balances- beginning	11,969	7,290
Fund balances- Ending	$ 24,499	$ 11,969

Jail Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines & forfeitures	$ 36,865	$ 49,216	$ 12,351
Interest revenue	405	583	178
Total revenue	37,270	49,799	12,529
EXPENDITURES			
Current			
Public Safety	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	37,270	49,799	12,529
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(37,270)	(37,270)	-
Total other financing sources (uses)	(37,270)	(37,270)	-
Net change in fund balances	-	12,529	12,529
Fund balances- beginning	11,969	11,969	-
Fund balances- Ending	$ 11,969	$ 24,499	$ 12,529

Building Inspection Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 403	$ 404,670
Due from other funds	16,948	18,309
Total assets	$ 17,351	$ 422,979
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 176	$ 1,360
Accrued wages, withholdings & benefits	-	8,016
Due to other funds	115,183	95,478
Total liabilities	115,359	104,854
Fund Balances		
Unreserved	(98,008)	318,125
Total fund balances	(98,008)	318,125
Total liabilities & fund balances	$ 17,351	$ 422,979

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes	$ -	$ 163,188
Licenses & permits	-	181,378
Charges for services	-	38
Interest revenue	403	10,099
Miscellaneous	-	3,022
Total revenues	403	357,725
EXPENDITURES		
Current		
Housing & development	923	373,230
Capital outlay	-	93,751
Total expenditures	923	466,981
Excess (deficiency) of revenues over (under) expenditures	(520)	(109,256)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out		
Hotel/motel tax special revenue fund	(415,436)	-
Total other financing sources (uses)	(415,436)	-
Net change in fund balances	(415,956)	(109,256)
Fund balance- beginning	317,948	427,378
Fund balance- Ending	$ (98,008)	$ 318,122

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ -	$ -	$ -
Licenses & permits	-	-	-
Charges for services	-	-	-
Interest revenue	-	403	403
Miscellaneous	-	-	-
Total revenue	-	403	403
EXPENDITURES			
Current			
Housing & development	-	923	(923)
Capital outlay	-	-	-
Total expenditures	-	923	(923)
Excess (deficiency) of revenues over (under) expenditures	-	(520)	(520)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(415,436)	(415,436)
Total other financing sources (uses)	-	(415,436)	(415,436)
Net change in fund balances	-	(415,956)	(415,956)
Fund balances- beginning	318,122	317,948	(174)
Fund balances- Ending	$ 318,122	$ (98,008)	$ (416,130)

District Attorney Forfeiture Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 27,465	$ 11,215
Total assets	$ 27,465	$ 11,215
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ 694
Total liabilities	-	694
Fund Balances		
Unreserved	27,465	10,521
Total fund balances	27,465	10,521
Total liabilities & fund balances	$ 27,465	$ 11,215

District Attorney Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Licenses & permits	$ -	$ -
Fines & forfeitures	47,611	20,214
Interest revenue	418	135
Miscellaneous	-	2,989
Total revenues	48,029	23,338
EXPENDITURES		
Current		
Public Safety	20,314	5,199
Capital outlay	10,770	29,665
Total expenditures	31,084	34,864
Excess (deficiency) of revenues over (under) expenditures	16,945	(11,526)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	16,945	(11,526)
Fund balance- beginning	10,520	22,047
Fund balance- Ending	$ 27,465	$ 10,521

District Attorney Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses & permits	$ -	$ -	$ -
Fines & forfeitures	13,450	47,611	34,161
Interest revenue	160	418	258
Miscellaneous	-	-	-
Total revenue	13,610	48,029	34,419
EXPENDITURES			
Current			
Public Safety	13,610	20,314	(6,704)
Capital outlay	-	10,770	(10,770)
Total expenditures	13,610	31,084	(17,474)
Excess (deficiency) of revenues over (under) expenditures	-	16,945	51,893
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	16,945	51,893
Fund balances- beginning	10,520	10,520	-
Fund balances- Ending	$ 10,520	$ 27,465	$ 51,893

Law Library Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 8,302	$ -
Total assets	$ 8,302	$ -
LIABILITIES & FUND BALANCES		
Liabilities	$ 292	$ -
Total liabilities	292	-
Fund Balances		
Unreserved	8,010	-
Total fund balances	8,010	-
Total liabilities & fund balances	$ 8,302	$ -

Law Library Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Licenses & permits	$ -	$ -
Fines & forfeitures	8,001	-
Interest revenue	9	-
Miscellaneous	-	-
Total revenues	8,010	-
EXPENDITURES		
Current		
Public Safety	-	-
Capital outlay	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	8,010	-
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	8,010	-
Fund balance- beginning	-	-
Fund balance- Ending	$ 8,010	$ -

Law Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses & permits	$ -	$ -	$ -
Fines & forfeitures	-	8,001	8,001
Interest revenue	-	9	9
Miscellaneous	-	-	-
Total revenue	-	8,010	8,010
EXPENDITURES			
Current			
Public Safety	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	8,010	8,010
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	8,010	8,010
Fund balances- beginning	-	-	-
Fund balances- Ending	$ -	$ 8,010	$ 8,010

E-911 Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 3,445	$ 30,575
Receivables (net of allowance for uncollectibles)	-	-
Due from other funds		
General fund	4,596	48,815
Restricted assets		
Cash & cash equivalents	48,248	48,274
Accounts receivable	62,773	-
Total assets	$ 119,062	$ 127,664
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 6,106	$ 9,106
Accrued wages, withholdings & benefits	15,129	12,437
Compensated absences payable	-	1,675
Due to other funds	172,207	221,094
Total liabilities	193,442	244,312
Fund Balances		
Reserved for capital expenditures	111,021	48,274
Unreserved	(185,401)	(164,922)
Total fund balances	(74,380)	(116,648)
Total liabilities & fund balances	$ 119,062	$ 127,664

E-911 Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Charges for services		
E-911 Charges	$ 465,027	$ 319,965
Interest revenue	626	2,012
Miscellaneous	-	-
Total revenues	465,653	321,977
EXPENDITURES		
Current		
Public safety	569,236	568,780
Capital outlay	-	39,539
Debt service	140,454	140,453
Total expenditures	709,690	748,772
Excess (deficiency) of revenues over (under) expenditures	(244,037)	(426,795)
OTHER FINANCING SOURCES (USES)		
Transfers in		
General fund	286,306	228,789
Transfers out	-	-
Capital leases	-	-
Total other financing sources (uses)	286,306	228,789
Net change in fund balances	42,269	(198,006)
Fund balance- beginning	(116,649)	81,360
Fund balance- Ending	$ (74,380)	$ (116,646)

E-911 Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services			
E-911 charges	$ 315,000	$ 465,027	$ 150,027
Interest revenue	2,510	626	(1,884)
Miscellaneous	-	-	-
Total revenue	317,510	465,653	148,143
EXPENDITURES			
Current			
Public Safety	-	569,236	(569,236)
Capital outlay	-	-	-
Debt service	-	140,454	(140,454)
Total expenditures	-	709,690	(709,690)
Excess (deficiency) of revenues over (under) expenditures	317,510	(244,037)	857,833
OTHER FINANCING SOURCES (USES)			
Transfers in	436,552	286,306	(150,246)
Transfers out	-	-	-
Total other financing sources (uses)	436,552	286,306	(150,246)
Net change in fund balances	754,062	42,269	707,587
Fund balances- beginning	(116,646)	(116,649)	(3)
Fund balances- Ending	$ 637,416	$ (74,380)	$ 707,584

Special Assessment Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 613,951	$ 1,040,802
Due from other funds	16,948	16,948
Total assets	$ 630,899	$ 1,057,750
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 451	$ 2,716
Due to other funds	16,948	
General fund	39,269	54,677
Total liabilities	56,668	57,393
Fund Balances		
Unreserved	574,231	1,000,357
Total fund balances	574,231	1,000,357
Total liabilities & fund balances	$ 630,899	$ 1,057,750

Special Assessment Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Charges for services		
Impact fees	$ 74,724	$ 62,398
Interest revenue	16,718	21,159
Total revenues	91,441	83,557
EXPENDITURES		
Current		
Housing & development	68,879	68,820
Capital outlay	448,689	-
Total expenditures	517,568	68,820
Excess (deficiency) of revenues over (under) expenditures	(426,127)	14,737
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out		
General fund	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	(426,127)	14,737
Fund balance- beginning	1,000,358	985,620
Fund balance- Ending	$ 574,231	$ 1,000,357

Special Assessment Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services			
Impact fees	$ 57,000	$ 74,724	$ 17,724
Interest revenue	22,175	16,718	(5,458)
Total revenue	79,175	91,441	12,266
EXPENDITURES			
Current			
Housing & development	79,175	68,879	(10,296)
Capital outlay	-	448,689	448,689
Total expenditures	79,175	517,568	438,393
Excess (deficiency) of revenues over (under) expenditures	-	(426,127)	(426,127)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(426,127)	(426,127)
Fund balances- beginning	1,000,358	1,000,358	-
Fund balances- Ending	$ 1,000,358	$ 574,231	$ (426,127)

Hotel/Motel Tax Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash & cash equivalents	$ 14,827	$ 10,986
Due from other funds	-	9517
Building inspection special revenue fund		-
Total assets	$ 14,827	$ 20,503
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ 9,517
Total liabilities	-	9,517
Fund Balances		
Unreserved	14,827	10,986
Total fund balances	14,827	10,986
Total liabilities & fund balances	$ 14,827	$ 20,503

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes		
Hotel/motel	$ 3,479	$ 3,320
Interest revenue	362	$ 223
Total revenues	3,841	3,543
EXPENDITURES		
	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	3,841	3,543
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	3,841	3,543
Fund balance- beginning	10,986	7,443
Fund balance- Ending	$ 14,827	$ 10,986

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2010

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ 3,580	$ 3,479	$ (101)
Interest	200	362	162
Total revenue	3,780	3,841	61
EXPENDITURES			
Expenses	3,780	-	(3,780)
Total expenditures	3,780	-	(3,780)
Excess (deficiency) of revenues over (under) expenditures	-	3,841	3,841
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	3,841	3,841
Fund balances- beginning	10,986	10,986	-
Fund balances- Ending	$ 10,986	$ 14,827	$ 3,841

Major Proprietary Funds

Utility Authority Enterprise Fund
Schedule of Net Assets
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash & cash equivalents	$ 284,834	$ 162,247
Receivables, net of allowance for uncollectibles	-	290,468
Due from other funds		
General fund	(501,917)	581,941
Prepaid items	13,212	4,852
Inventory	-	-
Restricted assets		
Cash & cash equivalents	1,221,514	1,850,101
Total current assets	1,017,643	2,889,609
Noncurrent Assets		
Restricted assets		
Cash & cash equivalents	541,826	418,060
Investments	-	960,498
Total restricted assets	541,826	1,378,558
Deferred charges	37,053	43,790
Capital assets not being depreciated		
Land	77,310	77,310
Construction in progress	627,815	4,750,960
Capital assets net of accumulated depreciated		
Buildings & infrastructure	23,847,751	20,108,022
Machinery & equipment	-	-
Total capital assets net of accumulated depreciation	24,552,876	24,936,292
Total noncurrent assets	25,131,755	26,358,640
Total assets	26,149,398	29,248,249
LIABILITIES		
Current liabilities		
Accounts payable	145,972	76,947
Accrued wages & withholdings	7,543	17,857
Compensated absences- current	-	-
Due to other funds	138,462	928,125
Accrued interest payable	12,490	252,292
Deferred revenue	117,337	124,947
Loans payable- current	248,665	296,653
Revenue bonds payable- current	-	195,181
Revenue notes payable- current	-	271,186
Capital leases payable- current	4,821	18,815
Total current liabilities	675,290	2,182,003
Noncurrent liabilities		
Customer deposits	386,380	360,299
Compensated absences	23,077	13,602
Loans payable	2,847,519	8,003,639
Capital leases payable	-	1,897
Revenue bonds payable	20,654,292	10,945,000
Revenue notes payable	-	4,556,380
Total noncurrent liabilities	23,911,268	23,880,817
Total liabilities	24,586,558	26,062,820
NET ASSETS		
Invested in capital assets, net of related debt	797,579	647,541
Restricted	1,247,133	2,491,122
Unrestricted	(481,872)	476,766
Total net assets	$ 1,562,840	$ 3,615,429

Utility Authority Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Changes for sales & services		
Water & sewer charges	$ 2,875,140	$ 2,760,443
Tap, meter & reconnect fees	378,440	424,865
Other	177,298	108
Total operating revenues	3,430,878	3,185,416
OPERATING EXPENSES		
Personal services & employee benefits	582,226	481,482
Purchased/contracted services	360,872	396,147
Supplies	530,927	467,954
Depreciation	990,003	867,484
Total operating expenses	2,464,028	2,213,067
Operating income (loss)	966,850	972,349
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	-	-
Investment income	26,560	82,392
Contributions & donations	7,510	7,610
Interest on long-term debt	(1,465,840)	(796,682)
Fiscal agent's fees	(3,877)	(18,946)
Bond issuance costs	(1,518,557)	(504,365)
Total nonoperating revenues (expenses)	(2,954,204)	(1,229,991)
Income (loss) before contributions & transfers	(1,987,354)	(257,642)
Capital contributions	-	-
Transfers in		
General fund	364,765	308,312
Federal grant special revenue fund	-	-
Transfers out		
General fund	-	-
Net income (loss)	(1,622,589)	50,670
Net assets- beginning of year	3,185,429	3,134,759
Net assets- end of year	$ 1,562,840	$ 3,185,429

Utility Authority Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,685,947	$ 3,231,526
Payments to suppliers	(755,940)	(407,234)
Payments to employees	(501,310)	(405,425)
Payments for interfund services used	(71,006)	(63,906)
Net cash provided (used) by operating activities	2,357,691	2,354,961
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	364,765	308,312
Net cash provided (used) by noncapital financing	364,765	308,312
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
Proceeds from capital debt	22,070,000	5,975,446
Acquisition & construction of capital assets	(655,841)	(622,833)
Principal paid on capital debt	(21,659,435)	(6,171,070)
Interest paid on capital debt	(1,364,412)	(908,639)
Payments of fiscal agent's fees	(3,877)	(18,946)
Debt issuance costs	(1,517,683)	(783,112)
Grants	-	-
Net cash provided (used) by capital related financing activities	(3,131,248)	(2,529,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales & maturities of investments	-	3,320,213
Purchase of investments	-	(3,135,416)
Investment income	26,559	76,278
Net cash provided (used) by investing activities	26,559	261,075
Net increase (decrease) in cash & cash equivalents	(382,233)	395,194
Cash & cash equivalents- beginning of year	2,430,408	2,035,197
Cash & cash equivalents- end of year	$ 2,048,175	$ 2,430,391
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 966,850	$ 972,349
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	990,003	867,484
(Increase) decrease in accounts receivable	221,315	47,322
(Increase) decrease in other assets	-	139,937
(Increase) decrease in due from other funds	-	-
(increase) decrease in prepaid items	-	8,360
(increase) decrease in accounts payable	(29,361)	(18,928)
(Increase) decrease in accrued wages & withholdings	16,312	4,951
(Increase) decrease in deferred revenue	-	(7,610)
(Increase) decrease in compensated absences payable	-	-
(Increase) decrease in due to other funds	166,491	349,134
(Increase) decrease in other current liabilities	26,081	(8,038)
(Increase) decrease in customer deposits	-	-
Net cash provided (used) by operating activities	$ 2,357,691	$ 2,354,961
NONCASH INVESTING CAPTIAL & FINANCING ACTIVITIES		
Contributions of capital assets from governmental funds	$ -	$ -
Net increase (decrease) in fair value of investments	-	-

Solid Waste Enterprise Fund
Schedule of Net Assets
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash & cash equivalents	$ 2,204	$ 55,051
Receivables, net of allowance for uncollectibles	1,110	1,109
Due from other funds		
General	(25,363)	-
Prepaid items	568	550
Total current assets	(21,481)	56,710
Noncurrent Assets		
Capital assets not being depreciated		
Land	163,000	163,000
Capital assets net of accumulated depreciated		
Machinery & equipment	10,029	10,876
Total capital assets net of accumulated depreciation	173,029	173,876
Total noncurrent assets	173,029	173,876
Total assets	151,548	230,586
LIABILITIES		
Current liabilities		
Accounts payable	8,965	2,141
Accrued wages & withholdings	1,979	1,776
Due to other funds		
General fund	22,735	44,821
Employee medical internal service fund	-	-
Closure & post closure care costs	30,282	28,192
Total current liabilities	63,961	76,930
Noncurrent liabilities		
Compensated absences	4,020	3,287
Closure & post closure care costs	1,014,954	1,027,162
Total noncurrent liabilities	1,018,974	1,030,449
Total liabilities	1,082,935	1,107,379
NET ASSETS		
Invested in capital assets, net of related debt	173,029	173,876
Restricted	-	-
Unrestricted	(1,104,416)	(1,050,669)
Total net assets	$ (931,387)	$ (876,793)

Solid Waste Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Changes for sales & services		
Disposal fees	$ 100,749	$ 90,204
Other	-	-
Total operating revenues	100,749	90,204
OPERATING EXPENSES		
Personal services & employee benefits	71,077	68,406
Purchased/contracted services	141,965	217,979
Supplies	6,495	6,786
Depreciation	847	847
Total operating expenses	220,384	294,018
Operating income (loss)	(119,635)	(203,814)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	241	920
Total nonoperating revenues (expenses)	241	920
Income (loss) before contributions & transfers	(119,394)	(202,894)
Transfers in		
General fund	64,800	117,955
Transfers out	-	-
Net income (loss)	(54,594)	(84,939)
Net assets- beginning of year	(876,793)	(791,854)
Net assets- end of year	$ (931,387)	$ (876,793)

Solid Waste Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 104,730	$ 94,081
Payments to suppliers	(151,755)	(138,893)
Payments to employees	(49,545)	(46,938)
Payments for interfund services used	(21,300)	(21,300)
Net cash provided (used) by operating activities	(117,870)	(113,050)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in		
General fund	64,800	117,955
Net cash provided (used) by noncapital financing	64,800	117,955
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
	-	
Net cash provided (used) by capital related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	223	920
Net cash provided (used) by investing activities	223	920
Net increase (decrease) in cash & cash equivalents	(52,847)	5,825
Cash & cash equivalents- beginning of year	55,051	35,214
Cash & cash equivalents- end of year	$ 2,204	$ 41,039
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ (119,635)	$ (203,815)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	847	847
(Increase) decrease in accounts receivable	-	3,878
(Increase) decrease in other assets	-	19
(increase) decrease in prepaid items	-	(568)
(increase) decrease in accounts payable	6,824	430
(Increase) decrease in accrued wages & withholdings	936	167
(Increase) decrease in due to other funds	(704)	21,300
(Increase) decrease in other current liabilities	3,981	567
(Increase) decrease in closure & postclosure	(10,119)	64,125
Net cash provided (used) by operating activities	$ (117,870)	$ (113,050)

Golf Complex Enterprise Fund
Schedule of Net Assets
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash & cash equivalents	$ 88,879	$ 34,449
Receivables, net of allowance for uncollectibles	50,358	40,359
Due from other funds		
General fund	5,119	-
Inventories	15,693	12,866
Prepaid items	6,479	6,496
Total current assets	166,528	94,170
Noncurrent Assets		
Capital assets not being depreciated		
Land	2,536,452	2,536,452
Capital assets net of accumulated depreciated		
Buildings & infrastructure	643,018	662,618
Improvements other than buildings	155,559	171,960
Machinery & equipment	79,599	115,754
Total capital assets net of accumulated depreciation	3,414,627	3,486,784
Total noncurrent assets	3,414,627	3,486,784
Total assets	3,581,155	3,580,954
LIABILITIES		
Current liabilities		
Accounts payable	27,988	9,068
Accrued wages & withholdings	68,783	14,960
Compensated absences	2,514	-
Due to other funds		
General fund	-	516
Employee medical internal service fund	-	43,936
Deferred revenue	17,229	17,229
Notes payable- current	164,829	167,158
Other current liabilities	-	6,976
Total current liabilities	281,343	259,843
Noncurrent liabilities		
Compensated absences	11,468	8,212
Notes payable	-	-
Total noncurrent liabilities	11,468	8,212
Total liabilities	292,811	268,055
NET ASSETS		
Invested in capital assets, net of related debt	3,249,798	3,319,626
Restricted	-	-
Unrestricted	38,546	(6,727)
Total net assets	$ 3,288,344	$ 3,312,899

Golf Complex Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Changes for sales & services	$ 885,609	$ 836,936
Total operating revenues	885,609	836,936
OPERATING EXPENSES		
Personal services & employee benefits	401,534	374,909
Purchased/contracted services	269,901	260,371
Supplies	157,187	238,315
Depreciation	72,825	72,826
Total operating expenses	901,447	946,421
Operating income (loss)	(15,838)	(109,485)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	1,240	954
Interest on long-term debt	(9,957)	(12,182)
Gain/loss on sale of capital assets	-	-
Total nonoperating revenues (expenses)	(8,717)	(11,228)
Income (loss) before contributions & transfers	(24,555)	(120,713)
Capital contributions		
Transfers in		
General fund	-	263,013
Transfers out	-	-
Net income (loss)	(24,555)	142,300
Net assets- beginning of year	3,312,899	3,477,845
Net assets- end of year	$ 3,288,344	$ 3,620,145

Golf Complex Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 874,637	$ 815,120
Payments to suppliers	(408,816)	(690,076)
Payments to employees	(368,256)	(306,423)
Payments for interfund services used	(31,950)	(63,898)
Net cash provided (used) by operating activities	65,615	(245,277)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
	-	263,013
Net cash provided (used) by noncapital financing	-	263,013
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
Acquisition & construction of capital assets	(139)	-
Principal paid on capital debt	(2,329)	(15,540)
Interest paid on capital debt	(9,957)	(12,182)
Proceeds from sale of capital assets	-	-
Net cash provided (used) by capital related financing activities	(12,425)	(27,722)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,240	955
Net cash provided (used) by investing activities	1,240	955
Net increase (decrease) in cash & cash equivalents	54,430	(9,031)
Cash & cash equivalents- beginning of year	34,449	43,480
Cash & cash equivalents- end of year	$ 88,879	$ 34,449
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ (15,838)	$ (109,485)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	72,825	72,825
(Increase) decrease in accounts receivable	(10,000)	(18,870)
(Increase) decrease in inventories	(2,827)	2,875
(Increase) decrease in prepaid items	-	(1,300)
(Increase) decrease in accounts payable	18,803	(25,562)
(Increase) decrease in accrued wages & withholdings	6,973	(3,624)
(Increase) decrease in due to other funds	(5,635)	(172,351)
(Increase) decrease in other current liabilities	1,314	10,215
Net cash provided (used) by operating activities	$ 65,615	$ (245,277)
NONCASH INVESTING CAPTIAL & FINANCING ACTIVITIES		
Contributions of capital assets from governmental funds	$ -	$ -

Internal Service Fund

Internal service funds are use to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County and to other government units, on a cost reimbursement basis

Employee Medical Insurance Fund- This fund is used to account for the costs of the County's medical benefit plan provided to other departments and agencies of the County.

Employee Medical Insurance Internal Service Fund
Schedule of Net Assets
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash & cash equivalents	$ 118,618	$ 114,115
Receivables, net of allowance for uncollectibles	-	-
Due from other funds		
General fund	2,330,972	783,089
E-911 special revenue fund	75,522	75,516
Building inspection special revenue fund	12,426	12,426
Solid waste enterprise fund	22,735	22,735
Utility authority	138,462	63,906
Golf complex enterprise fund	43,936	67,012
Prepaid items	30,178	30,178
Total current assets	2,772,849	1,168,977
Total assets	2,772,849	1,168,977
LIABILITIES		
Current liabilities		
Accounts payable	88,689	444,978
Due to other funds		
General fund	2,993,426	1,400,482
Utility authority	3,550	-
Total current liabilities	3,085,665	1,845,460
Total liabilities	3,085,665	1,845,460
NET ASSETS		
Invested in capital assets, net of related debt	-	-
Restricted	-	-
Unrestricted	(312,816)	(543,589)
Total net assets	$ (312,816)	$ (543,589)

Employee Medical Insurance Internal Service Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Changes for sales & services		
Internal changes	$ 2,805,331	$ 2,714,032
Employee premium withheld	-	-
Stop loss claims	-	-
Total operating revenues	2,805,331	2,714,032
OPERATING EXPENSES		
Personal services & employee benefits	2,261,943	2,437,610
Purchased/contracted services	183,228	412,066
Total operating expenses	2,445,171	2,849,676
Operating income (loss)	360,160	(135,644)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	3,507	2,750
Total nonoperating revenues (expenses)	3,507	2,750
Income (loss) before contributions & transfers	363,667	(132,894)
Transfers in		
General fund	-	-
Transfers out	-	-
Net income (loss)	363,667	(132,894)
Net assets- beginning of year	(676,483)	(543,589)
Net assets- end of year	$ (312,816)	$ (676,483)

Employee Medical Insurance Internal Service Fund
Schedule of Cash Flows
For the Year Ended June 30, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interfund services provided	$ 1,208,461	$ 1,732,724
Payments to suppliers	(1,204,965)	(1,725,130)
Net cash provided (used) by operating activities	3,496	7,594
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in		
General fund	-	-
Net cash provided (used) by noncapital financing	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
	-	-
Net cash provided (used) by capital related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,007	2,749
Net cash provided (used) by investing activities	1,007	2,749
Net increase (decrease) in cash & cash equivalents	4,503	10,343
Cash & cash equivalents- beginning of year	114,115	103,772
Cash & cash equivalents- end of year	$ 118,618	$ 114,115
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 360,160	$ (135,644)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
(Increase) decrease in accounts receivable	-	-
(Increase) decrease in other assets	-	(981,309)
(Increase) decrease in due from other funds	-	-
(Increase) decrease in prepaid items	-	-
(Increase) decrease in accounts payable	(356,664)	44,730
(Increase) decrease in due to other funds	-	1,079,817
Net cash provided (used) by operating activities	$ 3,496	$ 7,594
NONCASH INVESTING CAPTIAL & FINANCING ACTIVITIES		
Contributions of capital assets from governmental funds	$ -	$ -

Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Tax Commissioner Fund- This fund is used to account for the collection of property taxes, motor vehicle taxes and title fees which are disbursed to various taxing units.

Probate Court Fund- This fund is used to account for the collection of various fees to be disbursed to other parties.

Clerk of Superior Court Fund- This fund is used to account for the collection of various fees and other amounts which are disbursed to other parties.

Magistrate Court Fund- This fund is used to account for the collection of various warrants to be disbursed to other parties.

Sheriff Fund- This fund is used to account for the collection of various cash bonds, fees, etc. to be disbursed to other parties.

Fiduciary Funds
Combining Schedule of Fiduciary Net Assets
June 30, 2010

	Agency Funds					
	Tax Commissioner	Probate Court	Clerk of Superior Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash & Cash equivalents	$ 113,616	$ 33,914	$ 408,622	$ 47,819	$ 127,933	$ 731,904
Total assets	113,616	33,914	408,622	47,819	127,933	731,904
LIABILITIES						
Due to others	113,616	33,914	408,622	47,819	127,933	731,904
Total liabilities	$ 113,616	$ 33,914	$ 408,622	$ 47,819	$ 127,933	$ 731,904

SUPPLEMENTAL SCHEDULES

General Fund
Schedule of Revenues
For the Years Ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes		
Real property	$ 9,716,499	$ 9,642,320
Personal property	1,196,056	1,281,052
Real estate transfer (intangible)	312,270	268,820
Franchise	202,504	171,186
General sales & use		
Local option sales & use	2,473,369	2,505,244
Selective sales & use	205,211	163,455
Business	1,206,724	1,078,328
Penalties & interest on delinquent taxes	240,794	241,540
	15,553,427	15,351,945
Licenses & permits	210,185	22,940
	210,185	22,940
Intergovernmental	28,767	272,968
Charges for services		
General government	204,494	199,979
Public safety		
Detention & correction services	29,296	30,169
Ambulance fees	445,020	478,041
Other public safety fees	7,393	6,401
Street & public improvement	11,620	8,090
Public works	2,626,745	2,371,201
Culture & recreation	53,540	55,081
Other charges for services	(20,067)	(1,686)
	3,358,041	3,147,276
Fines & forfeitures		
Superior court	159,360	275,617
Magistrate court	264,694	229,457
Probate court	341,700	364,263
Sheriff	96,565	9,159
	862,319	878,496
Interest revenue	55,284	76,739
Contributions & donations	57,505	(1,062)
Miscellaneous	176,631	100,132
Total revenues	$ 20,302,159	$ 19,849,434

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2010 and 2009

	2010	2009
EXPENDITURES		
General Government		
Board of Commissioners		
Personal services & employee benefits	$ 71,882	$ 74,787
Purchased/contracted services	533,635	465,845
Supplies	129,177	114,112
Capital outlay	-	-
Other costs	93,220	288,174
	827,913	942,918
County Administrator		
Personal services & employee benefits	460,467	450,079
Purchased/contracted services	68,703	173,689
Supplies	6,979	5,103
Capital outlay	-	-
Other costs	5,753	4,312
	541,903	633,183
Election & Registration		
Personal services & employee benefits	107,120	117,817
Purchased/contracted services	28,363	72,524
Supplies	19,650	19,586
Capital outlay	-	2,995
Other costs	-	-
	155,133	212,922
Information Technology Services		
Personal services & employee benefits	129,386	126,460
Purchased/contracted services	30,820	40,183
Supplies	-	-
Capital outlay	9,990	10,167
Other costs	-	-
	170,196	176,810
Tax Commissioner		
Personal services & employee benefits	297,502	331,083
Purchased/contracted services	49,172	48,809
Supplies	5,194	3,538
Capital outlay	-	-
Other costs	-	-
	351,867	383,430
Tax Assessor		
Personal services & employee benefits	259,993	277,184
Purchased/contracted services	103,306	74,600
Supplies	6,071	7,077
Capital outlay	-	11,940
Other costs	-	-
	369,370	370,801

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2010 and 2009
(Continued)

	2010	2009
General building & plant maintenance		
Personal services & employee benefits	62,956	61,700
Purchased/contracted services	194,851	300,228
Supplies	28,721	31,537
Capital outlay	-	-
Other costs	52,814	(13,886)
	339,342	379,579
	2,755,724	3,099,643
Judical		
Clerk, Superior Court		
Personal services & employee benefits	293,022	274,378
Purchased/contracted services	115,971	134,767
Supplies	12,525	9,165
Capital outlay	-	-
Other costs	-	-
	421,518	418,310
Magistrate Court		
Personal services & employee benefits	341,543	339,330
Purchased/contracted services	63,510	63,661
Supplies	20,800	26,515
Capital outlay	753	14,533
Other costs	-	-
	426,606	444,039
Probate Court		
Personal services & employee benefits	191,041	193,238
Purchased/contracted services	8,785	7,661
Supplies	10,150	6,738
Capital outlay	1,354	4,680
Other costs	-	-
	211,330	212,317
Juvenille Court		
Personal services & employee benefits	-	-
Purchased/contracted services	39,522	53,843
Supplies	-	-
Capital outlay	-	-
Other costs	28,096	-
	67,618	53,843
District Attorney		
Personal services & employee benefits	-	-
Purchased/contracted services	54,447	54,447
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	54,447	54,447

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2010 and 2009
(Continued)

	2010	2009
Indigent care & defense		
Personal services & employee benefits	49,591	50,917
Purchased/contracted services	218,110	195,647
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	267,701	246,564
	1,449,220	1,429,520
Public Safety		
Sheriff's Department		
Personal services & employee benefits	2,413,428	2,252,100
Purchased/contracted services	162,581	122,001
Supplies	306,044	260,990
Capital outlay	20,356	15,456
Other costs	9,594	4,465
	2,912,003	2,655,012
Criminal Justice Center		
Personal services & employee benefits	1,191,951	1,160,390
Purchased/contracted services	411,502	463,110
Supplies	300,641	325,990
Capital outlay	5,036	1,298
Other costs	-	-
	1,909,130	1,950,788
Fire & Emergency Management		
Personal services & employee benefits	1,415,595	1,292,917
Purchased/contracted services	46,528	126,740
Supplies	94,657	90,668
Capital outlay	10,516	13,954
Other costs	-	-
	1,567,296	1,524,279
Emergency Medical Services		
Personal services & employee benefits	1,430,462	1,441,740
Purchased/contracted services	93,459	97,186
Supplies	70,411	74,565
Capital outlay	3,459	24,359
Other costs	-	-
	1,597,790	1,637,850
Coroner		
Personal services & employee benefits	6,129	15,704
Purchased/contracted services	13,656	15,037
Supplies	3,517	1,523
Capital outlay	-	-
Other costs	-	-
	23,301	32,264

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2010 and 2009
(Continued)

	2010	2009
Animal Control		
Personal services & employee benefits	100,467	83,799
Purchased/contracted services	13,024	11,576
Supplies	101,757	16,759
Capital outlay	8,995	6,315
Other costs	84,660	-
	308,903	118,449
	8,318,423	7,326,382
Public Works		
Highway & Streets		
Personal services & employee benefits	1,203,046	1,198,341
Purchased/contracted services	159,107	178,655
Supplies	376,942	336,105
Capital outlay	99,592	9,550
Other costs	-	-
	1,838,687	1,722,651
Utility Billing Department		
Personal services & employee benefits	113,141	171,081
Purchased/contracted services	2,110,905	2,002,763
Supplies	1,548	14,456
Capital outlay	-	-
Other costs	-	-
	2,225,594	2,188,300
	4,064,281	3,910,951
Health & Welfare		
Health Department		
Personal services & employee benefits	-	-
Purchased/contracted services	1,215	830
Supplies	22,065	19,521
Capital outlay	-	-
Other costs	284,495	284,495
	307,775	304,846

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2010 and 2009
(Continued)

	2010	2009
Mental Health		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	-	-
Capital outlay	-	-
Other costs	12,250	12,250
	12,250	12,250
DFACS		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	498	1,028
Capital outlay	-	-
Other costs	20,142	21,000
	20,640	22,028
	340,665	339,124
Culture & Recreation		
Recreation		
Personal services & employee benefits	211,776	208,969
Purchased/contracted services	123,260	164,989
Supplies	74,446	83,362
Capital outlay	-	5,780
Other costs	-	-
	409,482	463,100
Library		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	6,049	5,601
Capital outlay	-	-
Other costs	362,418	396,051
	368,467	401,652
	777,948	864,752
Housing & Development		
Forestry Commission		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	-	-
Capital outlay	-	-
Other costs	5,156	4,122
	5,156	4,122
Building Inspection		
Personal services & employee benefits	270,046	-
Purchased/contracted services	18,789	-
Supplies	13,296	-
Capital outlay	-	-
Other costs	-	-
	302,131	-

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2010 and 2009
(Continued)

	2010	2009
Planning & Engineering		
Personal services & employee benefits	264,312	245,128
Purchased/contracted services	87,564	81,526
Supplies	11,466	10,655
Capital outlay	-	-
Other costs	-	-
	363,342	337,309
Development Services		
Personal services & employee benefits	-	2,317
Purchased/contracted services	-	-
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	-	2,317
Economic Development		
Personal services & employee benefits	-	-
Purchased/contracted services	-	339
Supplies	(29)	-
Capital outlay	-	-
Other costs	-	-
	(29)	339
County Extension Services		
Personal services & employee benefits	60,599	59,719
Purchased/contracted services	4,684	4,546
Supplies	8,803	6,874
Capital outlay	-	1,419
Other costs	-	-
	74,087	72,558
	744,687	416,645
Debt Service	510,798	416,706
Total Expenditures	$ 18,961,746	$ 18,395,983

Schedule of Hotel/Motel Taxes Expended
For the Year Ended June 30, 2010

Total Expenditures		
Tourism, promotions, conventions, trade shows and facility support	$	3,841
Taxes Collected		
Tax collections @3%		1,647
Tax collections greater than 3%		2,194
		3,841
Percentage of current year taxes expended		100%

Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2010

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion
Sales Tax Referendum (Phase III)					
(A) Roads (various)	$ 3,100,000	$ 3,739,384	$ -	$ 3,739,384	121%
(B) Public safety capital outlay	700,000	579,057	-	579,057	83%
(C) Jail	1,000,000	633,500	-	633,500	63%
(D) Recreation	700,000	91,874	-	91,874	13%
(E) City of Leesburg	250,000	181,233	-	181,233	72%
(F) City of Smithville	250,000	208,269	-	208,269	83%
	$ 6,000,000	$ 5,433,317	$ -	$ 5,433,317	
Sales Tax Referendum (Phase IV)					
(A) Road, street & bridge construction- unincorporated areas	$ 5,534,500	$ 4,086,032	$ 683,629	$ 4,769,661	86%
(B) Smithville fire/ems station & equipment	600,000	35,988	235,702	271,690	45%
(C) Leesburg fire/ems station & equipment & related general obligation debt	650,000	574,793	-	574,793	88%
(D) Redbone fire/ems station & equipment & related general obligation debt	650,000	574,793	-	574,793	88%
(E) Palmyra fire/ems station & equipment	300,000	25,836	253,337	279,173	93%
(F) General obligation for Lee County criminal justice center	2,500,000	2,911,772	-	2,911,772	116%
(G) Lee County courthouse renovation	500,000	54,505	173,188	227,693	46%
(H) Lee County Elementary school renovation & library renovation of Redbone fire station	1,700,000	1,781,805	893	1,782,698	105%
(I) Recreation facilities construction	1,000,000	1,172,205	-	1,172,205	117%
(J) General obligation debt for wastewater treatment plant	2,065,500	856,000	-	856,000	41%
(K) Industrial park	1,000,000	1,016,369	-	1,016,369	102%
(L) Road, street & bridge construction- Leesburg	50,000	-	38,200	38,200	76%
(M) Water & sewer treatment facilities- Leesburg	700,000	-	475,107	475,107	68%
(N) Road, street & bridge construction- Smithville	200,000	55,943	-	55,943	28%
(O) Water & sewer treatment facilities- Smithville	300,000	152,377	120,480	272,857	91%
(P) Historic facilities renovation- Smithville	200,000	82,040	69,930	151,970	76%
(Q) Public safety facilities- Smithville	50,000	20,093	-	20,093	40%
	$ 18,000,000	$ 13,400,551	$ 2,050,466	$ 15,451,017	
Sales Tax Referendum (Phase V)					
(1) Retirement of previously incurred debt	$ 3,195,973	$ -	$ -	$ -	0%
(2) Sheriff's department vehicles	624,500	335,484	6,380	341,864	55%
(3) Five (5) replacement ambulances for Emergency Medical Services	625,000	368,547	-	368,547	59%
(4) City of Leesburg	5,000,000	5,000,000	-	5,000,000	100%
(5) City of Smithville- road, street, bridges & water & sewer facilities	900,000	-	36,540	36,540	4%
(6) Park Street recreation complex and capital outlay for recreation	300,000	9,055	-	9,055	3%
(7) Courthouse square and Old Smithville Road	2,000,000	8,111	-	8,111	0%
(8) Road, street and bridge construction and improvments in unincorporated areas of Lee County	6,559,527	646,340	98,554	744,894	11%
(9) Renovation of old high school	1,500,000	1,310,436	9,936	1,320,372	88%
(10) Two (2) fire brush trucks for fire department	100,000	99,982	-	99,982	100%
(11) Upgrade and expansion of Kinchafoonee wastewater treament plant	8,000,000	2,585,746	-	2,585,746	32%
(12) Ambulance for the Smithville fire/ems station	125,000	-	-	-	0%
(13) Extension of water lines and systems	1,300,000	1,248,299	-	1,248,299	96%
(14) Stormwater improvments	1,000,000	147,707	52,604	200,311	20%
(15) Palmyra fire/ems station	650,000	-	-	-	0%
(16) Renovation and expansion of public works building	270,000	4,757	-	4,757	2%
(17) Construction of a new headquarters library	2,000,000	8,325	611,992	620,317	31%
(18) Fire tower, burn building and driver training course	500,000	-	40,238	40,238	8%
	$ 34,650,000	$ 11,772,789	$ 856,244	$ 12,629,033	

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners
Lee County Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund, and the aggregate remaining fund information of Lee County, Georgia as of and for the year ended June 30, 2010, which collectively comprise the Lee County, Georgia's basic financial statements and have issued our report thereon dated December 5, 2010. We conducted our audit in accordance with generally accepted auditing standards of 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. Other auditors audited the financial statements of the Lee County Board of Health as described in our report on Lee County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lee County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affect the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Lee County's financial statements that is more than inconsequential will not be prevented or detected by Lee County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting, item 09-01.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Lee County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lee County, Georgia, basic financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contract and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Geer & Associates

Geer & Associates
December 5, 2010

2009-1

Condition: The County has not established a defined process for financial reporting that ensures the trial balances used in the financial statement preparation process are final and contain all necessary journal entries. Supporting analyses, necessary for financial statement preparation, were not prepared and documented in accordance with relevant accounting principles.

Recommendation: The County should establish and document a process for financial reporting that addresses key attributes including overall timing, methodology, format and frequency of analyses and regularly review the approved process to ensure trial balance used for financial statement preparation contain all journal entries. The journal entries and analyses should be prepared to support relevant account principles, disclosures, and amounts.

Response: The County intends to establish and document a well-defined process for financial reporting and financial statement preparation.